BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program.	))))	Rulemaking 11-05-005 (Filed May 5, 2011)

SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E)
2012 RENEWABLES PORTFOLIO STANDARD
PROCUREMENT PLAN COMPLIANCE FILING

(PUBLIC VERSION)

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November 29, 2012

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (the "Commission") and the *Decision Conditionally Accepting 2012 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Off-Year Supplement* ("2012 Plan Decision") issued on November 14, 2012, San Diego Gas & Electric Company ("SDG&E") hereby submits its final 2012 Renewable Portfolio Standard ("RPS") procurement plan ("RPS Plan") and related documents.

SDG&E's final 2012 RPS Plan is attached hereto as Attachment 1. In addition, the following documents are attached as Appendices to the RPS Plan:

- Appendix A – 2012 RPS Solicitation (RFO Document)
- Appendix B1 – 2012 RFO Participation Summary
- Appendix B2 – 2012 RFO Project Description Form
- Appendix B3 – 2012 RFO Bundled Pricing Form
- Appendix B4 – 2012 RFO REC Pricing Form
- Appendix B5 – 2012 RFO Model PPA
- Appendix B6 – 2012 RFO REC Agreement

- Appendix B7 – 2012 RFO Credit Application[1/]
- Appendix C – Evaluation Methodology (LCBF Process)
- Appendix D – Important Plan Changes from 2011 RPS Plan to 2012 RPS Plan
- Appendix E – Redline Plan Document (showing changes from August, 2012 amended draft 2012 RPS Plan to final, compliance version of 2012 RPS Plan)

Respectfully submitted this 29th day of November, 2012.

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[1/] Appendix B8 (2012 RFO Consent Form) to the draft RPS Plan has been deleted.

SAN DIEGO GAS & ELECTRIC COMPANY

ATTACHMENT 1
2012 RPS PROCUREMENT PLAN

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SDG&E 2012 RPS PROCUREMENT PLAN

I. ASSESSMENT OF RPS PORTFOLIO SUPPLIES AND DEMAND - § 399.13(A)(5)(A)

A. Overview

SDG&E's 2012 RPS Procurement Plan ("RPS Plan") describes how SDG&E will determine its procurement needs and how it will manage its RPS portfolio to ensure that it meets RPS compliance targets in a cost effective manner. The RPS Plan is designed to procure Least Cost Best Fit ("LCBF") renewable eligible resources so that SDG&E can serve its customers achieving the following levels of deliveries by Compliance Period ("CP"): (a) with an average of 20% of retail sales between January 1, 2011 and December 31, 2013, inclusive[1] ("CP1") (b) with 25% of retail sales by December 31, 2016, with reasonable progress made in 2014 and 2015[2] ("CP2"); (c) with 33% of retail sales by December 31, 2020, with reasonable progress made in 2017, 2018 and 2019[3] ("CP3"); and (d) with 33% of retail sales in each year beyond 2020[4] ("Post 2020 CP"). In order to determine how much energy to procure to meet these needs, SDG&E will follow the Need Determination Methodology described below. SDG&E will implement a work plan to fulfill its need, including soliciting additional multi-product and multi-term contracts through RPS solicitations, considering bilateral proposals, utilizing banked procurement, selling surplus generation when appropriate, and pursuing utility investment opportunities and/or utility ownership when economical and prudent.

B. Need Determination Methodology

SDG&E makes procurement decisions based on how its risk-adjusted RPS position forecast (referred to herein as its "RPS position") compares to RPS compliance requirements, the result of which is its probability-weighted procurement need or Renewable Net Short ("RNS"). In order to calculate its RPS Position, SDG&E assigns a probability of success, following a qualitative and quantitative assessment, to the expected deliveries for each project in its

[1] Compliance towards Compliance Period 1 goals shall be measured in accordance with D.11-12-020, Ordering Paragraph ("OP") 1.
[2] Compliance towards Compliance Period 2 goals shall be measured in accordance with D.11-12-020, OP 2.
[3] Compliance towards Compliance Period 3 goals shall be measured in accordance with D.11-12-020, OP 3.
[4] Compliance towards Post 2020 Compliance Period goals shall be measured in accordance with D.11-12-020, OP 4.

portfolio[5] and then adds the risk-adjusted expected deliveries across all projects in its entire RPS portfolio. Probabilities are used because renewable projects and their deliveries are exposed to multiple risks and the flexible compliance mechanisms that allowed for borrowing from future procurement have been eliminated by recent legislation.[6] These risks include approval risks (for example, Commission approval and the timing of it), development risks (for example, permitting, financing, or transmission inter-connection), delivery risks (for example, generation fluctuations given the variant-intermittent nature of some renewable resources, or operational challenges), or other risks (for example, under-development transmission infrastructure common to a group of projects).

In general, if SDG&E's RPS Position is less than the RPS requirements, SDG&E will likely procure additional resources. If the RPS Position is greater than the RPS requirements, SDG&E will consider opportunities to bank or sell surplus generation. In addition, in order to optimize the relative value of renewable energy across compliance periods, SDG&E also considers short-term contracts when, for example, it is short[7] in the most immediate CP but long in the subsequent CP. SDG&E will also consider procurement strategies that will maximize the product category limitations in order to optimize ratepayer value across compliance periods. SDG&E strives to have a well-diversified RPS portfolio so that its RPS compliance, particularly in the most immediate compliance period, is not unduly exposed to any given risk (for example, to a given technology, region, counterparty, etc.). SDG&E's RPS portfolio management strategy involves identifying needs and risks and managing them as well as possible in a cost effective way.

The following sections explain SDG&E's methodology for determining its RNS. First, the process to compute the RPS Position is explained. Then, needs by compliance periods are inferred by comparing RPS requirements to the RPS Positions.

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[5] For purposes of determining its RPS Position, SDG&E considers its portfolio to include all executed contracts until contract expiration (*e.g.* it does not assume expiring contracts will be renewed and excludes contracts under-negotiation unless indicated otherwise) and investment and UOG projects where relevant progress has been made.
[6] Senate Bill (SB) 2 (1X)
[7] Throughout this document, the word "short" is used when the RPS Position is lower than the relevant RPS requirements and "long" when the RPS Position is higher than relevant RPS requirements.

1. The Assessment of Probability of Success for Various Project Types as a Key Component of Calculating RNS

SDG&E must assess the probability of success of the following main types of projects: (a) delivering; (b) approved but not yet delivering; and (c) not yet approved.[8] SDG&E evaluates the probability of success for each project in its portfolio on a monthly basis in order to calculate its RNS, which is the basis for its procurement needs. To do this, SDG&E conducts a monthly review with an interdisciplinary team and uses the most up-to-date qualitative and quantitative information to assign a probability of success to each individual project. SDG&E's most up-to-date assessment is set forth in Section V below. SDG&E applies the following methodology to analyze each project type:

a. *Assessment of the Performance of Delivering Projects*

Projects that have already achieved commercial operation and begun delivering energy provide the most stable source of RPS energy when forecasting RPS procurement needs. These projects have overcome development hurdles and receive a steady stream of income from their Power Purchase Agreement ("PPA"). However, it is crucial to consider the potential fluctuations in deliveries that these projects can experience and the impact that such fluctuations could have on SDG&E's need to procure additional resources to meet RPS goals. As discussed further in Section IV below, deliveries from these projects can be impacted by resource availability, regulatory changes, economic environment, operational performance, and evolving technologies. These types of fluctuations can be significant. For example, deliveries from a selection of SDG&E's wind portfolio differed by approximately 275 GWhs between 2010 and 2011, which equates to nearly 2% of SDG&E's 2010 retail sales. In order to ensure RPS compliance, SDG&E must account for these types of fluctuations (and recognize the swings in production could be positive). The monitoring of performance of delivering contracts and the assessment of probabilities focuses on (a) understanding the historical profile of generation of each project and how it has differed year on year and relative to forecasts, and (b) the operational track record of any given generation. If the fluctuations in generation have been high and/or the operational track record has been poor, SDG&E assigns a lower than 100% probability, which typically

[8] See the Renewable Net Short Calculation in Section V below.

ranges from 90-95% across the portfolio. Adjusting forecasts when necessary is a crucial component of SDG&E's need assessment methodology.

b. Assessment of the Development Progress of CPUC Approved Projects That Have Not Yet Begun Delivering

Another important aspect of SDG&E's need assessment methodology is evaluating the development status of projects that the CPUC has approved, but have not begun delivering energy. These projects are typically much more risky than projects that have begun delivering because of the potential barriers that can arise during the development process to prevent a project from being built. Permitting, interconnection, financing and other development issues are discussed further in Section III below. SDG&E currently estimates that projects in development will have approximately a 70% success rate on average,[9] making the monitoring of development status the most critical aspect of SDG&E's need assessment methodology. SDG&E must account for development risks when determining its procurement needs. As with delivering contracts, SDG&E meets internally on a monthly basis to assign a probability of success to each of its developing projects. SDG&E's current assessment is provided in the Renewable Net Short Calculation in Section V below.

c. Assessment of the Approval Queue for Projects that SDG&E Has Submitted to the CPUC, But Have Not Yet Been Approved

SDG&E meets at least monthly with Energy Division staff to discuss the likely approval timetable of projects that SDG&E has submitted to the CPUC for approval. The discussion focuses on when the Energy Division expects the Commission to act on such contracts and any potential timing constraints that might necessitate expedited Commission action or additional information needed. Since the Commission has indicated that it can take action on only one contract per business meeting,[10] SDG&E works collaboratively with the Commission to develop a work plan that results in timely approval. It is possible, however, that the shortage of Energy Division staff or other procedural challenges can result in approval delays that can impact a

[9] See section 6.5 for a list of SDG&E's risk assessment for each individual project.
[10] E-mail from Julie Fitch, former Energy Division Director, dated December 18, 2009.

project's ability to come online. SDG&E must monitor this process closely to determine what, if any, impact it may have on the timing of expected deliveries.

2. Assess Other Portfolio Risk Factors

Once SDG&E has determined the probability of success for each of the contracts in its portfolio, SDG&E must also consider broader risk factors that can impact multiple projects or its entire portfolio, including: (a) fluctuations in retail sales; (b) the progress of key transmission upgrades/infrastructure; (c) contract termination (d) banking rules; (e) potential deficit from the prior RPS regime; and (f) the market for resale of surplus procurement. SDG&E evaluates the impact that each of these factors has on its portfolio on a monthly basis. SDG&E describes its methodology for analyzing these risk factors below.

a. Impact of Retail Sales Fluctuations

Since RPS compliance is based on a GWh target that is calculated using a percentage of retail sales, it is important to monitor fluctuations in forecasted retail sales. Up until July of 2012, SDG&E used a retail sales forecast based on the California Energy Demand 2010-2020 Staff Revised Forecast Second Edition[11]. At present, in accordance with the Commission's guidance,[12] SDG&E uses a forecast based upon the methodology determined in the 2010 LTPP bundled plans. The Commission explains that the 2010 LTPP decision[13] allows utilities to "use their own forecasts for bundled retail sales for the first five years and use the LTPP standardized planning assumptions thereafter[14]". Since SDG&E's current retail sales forecast is lower than the forecast used in its initial 2012 RPS Plan filing[15], SDG&E's current RNS is also lower. SDG&E

[11] Kavalec, Chris and Tom Gorin, 2009. California Energy Demand 2010-2020, Staff Revised Forecast – Second Edition. California Energy Commission. CEC-200-2009-012-SF-REV. SDG&E adjusted the actual RPS forecast in April 2010 to align the RPS forecast with a rate case forecast, resulting in forecast loads approximately 1% lower than the bundled retail sales presented for SDG&E in the original CEC forecast. This adjustment had an immaterial impact to SDG&E's RPS need assessment.
[12] Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extended the Date for Filing Updates to 2012 Procurement Plans dated August 2, 2012.
[13] D. 12-01-033 (Decision Approving Modified Bundled Procurement Plans dated January 12, 2012).
[14] Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extended the Date for Filing Updates to 2012 Procurement Plans dated August 2, 2012.
[15] San Diego Gas & Electric Company (U 902 E) 2012 Draft Renewable Procurement Plan, dated May 23, 2012.

monitors its retail sales forecasts on a monthly basis in order to identify potential fluctuations and their impact to its RPS requirements.

b. Impact of Solar Panel Degradation

Contracts with solar PV developers incorporate a degradation factor which is used to forecast the project's performance over time as the panels age and become less efficient. As part of its RPS position calculation (both nominally[16] and probability weighted), SDG&E incorporates this contractual degradation factor in its probability weighted delivery. However, actual degradation can be higher or lower than the contractual degradation assumed. Over the next two years, as most of the larger solar PPAs come online, SDG&E will add the monitoring of this variable as part of its RPS portfolio management practices.

c. Impact of Key Transmission Upgrades and/or Infrastructure

Transmission has long been recognized as a barrier to achieving RPS goals. SDG&E monitors the status of key transmission upgrades, such as the Eco and DREW Substations, on which multiple SDG&E RPS projects depend, in order to assess the potential impact of their delay or failure. Absent the deliveries that rely on these key upgrades, SDG&E's need would increase materially, as shown in Table 1 in Section V below. The analysis presented by SDG&E herein assumes that these transmission upgrades will be completed according to the current schedule. SDG&E continues, however, to monitor the progress of these transmission upgrades in order to assess potential delays and the corresponding potential need for incremental purchases.

d. Impact of Contract Renewal

SDG&E began signing RPS contracts in 2003, most of which had terms of 20 years. Some of these contracts are expected to deliver through 2023, and will impact SDG&E's procurement needs for the post 2020 Compliance Period. Some contracts for renewable energy procurement, however, were signed before the institution of the RPS program. Some of these contracts are scheduled to terminate during Compliance Period 2 and Compliance Period 3. As part of its RPS

[16] Nominal RPS position refers to a position estimated assuming that deliveries from contracts will occur as expected 100% of the time.

position calculation, and in accordance with Commission direction[17], SDG&E does not assume that these projects will be renewed. Owners of these projects will be asked to bid such projects into future RFOs to compete with other options that SDG&E has at that time. SDG&E believes that ratepayers will benefit from this additional supply being submitted into competitive solicitations.

e. Impact of Contract Termination

As part of its contract administration process, SDG&E actively monitors upcoming contractual conditions precedent that developers must meet (or waive) in order for the contract to continue to be viable. When SDG&E is the beneficiary of a condition precedent that may not be or has not been met, SDG&E will consider terminating the contract.

f. Impact of Banking Rules

RPS rules allow SDG&E to bank excess procurement from one compliance period for use in another, with exceptions for short term contracts and products that meet requirements for § 399.16(b)(3) products ("Category 3").[18] In accordance with Commission direction[19], SDG&E assumes for purposes of calculating its RNS that eligible excess procurement[20] will be utilized in future compliance periods[21].

g. Impact of the Deficit From 2010 RPS Program

Based on the Commission's recent decision on RPS compliance rules,[22] SDG&E must carry forward a deficit from the former RPS regime, which required that retail sellers achieve 20% by

[17] Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extended the Date for Filing Updates to 2012 Procurement Plans dated August 2, 2012
[18] Public Utilities Code § 399.13(a)(4)(B). All statutory references herein are to the Public Utilities Code unless otherwise noted.
[19] Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extended the Date for Filing Updates to 2012 Procurement Plans dated August 2, 2012
[20] Rules regarding excess procurement are set forth in D.12-06-038 (Decision Setting Compliance Rules for the Renewables Portfolio Standard Program dated June 27, 2012).
[21] Note that SDG&E may manage excess procurement by selling such products when doing so would benefit ratepayers, or by utilizing a retired REC for RPS compliance in future compliance periods.
[22] *Decision Setting Compliance Rules for the Renewable Portfolio Standard Program*, *supra*, note 20.

2010. Although SDG&E met these goals based on prior flexible compliance rules,[23] the decision indicates that SDG&E must carry forward a deficit into CP1. SDG&E has incorporated this deficit in its need assessment for CP1 based on the methodology provided by the decision. SDG&E's calculation of this deficit is provided at Table 2 in Section V below.

h. Impact of the Resale Market

SDG&E will closely monitor opportunities to sell excess procurement. SDG&E will assess the market when the opportunities arise to determine whether banking such excess procurement for use in a future compliance period or trying to sell it in the market is more advantageous for SDG&E ratepayers. If SDG&E believes that the current market price is high and expects that it will be able to fulfill any future needs with more economic options, it may choose to sell excess procurement instead of banking[24] it.

i. Impact of Rim Rock Settlement

In July of 2011, the Commission approved a settlement agreement between SDG&E, NaturEner Rim Rock Wind Energy, LLC, the Division of Ratepayer Advocates ("DRA") and The Utility Reform Network ("TURN") (together, the "Settling Parties") to make a tax equity investment in the Rim Rock wind project located in Montana.[25] As part of the settlement agreement, SDG&E – subject to Rim Rock becoming operational and SDG&E making a tax equity investment in the project – agreed not to procure any incremental RECs from projects that are neither directly connected nor dynamically scheduled to a California-based Balancing Area Authority ("CBA") if such purchase would cause SDG&E to meet more than 25% of its RPS requirements with such RECs through December 31, 2017. Since SDG&E has already procured this type of out-of-state generation up to the 25% limit established by the settlement, SDG&E is currently precluded from purchasing RECs from out-of-state projects that are not dynamically scheduled to a CBA, through the end of 2017. If Rim Rock does not become commercially operational or SDG&E

[23] SDG&E's August 2011 RPS Compliance Filing dated August 1, 2011.
[24] Note that banking a REC may either mean that the REC is held in SDG&E's active WREGIS sub-account to be used later in its 36 month active lifespan, or it can mean that the REC is retired before its 36 month active lifespan ends and is then held in SDG&E's retirement account for use in future compliance periods.
[25] *See* D.11-07-002.

does not make its tax equity investment in Rim Rock, this restriction will be removed and SDG&E will consider additional REC purchases in the period between 2012 and 2017.

3. Determine RNS for Each Compliance Period

After probabilities are assigned to each project, SDG&E's RNS is calculated by multiplying the forward contractual delivery profiles (including degradation) of each project by each project's probability and then adding those generation profiles across the portfolio.[26] The discussion below describes SDG&E's current forecasted RNS for each compliance period based on its assessment as of November, 2012. More detail on SDG&E's needs in each compliance period is provided in Section V below.

a. Compliance Period 1 Procurement Needs

SDG&E intends to meet CP1 goals by maintaining a 20% on average procurement level in 2011, 2012, and 2013. Based on deliveries from SDG&E's current portfolio of executed contracts, before and after applying any risk adjustment, SDG&E would be able to meet CP1 requirements without additional procurement. SDG&E intends to try to sell excess RPS products from the mid-to-late 2013 period both bilaterally and potentially through a competitive solicitation (Request for Proposals ("RFP")) in Q1 2013.

b. Compliance Period 2 Procurement Needs

Based on current projections, SDG&E expects that it will meet Compliance Period 2 RPS goals with generation from contracts that have been executed together with the deliveries of investment and UOG initiatives where relevant progress has been made.[27] SDG&E intends to manage potential over-procurement by banking it for future compliance needs, terminating contracts where conditions precedent are not met, and/or selling such excess procurement.

c. Compliance Period 3 Procurement Needs

[26] As explained above, SDG&E's practice is to exclude contracts under-negotiation and to not assume renewal for an expiring contract.
[27] Includes Shu'luuk Wind and the Solar Energy Program.

Based on SDG&E's current probability weighted RPS position forecast, the company may need to conduct new renewable eligible purchases for mid to late CP3 (from either new greenfield projects, renewal upon expiration of existing contracts, or other available existing facilities) to meet its CP3 RPS requirement, 33% by 2020. The level of new purchases will be a function of portfolio performance and subject to the level of banking, if any, related to potential excess procurement in CP2 into CP3. SDG&E intends to fill this remaining need with viable low-cost opportunities from solicitations in 2012, 2013 and 2014, as applicable, and with potential investments.

4. Utility Investment and Utility Ownership Opportunities

SDG&E participation as a tax equity investor in renewable projects enhances project viability (through securing of financing) and decreases costs for ratepayers (given SDG&E's cost of capital relative to renewable financing market). Tax equity investments by utilities and other non-traditional investors are particularly important in the future in light of the phase out of the Cash Grant.[28] Without the Cash Grant, developers without a sizable balance sheet rely on tax equity investors to monetize renewable incentives such as the Investment Tax Credit.

SDG&E's experience with tax equity investment has been favorable. The Rim Rock project (discussed above) was approved by the CPUC and the Federal Energy Regulatory Commission ("FERC") and has an expected online date in Q4 2012.[29] SDG&E's Shu'luuk project is currently under consideration for a preferred online date in late CP2, subject to the Federal Production Tax Credit ("PTC") extension. SDG&E intends to submit this project for Commission approval when and if there is certainty of PTC extension. Anticipated deliveries from these projects have been incorporated into SDG&E's forecasted RPS procurement need based on the probability of success that SDG&E assigned to them according to the process described above. SDG&E is also considering additional investment opportunities in two to three projects where: (a) its involvement might enhance viability of a project with an existing contract; and/or (b) where a

[28] The American Recovery and Reinvestment Act of 2009 (H.R. 1), enacted in February 2009, created a renewable energy grant program that is administered by the U.S. Department of Treasury. This cash grant may be taken in lieu of the federal business energy investment tax credit ("ITC").
[29] D.11-07-002.

promising cost competitive project may have a positive socioeconomic impact, potentially involving a Diverse Business Enterprise.

SDG&E also continues to make progress on its Solar Energy Project,[30] pursuant to which SDG&E will build 26 MWs of utility-owned solar photovoltaic projects. SDG&E held a request for proposals in the fall of 2011 and has executed contracts for a total of 17 MW with shortlisted contractors. SDG&E expects construction on these projects to begin in 2014. Anticipated deliveries from these projects have been incorporated into SDG&E's RPS procurement need forecast. SDG&E anticipates soliciting the remainder of the 26 MW in 2013.

II. POTENTIAL COMPLIANCE DELAYS- § 399.13(A)(5)(B)

The market for renewable energy is dynamic; multiple factors can impact project development and SDG&E's attainment of its RPS goals. The following discussion covers the major issues affecting both renewable project developers and SDG&E. It begins with the transmission, permitting, and financing hurdles faced during project development, and continues through the challenges experienced as a project matures – viability, debt equivalence, accounting issues, and regulatory uncertainty.

A. Transmission & Permitting

1. Interconnection Facility Delays

The timely approval, permitting, and completion of interconnection facilities are crucial to the successful development of SDG&E's renewable portfolio. Currently, the key transmission facilities that impact SDG&E's portfolio are: the ECO sub-station and the DREW switchyard. Unsuccessful development of these facilities will materially impact SDG&E's renewable portfolio.

Existing transmission constraints between the Imperial Valley and the San Diego load center have been largely resolved with the construction of the Sunrise Powerlink. However, the

[30] Approved by D.08-07-017.

addition of the Sunrise Powerlink and the signing of multiple PPAs in the Imperial Valley region do not, by themselves, guarantee the successful construction and interconnection of renewable generation facilities. SDG&E and developers are now focused on building the interconnection and network facilities necessary to interconnect and deliver this renewable energy to the transmission system, and they are facing significant permitting challenges. An example of these interconnection facilities is the proposed 230 kV "DREW" switchyard in Imperial Valley that will act as a collector switchyard for multiple renewable projects to connect to the transmission system with one line, reducing environmental impacts. However, as with any new construction of transmission infrastructure, there are environmental, permitting issues, and other challenges (mainly uncooperative land owners, and/or opposition from nearby residents) that can impede timely progress. Permitting has proven particularly difficult where land owners or permitting authorities have their own commercial interests that may compete with those of the renewable developers. Additionally, regulatory approvals are still pending causing uncertainty developers whose projects rely on this upgrade.

2. Interconnection Study Process

The California Independent System Operator's ("CAISO") process for determining required upgrades for renewable projects can cause significant delay and expense. SDG&E protects ratepayers by establishing transmission upgrade cost limits and including conditions precedent in the PPA whereby if the upgrade costs are higher than the thresholds established in the PPA, the contract can be terminated. In the past, developers have had to wait years for study results and in some cases have been faced with extremely high upgrade costs that make their projects unviable. Recent changes in the CAISO's approach for identifying network upgrades that provide interconnecting renewable generators with fully deliverable status appear to be reducing transmission funding hurdles for new generators. However, the process is still under development and SDG&E expects that this area will continue to be potential challenge.

3. Bureau of Land Management ("BLM") Delays

Uncertainty surrounding the availability and timely issuance of Right-of-Way Grants from the

BLM creates development risks for project development. The BLM process established to secure land rights has proven to be time-consuming – creating uncertainty, scheduling challenges and corresponding problems with project elements such as financing, permitting, engineering, procurement and construction ("EPC") contracts and supplier contracts.

B. Project Finance, Tax Equity Financing, and Government Incentives

Financing is key for the successful development of renewable projects. Two areas of financing are of primary importance: (i) project financing relied upon to construct the project; and (ii) tax equity financing relied upon to monetize tax benefits such as the Production or Investment Tax Credits. Project Financing has traditionally been provided by financial institutions and costs and availability is a function of the overall health of the financial system. Tax equity financing has also traditionally been provided by banks or large corporations. In order to successfully finance, renewable projects generally need to: (i) complete permitting, (ii) have a long-term fixed price PPA from a credit-worthy offtaker, and (iii) have a bankable (or proven) technology. With the phase out of the Cash Grant and current turmoil in financial markets, non-traditional investors are key to the success of the renewable energy industry. Non-traditional investors include a wider institutional investor reached by projects issuing a security, or utilities and other corporations with tax appetite as tax equity investors.

The extension of the PTCs expiring in 2012 and the Federal Investment Tax Credits ("ITCs") expiring in 2016 will be critical to the sustained success of renewable energy in the United States. The PTCs and ITCs currently represent about 33% of the economic value of renewable projects and without them, the relative competitiveness of renewable energy relative to fossil fuels, will be severely impacted.

C. Solar Panel Risk and Project Viability

SDG&E may be subject to industry and technology risks when selecting solar power projects to meet its RPS goals. For example, the industry is undergoing significant consolidation and attrition of market participants. Numerous manufacturers are experiencing severe financial

difficulties or have gone bankrupt in response to intense competition and the significant declines in market prices. The risk to SDG&E is that the viability of some low-cost projects may depend on specific manufacturers that might go out of business, forcing the developer to seek other sources. Or, more significantly, the price of panels may increase before the purchase is final and greatly reduce the viability of the project. More industry shakeout is anticipated but prices are expected to stabilize, or increase, once the excess supply is absorbed by the market.

SDG&E also faces technology risks. The company tries to manage technology risks through diversification. For example, photovoltaic panel materials and manufacturing processes vary significantly. There are proven technologies with long operational and performance histories, but there are also newer technologies that have not yet been proven over the typical 20 year contract term. Final technology choices are made by project developers. The risk to the company is that a solar facility may fail to perform as intended due to panel failure or degradation, causing it to fall short of the minimum power delivery requirements. In this case the developer is subject to penalties but, if the failure is too great, the developer may abandon the project. Filing claims under solar panel warranties might be complicated further if the manufacturer is located overseas or is out of business. Such a catastrophic project failure with limited ability to cure through warranty claims could leave a significant short term deficit in the annual RPS goals.

D. Debt Equivalence & Accounting

Two other issues may challenge SDG&E's ability to achieve its RPS goals. The first involves debt equivalence. As SDG&E executes an increasing number of PPAs, the cumulative debt equivalence of all these agreements may greatly affect SDG&E's credit profile and, consequently, its financial standing. Rating agencies include long-term fixed financial obligations, such as power purchase agreements, in their credit risk analysis. These obligations are treated as additional debt during their financial ratio assessment. S&P views the following three ratios, Funds From Operations ("FFO") to Debt, FFO to Interest Expense, and Debt to Capitalization, as the critical components of a utility's credit profile. Debt equivalence negatively impacts all three ratios. Unless mitigated, a PPA would negatively impact SDG&E's

credit profile by degrading credit ratios.

The second issue relates to Accounting Standards Codification (ASC) 810 Consolidation, which includes the subject of Consolidation of Variable Interest Entities previously referred to as "FIN 46(R)". Application of ASC 810 as it pertains to Consolidation of Variable Interest Entities (VIEs) could also impact SDG&E's ability to sign new contracts. As part of SDG&E's overall internal review and approval process for new PPAs, SDG&E conducts a review of whether each such PPA will be subject to consolidation under ASC 810. Under ASC 810, no renewable PPA has been deemed subject to such consolidation, however, ASC 810 requires SDG&E to perform an evergreen assessment for those contracts which are considered VIEs. For this reason, SDG&E believes that it is required to assess quarterly each contract or category of contracts to ensure continued compliance with ASC 810, to determine whether or not SDG&E must consolidate a Seller's financial information with SDG&E's own quarterly financial reports to the Securities and Exchange Commission. In particular, wind, solar, geothermal and bio-gas renewable Sellers could be impacted.

Application of ASC 810 could challenge SDG&E's ability to achieve its RPS goals, and add further costs, and risk to execution of new renewable contracts. If SDG&E determines that consolidation is required, a Seller must open its books to SDG&E and submit financial information, on a quarterly and monthly basis, as specified in SDG&E's contract language for the duration of any agreement.

All PPAs are affected by either debt equivalence or ASC 810 requirements. The Commission is well aware of the negative impact of debt equivalence on SDG&E's credit profile. AB 57 requires that the Commission adopt procurement plans that, among other objectives, enhance the creditworthiness of the utility. ASC 810 will affect SDG&E's reported financial data and may have a negative impact on SDG&E's balance sheet and/or credit profile. ASC 810 could impact SDG&E's capital structure on a consolidated basis and cause it to be misaligned with its authorized capital structure.

In order to rebalance to SDG&E's authorized capital structure, SDG&E would be required to

infuse additional equity to offset the additional debt. Given that SDG&E will be executing contracts for 20% or more of its overall portfolio to meet its RPS goals, SDG&E anticipates that the Commission will address and mitigate the resulting overall impacts of debt equivalence and ASC 810 to SDG&E's capital structure in the context of SDG&E's recently-filed cost of capital application for test year 2013 filed on June 20, 2012.

E. RPS Cost Containment

The Commission is in the midst of implementing the changes to the RPS Program established by Senate Bill 2 (1X). As a result, full program details are not yet final which creates regulatory uncertainty. Two important outstanding items affecting procurement are RPS Cost Containment and Compliance proceedings.

An Energy Division staff proposal regarding RPS cost containment is anticipated later this year, with a proposed decision possibly being released in Q1 2013. The decision is expected to implement a cap on the amount of money that retail sellers can spend in an effort to meet RPS goals. Certainty surrounding this potential procurement limit will not be achieved until the final year of Compliance Period 1. This makes it difficult for IOU's to be proactive. It is unclear at this time what the limitation will be for SDG&E, how it will relate to the procurement dollars spent and contracts signed as of the date of the final decision, and how it will interact with the other requirements of the RPS program.

III. PROJECT DEVELOPMENT STATUS UPDATE - § 399.13(A)(5)(D)

As described further in Section I above, SDG&E regularly evaluates project development status to assess each project's ability to begin deliveries in a timely manner. SDG&E's portfolio of renewable energy resources currently under contract but not yet delivering generation are in various stages of development. It is anticipated that projects will enter commercial operation consistently from 2012 to 2015. Projects under development generally require numerous permitting approvals, generator interconnection, financing, and completion of construction before they can achieve commercial operation. Each of the above issues adds significant risk to the development of a project and can directly impact the success or failure of a project.

SDG&E's experience is that achieving all of these milestones represents a significant challenge for developers. Although a developer's experience may improve a project's ability to achieve commercial operation, it does not insure that a project will be successful.

SDG&E saw increasing challenges among developers to secure financing after the United States entered the 2008 recession. Subsequently, as more projects were proposed in desert regions, permitting approvals took longer than developers expected due to increased scrutiny of environmental issues and permitting agency coordination efforts. Today, as many projects are obtaining agency permit approvals, there seems to be an increase in litigation challenging the CEQA/NEPA process potentially causing delays while claims are resolved. Throughout this period, the time to study and construct generator interconnection upgrades has grown much longer and significantly more expensive to the developer.

Each project bears significant development risk to resolve all issues necessary to meet commercial operation. SDG&E currently believes that a majority of projects can meet their commercial operation dates either on schedule or within the prescribed cure period. However, SDG&E does have projects that are experiencing possible development issues that could affect their ability to meet commercial operation. SDG&E's need assessment methodology, described in Section I above, takes all of these risks into consideration.

IV. RISK ASSESSMENT - § 399.13(A)(5)(F)

SDG&E also evaluates the risk that delivering projects will underperform. In SDG&E's experience, renewable projects have relatively low risk of non-performance. By achieving commercial operation, developers have made significant investments into the projects and are receiving timely payments for energy delivered. Developers are subject to penalties if they do not meet contractual requirements to supply at least the minimum energy contemplated. However, over the past decade, SDG&E has observed some dynamic factors that may affect power production from delivering projects:

- Resource Availability: For example, a bad wind year can greatly impact a wind facility's performance. Although the contract requires damages for underperformance in an effort to protect ratepayers, a bad wind year can still have an impact on SDG&E's ability to meet its RPS goals, as described in Section I above.

- Regulatory Changes: For example, the expiration of subsidies, such as the Public Goods Charge or the Production Tax Credit, lowers the revenue stream for RPS developers, and can lead to non-production or lower production.

- Economic environment: Specifically, the interest rates and flexibility of financing arrangement entered into by developers can impact the project's success. Long term project financing arrangements with unfavorable terms can lead to project failure or lower production.

- Operational Performance: For example, a facility can experience unexpected mechanical failures that impact performance.

- Evolving technology: Facilities with older generation-technology that is no longer supported by the manufacturer can cause project failure or lower production. This problem is arising now for older RPS projects, and could repeat itself in 20 years when the projects being signed today begin to age.

SDG&E's assessment that current projects are at a low risk of non-performance is based on the above risk factors remaining relatively stable.

V. QUANTITATIVE INFORMATION- §§ 399.13(A)(5)(A), (B), (D), (F)

The following tables provide background data for SDG&E's need assessment as of November 2012.

Table 1-RPS Sensitivity Analysis: this table provides a summary of the impact of some of the key factors that can impact RPS performance.

[redacted]

Table [redacted]

RPS Procurement and Targets (MWh)	2003	2004	2005	2006	2007	2008	2009	2010
Bundled Retail Sales	15,043,865	15,811,591	16,001,516	16,846,888	17,056,023	17,409,884	16,993,872	16,282,682
Total RPS Eligible Procurement	549,856	677,852	825,302	899,520	880,777	1,047,441	1,784,441	1,940,129
Annual Procurement Target (APT)	296,073	446,511	604,627	764,642	933,111	1,103,671	1,277,770	3,256,536
Incremental Procurement Target (IPT)	N/A	150,439	158,116	160,015	168,469	170,560	174,099	1,978,766
Preliminary Procurement Surplus/(Deficit)	253,783	231,341	220,675	134,878	(52,334)	(56,231)	506,670	(1,316,408)

2010 Actual Procurement Percentage	2003	2004	2005	2006	2007	2008	2009	2010
Surplus Procurement Bank Balance as of Prior Year	0	253,783	485,124	705,798	840,677	788,342	732,112	1,238,782
Application of Banked Surplus Procurement to Current Year Deficit					(52,334)	(56,231)		(1,316,408)
Adjusted Current Year Annual Surplus Procurement	253,783	231,341	220,675	134,878	0	0	506,670	0
Cumulative Surplus/(Deficit) Procurement Bank Balance Carried into CP1	253,783	485,124	705,798	840,677	788,342	732,112	1,238,782	(77,625)

Renewable Net Short Calculation:

The tables below provide the data behind SDG&E's RPS Risk Adjusted Net Short Calculation as of November, 2012 and includes the outputs required by Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extended the Date for Filing Updates to 2012 Procurement Plans, dated August 2, 2012. A discussion of this analysis is provided in Section VI below.

SDG&E Residual Net Short for RPS Procurement - November 29, 2012

Variable	Calculation	Item	Deficit from pre-2011 RPS	2011 Actuals	2012 Expected	2013 Forecast	**CP1 2011-2013**	2014 Forecast	2015 Forecast	**2016 Forecast**	**CP2 2014-2016**
T		Forecast Year				1		2	3	4	
A		**Bundled Retail Sales Forecast[1]**		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	**18,200**	[redacted]
B		**RPS Procurement Quantity Requirement %**		**20.0%**	**20.0%**	**20.0%**	**20.0%**	**21.7%**	**23.3%**	**25.0%**	
C		**RPS Procurement Quantity Requirement**		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	**4,550**	[redacted]
D_a		*Risk-Adjusted Online Generation[2]*		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	*1,900*	[redacted]
D_b		*Risk-Adjusted Forecast Generation[2]*		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	*3,363*	[redacted]
D_c		*Pre-Approved Generic Generation[2]*		-	-	*2*	**2**	*132*	*298*	*466*	***897***
D	$D_a + D_b + D_c$	**Net RPS Position**		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	**5,729**	[redacted]
E	D / A	Net RPS Position (% of Retail Sales)		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	31.5%	[redacted]
F	D - C	**GWh Gross Surplus (Deficit)**	**(78)[5]**	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	**1,179**	[redacted]
G		Banked RECs applied		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-	[redacted]
H	F + G	**Net Surplus (Deficit) after banked RECs applied**		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	**1,179**	[redacted]
I		All RECs from short-term contracts signed after 6/1/10		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	-	[redacted]
J		*Limit of Category 3 allowed under statute*		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	*545*	[redacted]
K		*Long-term contract deliveries of Category 3 RECs above limit*		-	-	-	**-**	-	-	-	**-**
L	D - I - K	**RECs eligible for excess procurement**		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	**5,729**	[redacted]
M	L - C	**Excess Procurement for CP**		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	**1,179**	[redacted]
N	$\text{Max}(M_{(T-1)},0) + M_T$	**REC Bank Balance**		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	**3,972**	[redacted]
		Aggregated probability weighted GWh data[3]									
O_a		*High viability (>=85%)*		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	*3,962*	[redacted]
O_b		*Viable (70-85%)*		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	*407*	[redacted]
O_c		*High Risk (<70%)*		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	*1,360*	[redacted]
O	$O_a + O_b + O_c = O = D$	Total Risk-Adjusted Generation		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	5,729	[redacted]
P		Aggregate delivery failure rate - new projects[4]		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	34.3%	[redacted]
Q		Aggregate delivery failure rate - existing projects[4]		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	18.8%	[redacted]
R	A x 1.5%	Voluntary Margin of Overprocurement		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	1,179	[redacted]
S		Voluntary Margin of Overprocurement (implied % of retail sales)		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	6.5%	[redacted]
U	C - O + R	**Annual RPS Risk-adjusted Net Short (Long)**		[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	**-**	[redacted]

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SDG&E Residual Net Short for RPS Procurement - November 29, 2012 **CP3**

Variable	Calculation	Item	2017 Forecast	2018 Forecast	2019 Forecast	**2020 Forecast**	**2017-2020**	2021 Forecast	2022 Forecast	2023 Forecast
T		Forecast Year	5	6	7	8		9	10	11
A		**Bundled Retail Sales Forecast(1)**	**18,661**	**19,090**	**19,571**	**20,042**	**77,364**	**20,512**	**20,972**	**21,203**
B		**RPS Procurement Quantity Requirement %**	**27.0%**	**29.0%**	**31.0%**	**33.0%**		**33.0%**	**33.0%**	**33.0%**
C		**RPS Procurement Quantity Requirement**	**5,038**	**5,536**	**6,067**	**6,614**	**23,255**	**6,769**	**6,921**	**6,997**
D_a		*Risk-Adjusted Online Generation(2)*	*1,863*	*1,863*	*1,757*	*1,554*	***7,036***	*1,538*	*1,538*	*1,444*
D_b		*Risk-Adjusted Forecast Generation(2)*	*3,348*	*3,335*	*3,318*	*3,303*	***13,304***	*3,296*	*3,288*	*3,281*
D_c		*Pre-Approved Generic Generation(2)*	*529*	*529*	*530*	*530*	***2,118***	*530*	*531*	*531*
D	$D_a + D_b + D_c$	**Net RPS Position**	**5,739**	**5,726**	**5,605**	**5,387**	**22,457**	**5,364**	**5,357**	**5,255**
E	D / A	Net RPS Position (% of Retail Sales)	30.8%	30.0%	28.6%	26.9%	**29.0%**	26.2%	25.5%	24.8%
F	D - C	**GWh Gross Surplus (Deficit)**	**701**	**190**	**(462)**	**(1,227)**	**(798)**	**(1,405)**	**(1,564)**	**(1,742)**
G		Banked RECs applied	-	-	462	1,227	**1,689**	1,405	1,564	205
H	F + G	**Net Surplus (Deficit) after banked RECs applied**	**701**	**190**	**(0)**	**0**	**891**	**0**	**0**	**(1,537)**
I		All RECs from short-term contracts signed after 6/1/10	-	-	-	-	**-**	-	-	-
J		*Limit of Category 3 allowed under statute*	*368*	*367*	*365*	*364*	***1,465***	*364*	*363*	*362*
K		*Long-term contract deliveries of Category 3 RECs above limit*	-	-	-	-	**-**	-	-	-
L	D - I - K	**RECs eligible for excess procurement**	**5,739**	**5,726**	**5,605**	**5,387**	**22,457**	**5,364**	**5,357**	**5,255**
M	L - C	**Excess Procurement for CP**	**701**	**190**	**(462)**	**(1,227)**	**(798)**	**(1,405)**	**(1,564)**	**(1,742)**
N	Max $(M_{(T-1)},0) + M_T$	**REC Bank Balance**	**4,672**	**4,863**	**4,401**	**3,174**	**3,174**	**1,769**	**205**	**(0)**
		Aggregated probability weighted GWh data(3)								
O_a		*High viability (>=85%)*	*3,982*	*3,976*	*3,865*	*3,656*		*3,635*	*3,530*	*3,257*
O_b		*Viable (70-85%)*	*402*	*397*	*393*	*388*		*388*	*387*	*387*
O_c		*High Risk (<70%)*	*1,355*	*1,353*	*1,347*	*1,343*		*1,341*	*1,338*	*1,337*
O	$O_a + O_b + O_c = O = D$	Total Risk-Adjusted Generation	5,739	5,726	5,605	5,387	-	5,364	5,255	4,980
P		Aggregate delivery failure rate - new projects(4)	34.3%	34.3%	34.3%	34.3%	34.3%	34.3%	34.4%	34.4%
Q		Aggregate delivery failure rate - existing projects(4)	18.7%	8.4%	8.8%	9.5%	11.7%	9.6%	9.6%	10.1%
R	A x 1.5%	Voluntary Margin of Overprocurement	701	190	-	0	891	0	0	-
S		Voluntary Margin of Overprocurement (implied % of retail sales)	3.8%	1.0%	0.0%	0.0%	1.2%	0.0%	0.0%	0.0%
U	C - O + R	**Annual RPS Risk-adjusted Net Short (Long)**	**0**	**0**	**462**	**1,227**	**1,689**	**1,405**	**1,666**	**2,016**

(1) 2011 values are actuals; 2012 actuals include year-to-date actual deliveries with previous year's retail sales for remaining months increased by 2.5%; forecast numbers are based upon LTPP.
(2) Generation figures are net of any renewable sales
(3) Viability categories as discussed in section 1 of RPS plan Section I.B.1.
(4) Delivery failure rate is probability weighted deviation below expected forecast generation, and is based upon but not limited to probability assessments of project failure, project capacity reduction, operational failure after project success, project curtailment due to transmission constraints, etc.
(5) As per calculation shown in Table 2, "Impact of Potential Deficit from Prior Compliance Regime"

SDG&E Residual Net Short for RPS Procurement - November 29, 2012

Variable	Calculation	Item	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
T		Forecast Year	12	13	14	15	16	17	18	19
A		**Bundled Retail Sales Forecast(1)**	**21,436**	**21,672**	**21,910**	**22,151**	**22,395**	**22,641**	**22,890**	**23,142**
B		**RPS Procurement Quantity Requirement %**	**33.0%**	**33.0%**	**33.0%**	**33.0%**	**33.0%**	**33.0%**	**33.0%**	**33.0%**
C		**RPS Procurement Quantity Requirement**	**7,074**	**7,152**	**7,230**	**7,310**	**7,390**	**7,472**	**7,554**	**7,637**
D_a		*Risk-Adjusted Online Generation(2)*	*1,176*	*893*	*725*	*723*	*723*	*723*	*723*	*708*
D_b		*Risk-Adjusted Forecast Generation(2)*	*3,273*	*3,266*	*3,259*	*3,251*	*3,244*	*3,237*	*3,230*	*3,223*
D_c		*Pre-Approved Generic Generation(2)*	*531*	*422*	*423*	*424*	*425*	*425*	*426*	*427*
D	$D_a + D_b + D_c$	**Net RPS Position**	**4,980**	**4,581**	**4,406**	**4,398**	**4,391**	**4,385**	**4,378**	**4,357**
E	D / A	Net RPS Position (% of Retail Sales)	23.2%	21.1%	20.1%	19.9%	19.6%	19.4%	19.1%	18.8%
F	D - C	**GWh Gross Surplus (Deficit)**	**(2,093)**	**(2,571)**	**(2,824)**	**(2,912)**	**(2,999)**	**(3,087)**	**(3,175)**	**(3,279)**
G		Banked RECs applied		-	-	-	-	-	-	-
H	F + G	**Net Surplus (Deficit) after banked RECs applied**	**(2,093)**	**(2,571)**	**(2,824)**	**(2,912)**	**(2,999)**	**(3,087)**	**(3,175)**	**(3,279)**
I		All RECs from short-term contracts signed after 6/1/10	-	-	-	-	-	-	-	-
J		*Limit of Category 3 allowed under statute*	*362*	*350*	*347*	*346*	*346*	*345*	*345*	*344*
K		*Long-term contract deliveries of Category 3 RECs above limit*	-	-	-	-	-	-	-	-
L	D - I - K	**RECs eligible for excess procurement**	**4,980**	**4,581**	**4,406**	**4,398**	**4,391**	**4,385**	**4,378**	**4,357**
M	L - C	**Excess Procurement for CP**	**(2,093)**	**(2,571)**	**(2,824)**	**(2,912)**	**(2,999)**	**(3,087)**	**(3,175)**	**(3,279)**
N	$\text{Max}(M_{(T-1)},0) + M_T$	**REC Bank Balance**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**	**(0)**
		Aggregated probability weighted GWh data(3)								
O_a		*High viability (>=85%)*	*2,859*	*2,686*	*2,679*	*2,674*	*2,669*	*2,665*	*2,645*	*2,334*
O_b		*Viable (70-85%)*	*387*	*386*	*386*	*386*	*386*	*385*	*385*	*385*
O_c		*High Risk (<70%)*	*1,335*	*1,334*	*1,333*	*1,331*	*1,330*	*1,328*	*1,327*	*1,244*
O	$O_a + O_b + O_c = O = D$	Total Risk-Adjusted Generation	4,581	4,406	4,398	4,391	4,385	4,378	4,357	3,963
P		Aggregate delivery failure rate - new projects(4)	34.4%	34.4%	34.4%	34.4%	34.4%	34.4%	34.5%	34.5%
Q		Aggregate delivery failure rate - existing projects(4)	11.5%	20.2%	22.4%	22.5%	22.4%	22.4%	22.4%	22.6%
R	A x 1.5%	Voluntary Margin of Overprocurement	-	-	-	-	-	-	-	-
S		Voluntary Margin of Overprocurement (implied % of retail sales)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
U	C - O + R	**Annual RPS Risk-adjusted Net Short (Long)**	**2,493**	**2,745**	**2,833**	**2,919**	**3,005**	**3,093**	**3,196**	**3,673**

(1) 2011 values are actuals; 2012 actuals include year-to-date actual deliveries with previous year's retail sales for remaining months increased by 2.5%; forecast numbers are based upon LTPP.
(2) Generation figures are net of any renewable sales
(3) Viability categories as discussed in section 1 of RPS plan Section I.B.1.
(4) Delivery failure rate is probability weighted deviation below expected forecast generation, and is based upon but not limited to probability assessments of project failure, project capacity reduction, operational failure after project success, project curtailment due to transmission constraints, etc.
(5) As per calculation shown in Table 2, "Impact of Potential Deficit from Prior Compliance Regime"

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	Contracts Presently Delivering - November 29, 2012									Probability-Weighted Deliveries									
	Name	CP1 Prob-ability	CP2&3 Prob-ability	Technology	Date Signed	Term (yrs)	Start	Stop	Capacity (MW)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Shell	[redacted]	[redacted]	Wind	9/10/09	1.75	4/1/10	12/31/11	104.4	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2	Otay Landfill I	[redacted]	[redacted]	Biogas	5/1/09	10	5/1/09	4/30/19	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
3	Otay Landfill II	[redacted]	[redacted]	Biogas	2/22/11	20	7/1/11	6/30/31	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
4	San Marcos Landfill	[redacted]	[redacted]	Biogas	11/20/09	20	5/18/11	5/17/31	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
5	Sycamore Landfill	[redacted]	[redacted]	Biogas	11/20/09	20	5/16/11	5/15/31	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
6	Badger Filtration Plant	[redacted]	[redacted]	Conduit Hydro	2/28/85	30	7/1/87	6/30/17	1.485	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
7	Bear Valley Hydro	[redacted]	[redacted]	Conduit Hydro	4/13/94	Evergreen	4/13/94	Evergreen	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
8	Olivenhain Municipal	[redacted]	[redacted]	Conduit Hydro	10/8/29	Evergreen	11/1/88	Evergreen	0.45	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
9	San Francisco Peak Hydro Plant	[redacted]	[redacted]	Conduit Hydro	8/29/85	Evergreen	12/15/85	Evergreen	0.35	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
10	MM San Diego - Miramar	[redacted]	[redacted]	Biogas	10/31/02	10	5/20/03	4/30/13	3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
11	MM San Diego - North City	[redacted]	[redacted]	Biogas	10/31/02	10	5/20/03	4/30/13	1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
12	GRS - Coyote Canyon	[redacted]	[redacted]	Biogas	10/31/02	10	1/1/03	12/31/12	6.057	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
13	GRS - Sycamore	[redacted]	[redacted]	Biogas	10/31/02	10	3/30/04	3/30/14	2.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
14	MM Prima Deshecha	[redacted]	[redacted]	Biogas	9/6/05	15	10/1/07	9/30/22	12.2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
15	Otay Lanfill 3	[redacted]	[redacted]	Biogas	8/31/05	10	3/8/07	3/7/17	3.375	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
16	Blue Lake Power	[redacted]	[redacted]	Biomass	6/9/08	10	4/30/10	4/29/20	11	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
17	City of San Diego MWD	[redacted]	[redacted]	Biogas	12/22/06	5	1/1/08	12/31/12	5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
18	Covanta Delano	[redacted]	[redacted]	Biomass	12/21/06	10	1/1/08	12/31/17	49	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
19	Covanta Delano Option	[redacted]	[redacted]	Biomass	12/21/06	10	1/1/08	12/31/17	49	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
20	Kumeyaay	[redacted]	[redacted]	Wind	5/31/04	20	3/21/06	12/31/25	50	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
21	Oasis Power Partners	[redacted]	[redacted]	Wind	10/30/02	15	12/31/04	12/30/19	60	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
22	Iberdrola Mt Wind	[redacted]	[redacted]	Wind	11/1/02	16	12/15/03	12/31/18	22.8	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
23	Iberdrola PWest	[redacted]	[redacted]	Wind	11/1/02	16	12/15/03	12/31/18	2.1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
24	WTE Acquisition (FPL)	[redacted]	[redacted]	Wind	10/31/02	15	6/28/04	12/31/18	16.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
25	Glacier Wind 1	[redacted]	[redacted]	Wind	5/16/08	15	12/29/08	12/29/23	106.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
26	Glacier Wind 2	[redacted]	[redacted]	Wind	5/23/08	15	10/16/09	10/16/24	103.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
27	Coram	[redacted]	[redacted]	Wind	7/15/10	15	2/1/11	1/31/26	7.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
28	SDCWA - Rancho Penasquitos	[redacted]	[redacted]	Conduit Hydro	4/14/18	10	1/23/07	1/22/17	4.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
29	SDG&E Sustainable	[redacted]	[redacted]	Solar PV	5/30/10	30	5/4/09	5/4/39	0.54	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
30	Calpine - Geysers	[redacted]	[redacted]	Geothermal	2/26/10	4.833	3/1/10	12/31/14	25	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
31	Silicon Valley	[redacted]	[redacted]	Geothermal	6/30/11	1	7/1/11	6/31/201	40	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
32	Calpine - Geysers	[redacted]	[redacted]	Geothermal	9/22/11	0.25	10/1/11	12/31/11	11.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
33	Edison	[redacted]	[redacted]	Various	9/22/11	2.3	10/1/11	12/31/13	193	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
34	Mesa	[redacted]	[redacted]	Wind	11/2/11	0	before	12/31/13	30	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
35	Rim Rock	[redacted]	[redacted]	Wind	5/5/09	20	10/1/12	9/30/32	189	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
36	Pacific Wind	[redacted]	[redacted]	Wind	10/14/05	20	8/31/12	8/30/32	140	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
37	SDG&E SEP (UOG)	[redacted]	[redacted]	Solar PV	7/11/08	30	1/1/10	1/1/40	17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
38	RAM (To be added)	[redacted]	[redacted]	Solar PV	1/0/00	30			125	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
39	FIT (To be added)	[redacted]	[redacted]	Various	1/0/00	20	6/1/12	5/31/32	35.8	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
40	Edison 2	[redacted]	[redacted]	Various	3/23/12	0.3	9/1/12	12/31/12	103	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
41	Sierra Pacific Industries	[redacted]	[redacted]	Biomass	3/30/12	0			0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
42	Cabazon	[redacted]	[redacted]	Wind	1/0/00	2	1/1/12	12/31/13	0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
43	Whitewater	[redacted]	[redacted]	Wind	1/0/00	2	1/1/12	12/31/13	0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Contracts Presently Delivering - November 29, 2012 | Probability-Weighted Deliveries

PUBLIC VERSION

	Name	CP1 Prob-ability	CP2&3 Prob-ability	Technology	Date Signed	Term (yrs)	Start	Stop	Capacity (MW)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1	Shell	[redacted]	[redacted]	Wind	9/10/09	1.75	4/1/10	12/31/11	104.4	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2	Otay Landfill I	[redacted]	[redacted]	Biogas	5/1/09	10	5/1/09	4/30/19	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
3	Otay Landfill II	[redacted]	[redacted]	Biogas	2/22/11	20	7/1/11	6/30/31	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
4	San Marcos Landfill	[redacted]	[redacted]	Biogas	11/20/09	20	5/18/11	5/17/31	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
5	Sycamore Landfill	[redacted]	[redacted]	Biogas	11/20/09	20	5/16/11	5/15/31	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
6	Badger Filtration Plant	[redacted]	[redacted]	Conduit Hydro	2/28/85	30	7/1/87	6/30/17	1.485	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
7	Bear Valley Hydro	[redacted]	[redacted]	Conduit Hydro	4/13/94	Evergreen	4/13/94	Evergreen	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
8	Olivenhain Municipal	[redacted]	[redacted]	Conduit Hydro	10/8/29	Evergreen	11/1/88	Evergreen	0.45	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
9	San Francisco Peak Hydro Plant	[redacted]	[redacted]	Conduit Hydro	8/29/85	Evergreen	12/15/85	Evergreen	0.35	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
10	MM San Diego - Miramar	[redacted]	[redacted]	Biogas	10/31/02	10	5/20/03	4/30/13	3	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
11	MM San Diego - North City	[redacted]	[redacted]	Biogas	10/31/02	10	5/20/03	4/30/13	1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
12	GRS - Coyote Canyon	[redacted]	[redacted]	Biogas	10/31/02	10	1/1/03	12/31/12	6.057	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
13	GRS - Sycamore	[redacted]	[redacted]	Biogas	10/31/02	10	3/30/04	3/30/14	2.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
14	MM Prima Deshecha	[redacted]	[redacted]	Biogas	9/6/05	15	10/1/07	9/30/22	12.2	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
15	Otay Lanfill 3	[redacted]	[redacted]	Biogas	8/31/05	10	3/8/07	3/7/17	3.375	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
16	Blue Lake Power	[redacted]	[redacted]	Biomass	6/9/08	10	4/30/10	4/29/20	11	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
17	City of San Diego MWD	[redacted]	[redacted]	Biogas	12/22/06	5	1/1/08	12/31/12	5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
18	Covanta Delano	[redacted]	[redacted]	Biomass	12/21/06	10	1/1/08	12/31/17	49	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
19	Covanta Delano Option	[redacted]	[redacted]	Biomass	12/21/06	10	1/1/08	12/31/17	49	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
20	Kumeyaay	[redacted]	[redacted]	Wind	5/31/04	20	3/21/06	12/31/25	50	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
21	Oasis Power Partners	[redacted]	[redacted]	Wind	10/30/02	15	12/31/04	12/30/19	60	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
22	Iberdrola Mt Wind	[redacted]	[redacted]	Wind	11/1/02	16	12/15/03	12/31/18	22.8	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
23	Iberdrola PWest	[redacted]	[redacted]	Wind	11/1/02	16	12/15/03	12/31/18	2.1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
24	WTE Acquisition (FPL)	[redacted]	[redacted]	Wind	10/31/02	15	6/28/04	12/31/18	16.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
25	Glacier Wind 1	[redacted]	[redacted]	Wind	5/16/08	15	12/29/08	12/29/23	106.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
26	Glacier Wind 2	[redacted]	[redacted]	Wind	5/23/08	15	10/16/09	10/16/24	103.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
27	Coram	[redacted]	[redacted]	Wind	7/15/10	15	2/1/11	1/31/26	7.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
28	SDCWA - Rancho Penasquitos	[redacted]	[redacted]	Conduit Hydro	4/14/18	10	1/23/07	1/22/17	4.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
29	SDG&E Sustainable	[redacted]	[redacted]	Solar PV	5/30/10	30	5/4/09	5/4/39	0.54	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
30	Calpine - Geysers	[redacted]	[redacted]	Geothermal	2/26/10	4.833	3/1/10	12/31/14	25	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
31	Silicon Valley	[redacted]	[redacted]	Geothermal	6/30/11	1	7/1/11	6/31/201	40	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
32	Calpine - Geysers	[redacted]	[redacted]	Geothermal	9/22/11	0.25	10/1/11	12/31/11	11.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
33	Edison	[redacted]	[redacted]	Various	9/22/11	2.3	10/1/11	12/31/13	193	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
34	Mesa	[redacted]	[redacted]	Wind	11/2/11	0	before	12/31/13	30	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
35	Rim Rock	[redacted]	[redacted]	Wind	5/5/09	20	10/1/12	9/30/32	189	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
36	Pacific Wind	[redacted]	[redacted]	Wind	10/14/05	20	8/31/12	8/30/32	140	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
37	SDG&E SEP (UOG)	[redacted]	[redacted]	Solar PV	7/11/08	30	1/1/10	1/1/40	17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
38	RAM (To be added)	[redacted]	[redacted]	Solar PV		30			125	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
39	FIT (To be added)	[redacted]	[redacted]	Various		20	6/1/12	5/31/32	35.8	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
40	Edison 2	[redacted]	[redacted]	Various	3/23/12	0.3	9/1/12	12/31/12	103	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
41	Sierra Pacific Industries	[redacted]	[redacted]	Biomass	3/30/12	0			0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
42	Cabazon	[redacted]	[redacted]	Wind		2	1/1/12	12/31/13	0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
43	Whitewater	[redacted]	[redacted]	Wind		2	1/1/12	12/31/13	0	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Contracts Presently Developing - November 29, 2012

Probability-Weighted Deliveries

PUBLIC VERSION

	Name	CP1 Prob-ability	CP2&3 Prob-ability	Technology	Date Signed	Term (yrs)	Start	Stop	Capacity (MW)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Centinela	[redacted]	[redacted]	Solar PV	5/10/10	20	4/1/14	3/31/34	125	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2	Centinela 2	[redacted]	[redacted]	Solar PV	7/29/10	20	9/1/14	8/31/34	30	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
3	Pattern	[redacted]	[redacted]	Wind	2/1/11	20	12/15/12	12/15/33	265	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
4	Solargen2	[redacted]	[redacted]	Solar PV	6/24/11	25	9/30/12	9/29/37	150	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
5	enXco Catalina	[redacted]	[redacted]	Solar PV	6/3/11	25	6/30/13	6/30/38	110	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
6	Alta Mesa	[redacted]	[redacted]	Wind	12/17/09	20	3/1/12	2/28/32	40	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
7	Arlington	[redacted]	[redacted]	Solar PV	6/3/11	25	12/20/13	12/19/38	127	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
8	ESJ	[redacted]	[redacted]	Wind	10/8/29	20	8/31/13	12/31/33	150	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
9	NRG Borrego	[redacted]	[redacted]	Solar PV	1/25/11	25	7/31/12	7/31/37	26	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
10	Sol Orchard	[redacted]	[redacted]	Solar PV	4/11/11	25	12/31/12	12/30/37	24	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
11	MMR Campo Verde	[redacted]	[redacted]	Solar PV	11/10/06	20	9/30/13	9/29/33	139	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
12	Tenaska South	[redacted]	[redacted]	Solar PV	11/10/10	25	1/1/14	1/1/39	130	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
13	Victor Mesa Linda B	[redacted]	[redacted]	Solar PV	3/30/12	20	10/31/13	10/31/33	5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
14	Western Antelope Dry Ranch	[redacted]	[redacted]	Solar PV	3/30/12	20	10/31/13	10/31/33	10	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
15	Soitec TDS	[redacted]	[redacted]	Solar PV	5/17/11	25	12/31/14	12/30/39	45	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
16	Soitec Rugged	[redacted]	[redacted]	Solar PV	5/17/11	25	12/31/14	12/30/39	80	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
17	Campo (Shuu'luk)	[redacted]	[redacted]	Wind	1/0/00	25	10/1/14	9/30/39	160	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
18	Tenaska West	[redacted]	[redacted]	Solar PV	3/8/11	25	1/1/16	12/31/40	140	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
19	Soitec Desert Green	[redacted]	[redacted]	Solar PV	3/31/11	25	2/28/14	2/27/39	5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
20	Soitec Eastland	[redacted]	[redacted]	Solar PV	3/31/11	25	10/31/14	10/30/39	20	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
21	Soitec Westland	[redacted]	[redacted]	Solar PV	3/31/11	25	2/28/14	2/27/39	5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
22	Manzana	[redacted]	[redacted]	Wind	2/14/12	20	12/31/12	6/30/32	100	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
23	AES Mt Signal 1 Solar	[redacted]	[redacted]	Solar PV	2/10/12	25	5/31/13	6/29/38	200	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
24	Lassen Lodge Hydro	[redacted]	[redacted]	Small Hydro	11/7/12	20	12/30/13	12/29/33	5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
25	SunEdison Cascade	[redacted]	[redacted]	Solar PV	11/7/12	20	11/30/14	11/29/34	18.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
26	Pristine Sun Clearvista	[redacted]	[redacted]	Wind	11/7/12	20	2/28/13	2/27/33	10	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
27	Otay Landfill V - CRE (FIT)	[redacted]	[redacted]	Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
28	Otay Landfill VI - CRE (FIT)	[redacted]	[redacted]	Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
29	Otay Landfill VII - CRE (FIT)	[redacted]	[redacted]	Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
30	Mushroom Power - CRE (FIT)	[redacted]	[redacted]	Biomass	12/12/11	20	10/1/12	9/30/32	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
31	BAP Power - CRE (FIT)	[redacted]	[redacted]	Solar PV	12/13/11	20	9/1/12	8/31/32	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
32	Descanso Solar - CRE (FIT)	[redacted]	[redacted]	Solar PV	12/27/11	20	7/15/201	7/14/203	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
33	Zodiac Power Solar A - CRE (FIT)	[redacted]	[redacted]	Solar PV	10/29/12	20	4/15/201	4/15/203	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
34	Zodiac Solar E - CRE (FIT)	[redacted]	[redacted]	Solar PV	10/29/12	20	4/15/201	4/15/203	1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
35	Con Dios Solar 33 - CRE (FIT	[redacted]	[redacted]	Solar PV	11/2/12	20	6/1/2013	6/1/2033	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Contracts Presently Developing - November 29, 2012

Probability-Weighted Deliveries

PUBLIC VERSION

	Name	CP1 Prob-ability	CP2&3 Prob-ability	Technology	Date Signed	Term (yrs)	Start	Stop	Capacity (MW)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1	Centinela	[redacted]	[redacted]	Solar PV	5/10/10	20	4/1/14	3/31/34	125	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
2	Centinela 2	[redacted]	[redacted]	Solar PV	7/29/10	20	9/1/14	8/31/34	30	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
3	Pattern	[redacted]	[redacted]	Wind	2/1/11	20	12/15/12	12/15/33	265	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
4	Solargen2	[redacted]	[redacted]	Solar PV	6/24/11	25	9/30/12	9/29/37	150	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
5	enXco Catalina	[redacted]	[redacted]	Solar PV	6/3/11	25	6/30/13	6/30/38	110	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
6	Alta Mesa	[redacted]	[redacted]	Wind	12/17/09	20	3/1/12	2/28/32	40	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
7	Arlington	[redacted]	[redacted]	Solar PV	6/3/11	25	12/20/13	12/19/38	127	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
8	ESJ	[redacted]	[redacted]	Wind	10/8/29	20	8/31/13	12/31/33	150	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
9	NRG Borrego	[redacted]	[redacted]	Solar PV	1/25/11	25	7/31/12	7/31/37	26	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
10	Sol Orchard	[redacted]	[redacted]	Solar PV	4/11/11	25	12/31/12	12/30/37	24	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
11	MMR Campo Verde	[redacted]	[redacted]	Solar PV	11/10/06	20	9/30/13	9/29/33	139	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
12	Tenaska South	[redacted]	[redacted]	Solar PV	11/10/10	25	1/1/14	1/1/39	130	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
13	Victor Mesa Linda B	[redacted]	[redacted]	Solar PV	3/30/12	20	10/31/13	10/31/33	5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
14	Western Antelope Dry Ranch	[redacted]	[redacted]	Solar PV	3/30/12	20	10/31/13	10/31/33	10	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
15	Soitec TDS	[redacted]	[redacted]	Solar PV	5/17/11	25	12/31/14	12/30/39	45	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
16	Soitec Rugged	[redacted]	[redacted]	Solar PV	5/17/11	25	12/31/14	12/30/39	80	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
17	Campo (Shuu'luk)	[redacted]	[redacted]	Wind	1/0/00	25	10/1/14	9/30/39	160	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
18	Tenaska West	[redacted]	[redacted]	Solar PV	3/8/11	25	1/1/16	12/31/40	140	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
19	Soitec Desert Green	[redacted]	[redacted]	Solar PV	3/31/11	25	2/28/14	2/27/39	5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
20	Soitec Eastland	[redacted]	[redacted]	Solar PV	3/31/11	25	10/31/14	10/30/39	20	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
21	Soitec Westland	[redacted]	[redacted]	Solar PV	3/31/11	25	2/28/14	2/27/39	5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
22	Manzana	[redacted]	[redacted]	Wind	2/14/12	20	12/31/12	6/30/32	100	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
23	AES Mt Signal 1 Solar	[redacted]	[redacted]	Solar PV	2/10/12	25	5/31/13	6/29/38	200	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
24	Lassen Lodge Hydro	[redacted]	[redacted]	Small Hydro	11/7/12	20	12/30/13	12/29/33	5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
25	SunEdison Cascade	[redacted]	[redacted]	Solar PV	11/7/12	20	11/30/14	11/29/34	18.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
26	Pristine Sun Clearvista	[redacted]	[redacted]	Wind	11/7/12	20	2/28/13	2/27/33	10	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
27	Otay Landfill V - CRE (FIT)	[redacted]	[redacted]	Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
28	Otay Landfill VI - CRE (FIT)	[redacted]	[redacted]	Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
29	Otay Landfill VII - CRE (FIT)	[redacted]	[redacted]	Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
30	Mushroom Power - CRE (FIT)	[redacted]	[redacted]	Biomass	12/12/11	20	10/1/12	9/30/32	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
31	BAP Power - CRE (FIT)	[redacted]	[redacted]	Solar PV	12/13/11	20	9/1/12	8/31/32	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
32	Descanso Solar - CRE (FIT)	[redacted]	[redacted]	Solar PV	12/27/11	20	7/15/2013	7/14/2033	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
33	Zodiac Power Solar A - CRE (FIT)	[redacted]	[redacted]	Solar PV	10/29/12	20	4/15/2014	4/15/2034	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
34	Zodiac Solar E - CRE (FIT)	[redacted]	[redacted]	Solar PV	10/29/12	20	4/15/2014	4/15/2034	1	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
35	Con Dios Solar 33 - CRE (FIT	[redacted]	[redacted]	Solar PV	11/2/12	20	6/1/2013	6/1/2033	1.5	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

VI. "MINIMUM MARGIN" OF PROCUREMENT- -§ 399.13(A)(4)(D)

SDG&E's RPS Risk Adjusted Net Short Calculation, as shown in Section V above, provides a "Minimum Margin of Procurement" that is intended to account for foreseeable project failures or delay. This calculation also includes an additional "Voluntary Margin of Over-Procurement", which is intended to ensure that SDG&E achieves its RPS requirements despite unforeseeable risks. Since both the RPS targets and RPS deliveries fluctuate constantly, it is nearly impossible to meet RPS targets with the exact number of MWhs required. SDG&E's Voluntary Margin of Over-Procurement is designed to ensure that it achieves its RPS goals with a "buffer" to account for unforeseen changes to either the RPS targets or deliveries. Because it is more difficult to predict retail sales and project performance in CP2 and CP3, SDG&E's Voluntary Margin of Over-Procurement is higher in those years. SDG&E's RNS calculation, including its Voluntary Margin of Over-Procurement, for each compliance period is described below.

A. Compliance Period 1

SDG&E's Compliance Period 1 RNS is based on the following formula:

> RPS Risk-adjusted Net Short = (Bundled Retail Sales Forecast x RPS Procurement Quantity Requirement + Voluntary Minimum Margin of Procurement) – (Online Generation + Risk-adjusted Forecast Generation + Pre-approved Generic Generation)

Where:

- Bundled Retails Sales Forecast = the forecast developed in accordance with Section I(B)(2)(a) of SDG&E's 2012 RPS Plan
- RPS Procurement Quantity Requirement = Compliance Period 1 RPS percentage target plus the deficit that SDG&E is required to carry forward from the prior RPS regime as discussed in Section I(B)(2)(g) of SDG&E's 2012 RPS Plan.
- Voluntary Minimum Margin of Procurement = up to the current anticipated net long position for CP1
- Online Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have achieved commercial operation, as discussed in Section I(B)(1)(a) of SDG&E's 2012 RPS Plan
- Risk-adjusted Forecast Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have not yet achieved commercial operation, as discussed in Section I(B)(1)(b) of SDG&E's 2012 RPS Plan
- Pre-approved Generic Generation = unsubscribed volumes that SDG&E is required to procure under CPUC programs such as the Renewable Auction Mechanism and the Feed-in-Tariff

B. Compliance Period 2

SDG&E's Compliance Period 2 RNS is based on the following formula:

RPS Risk-adjusted Net Short = (Bundled Retail Sales Forecast x RPS Procurement Quantity Requirement+ Voluntary Minimum Margin of Procurement) – (Online Generation + Risk-adjusted Forecast Generation + Pre-approved Generic Generation)

Where:

- Bundled Retails Sales Forecast = the forecast developed in accordance with Section I(B)(2)(a) SDG&E's 2012 RPS Plan
- RPS Procurement Quantity Requirement = Compliance Period 2 RPS percentage target
- Voluntary Minimum Margin of Procurement = up to the current anticipated net long position for CP2
- Online Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have achieved commercial operation, as discussed in Section I(B)(1)(a) of SDG&E's 2012 RPS Plan
- Risk-adjusted Forecast Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have not yet achieved commercial operation, as discussed in Section I(B)(1)(b) of SDG&E's 2012 RPS Plan
- Pre-approved Generic Generation = unsubscribed volumes that SDG&E is required to procure under CPUC programs such as the Renewable Auction Mechanism and the Feed-in-Tariff

C. Compliance Period 3

SDG&E's Compliance Period 3 RNS is based on the following formula:

RPS Risk-adjusted Net Short = (Bundled Retail Sales Forecast x RPS Procurement Quantity Requirement+ Voluntary Minimum Margin of Procurement) – (Online Generation + Risk-adjusted Forecast Generation + Pre-approved Generic Generation)

Where:

- Bundled Retails Sales Forecast = the forecast developed in accordance with Section I(B)(2)(a) SDG&E's 2012 RPS Plan
- RPS Procurement Quantity Requirement = Compliance Period 3 RPS percentage target
- Voluntary Minimum Margin of Procurement = up to the current anticipated net long position for CP3
- Online Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have achieved commercial operation, as discussed in Section I(B)(1)(a) of SDG&E's 2012 RPS Plan
- Risk-adjusted Forecast Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have not yet achieved commercial operation, as discussed in Section I(B)(1)(b) of SDG&E's 2012 RPS Plan
- Pre-approved Generic Generation = unsubscribed volumes that SDG&E is required to procure under CPUC programs such as the Renewable Auction Mechanism and the Feed-in-Tariff

VII. BID SOLICITATION PROTOCOL, INCLUDING LCBF METHODOLOGIES - § 399.13(A)(5)(C) AND D.04-07-029

Attached are SDG&E's proposed bid solicitation protocol and related documents for a 2012 RPS solicitation (2012 RPS RFO).

- Appendix A: 2012 RPS Solicitation (RFO Document)
- Appendix B1: 2012 RFO Participation Summary
- Appendix B2: 2012 RFO Project Description Form
- Appendix B3: 2012 RFO Bundled Pricing Form
- Appendix B4: 2012 RFO REC Pricing Form
- Appendix B5: 2012 RFO Model PPA
- Appendix B6: 2012 RFO REC Agreement
- Appendix B7: 2012 RFO Credit Application
- Appendix B8: 2012 RFO Consent Form
- Appendix C: Evaluation Methodology (LCBF Process)

VIII. ESTIMATING TRANSMISSION COST FOR THE PURPOSE OF RPS PROCUREMENT AND BID EVALUATION - TRANSMISSION RANKING COST REPORT REQUIRED

SDG&E filed a draft TRCR on June 26, 2012.

IX. CONSIDERATION OF PRICE ADJUSTMENT MECHANISMS -§ 399.13(A)(5)(E)

SDG&E acknowledges that contracts with online dates occurring more than 24 months after the contract execution date can pose additional risk to ratepayers. SDG&E has incorporated price adjustment mechanisms in some of its current contracts that are intended to alleviate some of these risks, including the following:

- Price adjustment for delay in Guaranteed Commercial Operation Date ("GCOD"): A lower price for a late GCOD provides additional incentive for developers to come online as early as possible. However, this structure can create financing challenges if financing parties are not comfortable with the potentially lower price. It is also difficult to quantify an appropriate price adjustment amount and can lead to drawn out negotiations.
- Capped transmission upgrade costs: Placing a cap on the amount of transmission upgrade costs, which are ultimately borne by ratepayers, that a project can incur is an important way to limit ratepayer exposure to such costs. This type of cap is especially important for projects with CODs more than 24 months after the contract execution date because it is unlikely that such projects have received reliable transmission upgrade cost estimates at the time the contract is signed.

SDG&E also proposes a revised security provision that is intended to alleviate the risk of a long period between execution and construction. The Construction Period Security should escalate in proportion to the duration of time between contract execution and start of construction. For example:

- For Projects with a construction start date within 12 months of Execution of the agreement - 2X the annual estimated deliveries of energy (MWh) X $20
- For Projects with a construction start date within 24 months of Execution of the agreement - 2X the annual estimated deliveries of energy (MWh) X $30
- For Projects with a construction start date within 36 months of Execution of the agreement - 2X the annual estimated deliveries of energy (MWh) X $40

SDG&E believes that this security structure will help to protect ratepayers from the risk that developers have improperly assessed wind turbine or solar panel prices. The longer the developer must wait to buy turbines/panels, the more risk exists that the prices will go up and the developer will not be able to develop the project for the price offered. The additional security would help to protect against this increased market risk.

X. COST QUANTIFICATION TABLE

The following tables provide an annual summary of both actual and forecasted RPS procurement costs, by technology type, as of May 2012.

		Actual RPS-Eligible Procurement and Generation Costs								
1	**Technology Type**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
2	Biogas	6,201,139	8,541,291	8,915,866	8,087,169	6,685,347	9,388,536	10,067,817	11,383,663	10,699,119
3	Biomass	18,888,387	18,693,045	17,205,462	16,965,465	12,237,997	22,995,311	24,605,914	27,430,655	27,275,365
4	Geothermal	0	0	0	0	0	0	0	14,679,414	29,437,292
5	Small Hydro	0	0	0	0	994,116	1,210,445	1,035,376	1,036,066	776,149
6	Solar PV	0	0	0	0	0	0	0	0	8,411,735
7	Solar Thermal	0	0	0	0	0	0	0	0	0
8	Wind	22,750	5,980,963	14,097,259	19,779,696	22,968,510	22,131,340	60,255,477	54,744,756	66,266,623
9	UOG Small Hydro	0	0	0	0	0	0	0	0	0
10	UOG Solar	0	0	0	0	0	0	0	0	0
11	RECs (incl. any buy/sell-back	0	0	0	0	0	0	0	0	0
12	**Total CPUC-Approved RPS-Eligible Procurement and Generation Cost ($)** [Sum of Rows 2 through 11]	**25,112,276**	**33,215,299**	**40,218,587**	**44,832,330**	**42,885,970**	**55,725,632**	**95,964,584**	**109,274,554**	**142,866,283**
13	Bundled Retail Sales (kWh)	15,043,865,000	15,811,591,000	16,001,516,000	16,846,888,000	17,056,023,000	17,409,884,000	16,993,872,000	16,282,682,000	16,249,031,000
14	**Incremental Cost per kWh (cents/kWh)**	0.167	0.210	0.251	0.266	0.251	0.320	0.565	0.671	0.879

* Incremental Cost per kWh Impact is equal to Row 12 divided by Row 13, that is, it is defined as the identified costs (Row 12) divided by bundled retail sales (Row 13). While the item is labeled "Incremental Cost per kWh Impact", the value does not constitute a rate impact and should be interpreted as an estimate of a system average cost per kWh for RPS-eligible procurement and generation, not a renewable "premium". In other words, the amount shown captures the total cost of the renewable generation and not the additional cost incurred by receiving renewable energy instead of an equivalent amount of energy from conventional generation sources.

		Forecasted Future Expenditures on RPS-Eligible Procurement and Generation Costs								
1	**Executed But Not CPUC-Approved RPS-Eligible Contracts**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
2	Biogas	0	0	0	0	0	0	0	0	0
3	Biomass	0	0	0	0	0	0	0	0	0
4	Geothermal	22,800,000	0	0	0	0	0	0	0	0
5	Small Hydro	0	0	0	0	0	0	0	0	0
6	Solar PV	33,809,910	94,656,947	110,616,543	109,831,204	108,681,105	107,740,489	107,181,999	105,901,966	105,005,713
7	Solar Thermal	0	0	0	0	0	0	0	0	0
8	Wind	14,140,000	28,765,000	37,811,644	37,811,644	37,811,644	37,811,644	37,811,644	37,811,644	37,811,644
9	UOG Small Hydro	0	0	0	0	0	0	0	0	0
10	UOG Solar	0	0	0	0	0	0	0	0	0
11	RECs (incl. any buy/sell-back	280,500	0	0	0	0	0	0	0	0
12	**Total Executed But Not CPUC-Approved RPS-Eligible Procurement and Generation Cost ($)** [Sum of Rows 2 through 11]	**71,030,410**	**123,421,947**	**148,428,187**	**147,642,848**	**146,492,749**	**145,552,133**	**144,993,643**	**143,713,610**	**142,817,356**
13	Bundled Retail Sales (kWh)	[redacted]				18,595,626,000	18,873,220,000	19,154,172,000	19,454,994,000	19,759,758,000
14	**Incremental Cost per kWh (cents/kWh)**	[redacted]				0.788	0.771	0.757	0.739	0.723

15	**CPUC-Approved RPS-Eligible Contracts (Incl. RAM/FIT/PV Contracts)**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
16	Biogas	8,711,750	8,711,750	8,711,750	8,711,750	8,711,750	8,711,750	8,711,750	8,711,750	8,711,750
17	Biomass	27,864,321	27,864,321	27,864,321	27,864,321	27,864,321	27,864,321	27,864,321	27,864,321	27,864,321
18	Geothermal	52,128,755	52,128,755	24,217,020	0	0	0	0	0	0
19	Small Hydro	994,116	994,116	994,116	994,116	994,116	994,116	994,116	994,116	994,116
20	Solar PV	34,764,385	97,039,334	240,827,532	296,677,387	356,497,175	355,897,471	355,306,603	354,724,559	354,151,239
21	Solar Thermal	0	0	0	0	0	0	0	0	0
22	Wind	60,751,078	97,495,476	240,312,652	242,204,900	243,761,852	245,558,959	247,769,662	249,291,509	251,294,499
23	UOG Small Hydro	0	0	0	0	0	0	0	0	0
24	UOG Solar	0	0	0	0	0	0	0	0	0
25	RECs (incl. any buy/sell-back	0	0	0	0	0	0	0	0	0
26	**CPUC-Approved RPS-Eligible Procurement and Generation Cost ($)** [Sum of Rows 16 through 25]	**185,214,405**	**284,233,752**	**542,927,391**	**576,452,474**	**637,829,213**	**639,026,617**	**640,646,452**	**641,586,254**	**643,015,925**
27	Bundled Retail Sales (kWh)	[redacted]				18,595,626,000	18,873,220,000	19,154,172,000	19,454,994,000	19,759,758,000
28	**Incremental Cost per kWh (cents/kWh)**	[redacted]				3.430	3.386	3.345	3.298	3.254

29	**Total Cost per kWh (cents/kWh) (14+28)**	[redacted]				4.218	4.157	4.102	4.036	3.977

* Incremental Cost per kWh Impact is equal to a Total Cost (either Row 12 or 26) divided by Bundled Retail Sales (either Row 13 or 27). While the item is labeled "Incremental Cost per kWh Impact", the value does not constitute a rate impact and should be interpreted as an estimate of a system average cost per kWh for RPS-eligible procurement and generation, not a renewable "premium". In other words, the amount shown captures the total cost of the renewable generation and not the additional cost incurred by receiving renewable energy instead of an equivalent amount of energy from conventional generation sources.

XI. IMPORTANT CHANGES TO PLANS NOTED

See Appendix D: Important Plan Changes from 2012 RPS Plan to the 2011 RPS Plan

XII. REDLINED COPY OF PLANS REQUIRED

See Appendix E: Provides redlined version of each of the documents above to show all changes that have been made to the 2011 version of the RPS Plan.

SAN DIEGO GAS & ELECTRIC COMPANY

APPENDIX A
2012 RPS SOLICITATION

PUBLIC VERSION

SAN DIEGO GAS AND ELECTRIC COMPANY
ELECTRIC AND GAS PROCUREMENT DEPARTMENT
8315 CENTURY PARK COURT, CP21D
SAN DIEGO, CA 92123

2012
REQUEST FOR OFFERS

ELIGIBLE RENEWABLE RESOURCES

ISSUED
DECEMBER 7, 2012

OFFERS DUE
FEBRUARY 6, 2013

RFO WEBSITE
http://www.sdge.com/renewablerfo2012

EMAIL QUESTIONS/COMMENTS TO
renewablerfo@semprautilities.com

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1.0 SCOPE OF REQUEST

As required by the Decision Conditionally Accepting 2012 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Off-Year Supplement (D.12-11-016), San Diego Gas & Electric Company ("SDG&E") is issuing this Request for Offers ("RFO") to solicit offers from eligible renewable energy generators ("Respondents"). By responding, Respondents are bound by the terms of this RFO. SDG&E is seeking resources to expand its renewable portfolio as part of its SB2(1X) RPS Compliance effort. Resources offered must meet the California Renewables Portfolio Standard ("RPS") eligibility criteria set forth by the California Energy Commission ("CEC"). (See Section 5.0 RPS Program Parameters for additional information.)

A. Procurement Needs

SDG&E is required to serve its customers in the following manner: (a) with an average of 20% of retail sales from renewable resources between January 1, 2011 and December 31, 2013, inclusive[1] ("Compliance Period 1") (b) with 25% of retail sales from renewable resources by December 31, 2016, with reasonable progress made in 2014 and 2015[2] ("Compliance Period 2"); (c) with 33% of retail sales from renewable resources by December 31, 2020, with reasonable progress made in 2017, 2018 and 2019[3] ("Compliance Period 3"); and (d) with 33% of retail sales from renewable resources in each year beyond 2020[4] ("Post 2020 Compliance Period").

SDG&E must meet these goals by procuring renewable resources that meet the requirements of the products outlined in Public Utilities Code 399.16(b). A summary of each product type is provided below:

Category 1 (Public Utilities Code 399.16(b)(1)(A-B)): Bundled Products

- Must have first point of interconnection ("POI") with a California Balancing Authority ("CBA"); **or**
- Must have first POI with distribution facilities used to serve end users within a CBA; **or**
- Must be scheduled from the eligible renewable resource ("ERR") into a CBA without substituting electricity from another source[5];**or**.
- Have an agreement to dynamically transfer electricity to a CBA;

Category 2 (Public Utilities Code 399.16(b)(2): Firmed and Shaped Products

[1] Compliance towards Compliance Period 1 goals shall be measured as required by D.11-12-020, Ordering Paragraph ("OP") 1.

[2] Compliance towards Compliance Period 2 goals shall be measured as required by D.11-12-020, OP 2.

[3] Compliance towards Compliance Period 3 goals shall be measured as required by D.11-12-020, OP 3.

[4] Compliance towards Post 2020 Compliance Period goals shall be measured as required by D.11-12-020, OP 4.

[5] If using another source to provide real-time ancillary services required to maintain an hourly or sub-hourly import schedule into a CBA is permitted, but only the fraction generated by the ERR will count as Category 1.

- Firmed and shaped ERR products providing incremental electricity and scheduled into a CBA

Category 3 (Public Utilities Code 399.16(b)(3): Unbundled Renewable Energy Credits ("RECs")

- ERR products, or any fraction of the electricity generated, **including unbundled RECs**, that do not qualify under 399.16(b)(1-2)

The table below provides a high level overview of SDG&E's procurement needs for this RFO. SDG&E's need is defined in terms of the time frame within which deliveries are needed and the product categories with which SDG&E intends to meet such needs. A more detailed discussion of RFO eligibility requirements is provided at Section 7.0.

	CP 1: January 1, 2011- December 31, 2013	**CP 2: January 1, 2014- December 31, 2016**	**CP 3: January 1, 2017- December 31, 2020**
SDG&E Overall Procurement Need[6]	None	None	A Tier 3 contingent shortlist[7] of 845 GWh
Category 1	None	None	Long-term energy only or fully deliverable products (term of 20 years or less and CODs in December 2016 at the earliest, with preference for 2018 and 2019 CODs)
Category 2	None	None	Long-term energy only or fully deliverable products (term of 20 years or less, with 2018 or 2019 CODs)
Category 3	None	None	Unbundled RECs that will be generated in December of 2013 with preference for those generated in 2015 and later

Proposed products may be for Peaking, Baseload, Dispatchable (unit firm), As-available or unbundled RECs. Proposed resources may include capacity, energy, or unbundled RECs from:

1) Re-powering of existing facilities;
2) Incremental capacity upgrades of existing facilities;
3) New facilities;
4) New facilities that are scheduled to come online during the years specified in this RFO that have excess or uncontracted quantities of power for a short time frame;
5) Existing facilities with expiring contracts; or

[6] Note- SDG&E's 2012 RPS RFO GWh procurement needs for CP3 are dependent upon the performance of SDG&E's RPS portfolio in the first quarter of 2013.

[7] Projects will be shortlisted on a Tier 3 "stand-by" basis as discussed in Section 9 below.

6) Eligible resources currently under contract with SDG&E. SDG&E shall consider offers to extend terms of or expand contracted capacities for existing agreements.

B. Transmission and Deliverability

The generating facility and transmission interconnection must be designed and constructed in conformance with the CAISO's various reliability agreements, procedures, protocols, tariffs and standards. In order to submit proposals under this solicitation, Respondent's Project must have the minimum of a completed CAISO Generator Interconnection Procedures ("GIP") Phase I or equivalent study for new facilities, and an existing interconnection agreement for the duration of the Power Purchase Agreements ("PPA") for existing facilities. See RFO Section 4.0 – "RFO Response Instructions" for additional information.

C. Power Purchase Agreements ("PPA")

Respondents offering bundled energy ("Category 1"), or firmed and shaped energy ("Category 2") products shall propose a power purchase agreement for energy and/or energy plus capacity attributes. PPA pricing may be subject to reduction if the total cost of network upgrades required to make the project deliverable exceed a dollar cap determined by SDG&E. Respondents offering Category 1 or 2 products must be poised to sign an agreement in substantially the form of the Model Power Purchase Agreement ("Model PPA") (See Section 4.0 RFO Response Instructions). Category 1 or 2 products may be either fully deliverable or energy only, and the Model PPA will include the relevant set of Time-of-Day Factors ("TODs"), as set forth below. Any resultant agreement shall be subject to CPUC approval, and must be executed within twelve (12) months from the date upon which the shortlist was submitted to the CPUC. Additional resource criteria are described in Section 7.0 Resource Criteria.

TOD Period	Period Days and Hours	Energy Only Time of Day Factor	Full Capacity Deliverability Status Time-of-Day Factor
Winter On-Peak	Nov 1 – Jun 30 Weekdays 1 pm to 9 pm PST (HE 14 to HE 21)	1.192	1.089
Winter Semi-Peak	Nov 1 – Jun 30 Weekdays 6 am to 1 pm PST (HE 7 to HE 13) Weekdays 9 pm to 10 pm PST (HE 22)	1.078	0.947
Winter Off-Peak	Nov 1 – Jun 30 All Weekend Hours, NERC Holiday Hours, and Weekday Hours not already considered On-Peak or Semi-Peak	0.774	0.679
Summer On-Peak	Jul 1 – Oct 31 Weekdays 11 am to 7 pm PST (HE 12 to HE 19)	1.531	2.501
Summer Semi-Peak	Jul 1 – Oct 31 Weekdays 6 am to 11 am PST (HE 7 to HE 11) Weekdays 7 pm to 10 pm PST (HE 20 to HE 22)	1.181	1.342
Summer Off-Peak	Jul 1 – Oct 31 All Weekend Hours, NERC Holiday Hours, and	0.900	0.801

	Weekday Hours not already considered On-Peak or Semi-Peak		

D. Unbundled REC Agreements

Respondents offering unbundled RECs (Category 3) products shall offer unbundled RECs from an eligible renewable resource that can meet the criteria described herein and is registered in WREGIS. Seller of Category 3 products shall enter into an Edison Electric Institute ("EEI") Master Agreement with SDG&E if it has not done so already. The Model REC Agreement will be appropriate for Respondents offering Category 3 products (See Section 4.0 RFO Response Instructions). Any resultant agreement shall be subject to CPUC approval, and must be executed within twelve (12) months from the date upon which the shortlist was submitted to the CPUC. Additional resource criteria are described in Section 7.0 Resource Criteria.

E. Participation from Diverse Business Enterprises

SDG&E encourages Diverse Business Enterprises ("DBEs"), as defined in G.O. 156[8], to participate in the RPS program and in this RFO. Furthermore, SDG&E encourages developers to utilize DBEs during various stages of project development and construction. As a part of G.O. 156, SDG&E will require developers to identify and verify their DBE contractors/subcontractor spending if any.

Additional information on SDG&E's DBE program and utilizing DBEs can be found at:

http://www.sempra.com/about/supplier-diversity/
and
http://www.cpuc.ca.gov/puc/supplierdiversity/

Like other qualitative factors, in the event of a tie between two Offers, SDG&E will consider a Respondents status as a DBE and or a Respondent's plan to utilize the services of DBEs during project development.

SDG&E's DBE Program representatives will provide a presentation during the pre-bidding conference on January 11th). DBEs can request additional information by contacting SDG&E at vendorrelations@semprautilities.com.

[8] See http://www.thesupplierclearinghouse.com/eligibility/default.asp for the definition of a DBE.

2.0 RFO WEBSITE AND COMMUNICATIONS

The RFO and all subsequent revisions and documents are available for download from the RFO Website (http://www.sdge.com/procurement/2012RPSRFO). Potential Respondents are responsible for monitoring the RFO Website for subsequent updates, notices and postings.

The RFO website contains RFO forms and documents, RFO Schedule, and a Question and Answer forum.
All questions or other communications regarding this RFO must be submitted via email to renewablerfo@semprautilities.com by the DEADLINE TO SUBMIT QUESTIONS as specified in Section 3.0 RFO Schedule. SDG&E will not accept questions or comments in any other form.

3.0 RFO SCHEDULE

The following schedule and deadlines apply to this RFO. SDG&E reserves the right to revise this schedule at any time and in SDG&E's sole discretion. Respondents are responsible for accessing the RFO Website for updated schedules and possible amendments to the RFO or the solicitation process.

NO.	ITEM	APPROX. DATE
1.	RFO Issued	12/7/12
2.	Pre-Bidder's Conference in San Diego, California (including webinar)	1/11/13
3.	DEADLINE TO SUBMIT QUESTIONS Question submittal cut-off date. Answers to all questions will be posted on the website no later than 1 week following question submittal cutoff date	1/18/13
5.	CLOSING DATE: Offers must be uploaded to and received by the RFO Website no later than NOON (Pacific Prevailing Time).	2/6/13
6.	SDG&E notifies the CPUC (Executive Director) that the RFO has closed.	2/6/13
7.	SDG&E notifies short-listed Respondents	4/5/13
8.	Letter due from short-listed Respondents indicating: a. Withdrawal from SDG&E's solicitation; OR b. Acceptance of short-listed standing, withdrawal of participating in any other solicitation and evidence of withdrawal notice to all other solicitors.	4/12/13
9.	Due from short-listed Respondents accepting shortlist standing a Bid Acceptance Fee (see Section 12.0 Credit Terms and Conditions). In addition, interconnection documentation must be assigned to the entity that will sign the PPA, if not already in the name of such entity.	4/15/13
10.	SDG&E submits FINAL short list to Commission and PRG	4/17/13
11.	SDG&E issues appreciation notices to unsuccessful Respondents	5/10/13
12.	SDG&E files by Tier 2 advice letter (a) Evaluation Criteria and Selection Process Report and (b) Independent Evaluator's Report	5/17/13
13.	SDG&E commences with PPA negotiations	By June 2013
14.	SDG&E's 2012 RPS RFO Shortlist Expires	4/17/14
15.	SDG&E submits Tier 3 Advice Letters with contracts/PPAs for Commission approval	TBD

PRE-BID CONFERENCES

SDG&E will host one pre-bid conference on January 11th) in San Diego, California. The conference will also be available via webinar for those who cannot attend in person. Though encouraged, participation in the pre-bid conference is NOT mandatory in order to submit an offer. Please

monitor the RFO Website periodically. The venue and time will be posted as soon as arrangements are finalized.

Any party interested in attending this pre-bid conference and/or webinar should email the following information to renewablerfo@semprautilities.com. Please limit your participation to two representatives per organization.

- Company name
- Attendees' names, titles and contact information

4.0 RFO RESPONSE INSTRUCTIONS

Respondents may submit one or more offers to this solicitation by submitting the forms listed below. Forms are available on the RFO Website. The failure to provide the listed information may result in the proposal being deemed non-conforming and may disqualify the proposal from further consideration.

Required Forms for Category 1 Offers:

1) **Participation Summary**
2) **Project Description Form** – Submit one per project[9].
3) **Pricing Form** – Respondents may submit up to three pricing options per project.
4) **Credit Application**
5) **Model PPA** – Required for offers that include energy deliveries. Respondents shall populate and redline the Model PPA.
6) **Project Viability Calculator** – Respondents must self assess the viability of the proposed project using the CPUC's Project Viability Calculator.
7) **Interconnection Documents** – Respondents must provide an electronic copy of the proposed project's completed CAISO GIP Phase I or equivalent study if the facility is new, or if the facility is existing, Respondent must provide the facility's interconnection agreement.[10]

Required Forms for Category 2 Offers:

1) **Participation Summary**
2) **Project Description Form** – Submit one per project[11].
3) **Pricing Form** – Respondents may submit up to three pricing options per project.
4) **Credit Application**
5) **Model PPA** – Required for offers that include energy deliveries. Respondents shall populate and redline the Model PPA.
6) **Project Viability Calculator** – Respondents must self assess the viability of the proposed project using the CPUC's Project Viability Calculator.
7) **Interconnection Documents** – Respondents must provide an electronic copy of the proposed project's completed CAISO GIP Phase I or equivalent study (System Impact Study or Facility Study from official North American Electric Reliability Corporation Transmission Operator) if the facility is new, or if the facility is existing, Respondent must provide the facility's interconnection agreement.[12]

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[9] Please note this form MUST describe the substation at which the project interconnects

[10] Note that interconnection documents should be in the name of the entity that will sign the PPA. If not, Respondent must assign such documents to the entity that will sign the PPA by the time that Respondent accepts its position on the shortlist.

[11] Please note this form MUST describe the substation at which the project interconnects

[12] Note that interconnection documents should be in the name of the entity that will sign the PPA. If not, Respondent must assign such documents to the entity that will sign the PPA by the time that Respondent accepts its position on the shortlist.

8) **Firming and Shaping/Substitute Energy Agreement** – Respondent must provide evidence of the proposed project's firming and shaping agreement (either draft, or executed version if completed).

Required Forms for Category 3 Offers:

1) **Participation Summary**
2) **Project Description Form** – Submit one per project[13].
3) **REC Pricing Form** – Respondents may submit up to three pricing options per project.
4) **Model REC Agreement** – Required for offers for unbundled RECs only. Respondents shall populate and redline the Model REC Agreement.

The Participation Summary, Project Description Form, Credit Application, and redlines to the Model PPA and/or Model REC Agreement must be in Word or Word-compatible format (not in PDF). The Pricing Form and Project Viability Calculator must be in Excel or Excel-compatible format (not in PDF).

Submissions containing unsolicited materials, submissions in ZIP archives or other compressed formats, or submissions of individual bid documents in file formats other than the formats of the original bid forms, will be rejected. This RFO is an electronic only Solicitation; Respondents need not submit paper documents, nor e-binders.

Any party interested in submitting an offer must submit the offer via electronic mail (email) to renewablerfo@semprautilities.com, which is the RPS RFO inbox, and attach all required forms and bid materials to the email. All offers must be emailed to renewablerfo@semprautilities.com no later than 12:00 p.m. (i.e. Noon), Pacific Standard Time, on the CLOSING DATE (see RFO Schedule). The Subject line of the email should be as follows: Bid Submission for SDG&E's 2012 RPS RFO. A reply email from the RPS RFO inbox will be sent to the email address submitting the offer to confirm receipt of the offer.

If Respondents encounter technical difficulties with emailing, they should provide evidence of such difficulties (e.g. a screen shot of the error message) and email the bid again to the RPS RFO inbox by 1:00 p.m., Pacific Standard Time, on the Closing Date. If the Respondent encounters further technical difficulties with the RPS RFO inbox, they should provide evidence of such difficulties (e.g. a screen shot of the error message or a sent email notice with a time stamp before 1:00 p.m. on the Closing Date) and submit a hard copy and a CD of the bid package to SDG&E and the Independent Evaluator at the addresses below by close of business on the day following the Closing Date.

San Diego Gas & Electric Company
Electric and Fuel Procurement Department
Attn: RPS RFO Response
8315 Century Park Court, CP21D

[13] Please note this form MUST describe the substation at which the project interconnects

San Diego, CA 92123-1593

Jonathan Jacobs
PA Consulting Group
1700 Lincoln Street
Suite 4600
Denver, CO 80203

All offer materials submitted in accordance with the above Response Instructions shall be subject to the confidentiality provisions of Section 11 Confidentiality of this RFO.

SDG&E will review and may utilize all information, if any, submitted by a Respondent that is not specifically requested as a part of any forms. During all stages of the RFO process, SDG&E reserves the right to request additional information from individual Respondents or to request any Respondent to submit supplemental materials in fulfillment of the content requirements of this RFO or to meet additional information needs. SDG&E also reserves the unilateral right to waive any technical or format requirements contained in the RFO.

5.0 RPS PROGRAM PARAMETERS

CALIFORNIA RPS PROGRAM

California's Renewable Portfolio Standard (RPS) Program was adopted in 2002 and is codified at Public Utility Code sec 399.11, *et seq.*[14] In adopting the RPS legislation, the Legislature specifically found and declared that increasing California's reliance on renewable energy resources promotes the purpose of and may accomplish each of the following:

- Increase the diversity, reliability, public health and environmental benefits of the energy mix
- Promote stable electricity prices
- Protect public health and improve environmental quality
- Stimulate sustainable economic development and create new employment opportunities
- Reduce reliance on imported fuels
- Ameliorate air quality problems
- Improve public health by reducing the burning of fossil fuels

Current law requires Investor Owned Utilities (IOU's) to procure renewable energy in the amount of 33% of retail sales by 2020[15]. Unlike the prior annual RPS program, the 33% regime sets increasing targets for three multi-year Compliance Periods ("CPs"). The targets are set at 20% by the end of CP1 (2011-2013), 25% at the end of CP2 (2014-2016), and 33% by the end of CP3 (2017-2020). The CPUC issued its first decision implementing the RPS Program, D.03-06-071 on June 19, 2003. This decision established certain basic RPS Program parameters. The CPUC has subsequently issued several additional RPS-related decisions in rulemaking proceeding R.04-04-026, and successor proceedings R.06-02-012, R.06-05-027, R.08-08-009 and R.11-05-005. SDG&E will comply with all CPUC decisions governing RPS procurement. These decisions are publicly available on the CPUC's website at http://www.cpuc.ca.gov/PUC/energy/Renewables/decisions.htm.

This RFO is being conducted in compliance with relevant statutory and regulatory directives. Requirements set forth within the law and all directives shall be incorporated herein by reference. A full text of the law and the above-mentioned CPUC decisions can be downloaded from the CPUC website. Respondents are encouraged to review all RPS-related, CPUC issued directives available on the same Internet websites and are responsible for understanding and abiding by all RPS provisions.

RPS ELIGIBILITY CRITERIA

Respondents successfully signing agreements with SDG&E must warrant that the resources being offered in response to this solicitation are certifiable as an "eligible renewable resource" by the California Energy Commission (CEC). Eligibility criteria are set forth by the CEC in its Renewable Portfolio Standard Eligibility Guidebook. The most recent revision to the CEC guidebook was adopted on August 29th, 2012. It can be downloaded from the CEC's website at http://www.energy.ca.gov/renewables/documents/index.html.. Respondents are encouraged to

[14] *See*, Senate Bill (SB) 1078 (Stats. 2002 Ch. 516), as amended by SB 107, (Stats. 2006, Ch. 464).

15 *See*, Senate Bill (SB) 2 (1x) (Simitian), stats. 2011, ch. 1

review all RPS-related, CEC issued directives available on the same Internet website and are responsible for understanding and abiding by all RPS provisions. All requirements set forth within the CEC's guidebooks and all RPS-related documents shall be incorporated herein by reference. SDG&E has no preferred "eligible renewable resource" or resource stack and will judge the merits of each bid based on the provisions of Section 9.0.

Respondents are encouraged, although not required, to apply for pre-certification from the CEC in advance of submitting an offer. Pre-certification forms are available from the above-entitled guidebook.

PROCUREMENT REVIEW GROUP

The Procurement Review Group (PRG), a CPUC-endorsed entity, is composed of non-market participants such as ratepayers' advocacy groups, state energy and water commissions, power authorities, utility-related labor unions and other non-commercial, energy-related special interest groups. CPUC Decision D.03-06-071 established the role of the PRG in the RPS Program. The PRG is charged with overseeing the IOU's procurement process, reviewing procedural fairness, examining overall procurement prudence and providing feedback during all stages. From RFO language development to offer evaluation to contract negotiation, IOU's brief the PRG on a periodic basis during the entire process.

Respondents are hereby notified that revealing confidential offer information to the PRG is required during PRG briefings in accordance with Section 11 ("Confidentiality"). Each Respondent must clearly identify, as part of its offer, what type of information it considers to be confidential.

INDEPENDENT EVALUATOR

The CPUC requires each IOU to use an Independent Evaluator to separately evaluate and report on the IOU's entire solicitation, evaluation, and selection process for this solicitation. This will serve as an independent review of SDG&E's implementation of the RFO process and final selections. The Independent Evaluator shall make periodic presentations regarding its findings to the IOU, and the IOU's PRG including the CPUC Energy Division staff. The intent is to preserve the independence of the Independent Evaluator by ensuring free and unfettered communication between the Independent Evaluator and the CPUC as well as an open, fair, and transparent process that the Independent Evaluator can affirm.

SDG&E is committed to ensuring an open and transparent solicitation, and to providing a fair, reasonable and competitive process.

6.0 SDG&E BACKGROUND

SDG&E provides electricity to 3.4.million consumers. It delivers the electricity through 1.4 million meters in San Diego County and an adjacent portion of southern Orange County. SDG&E also delivers natural gas through 855,000 meters in San Diego County and transports electricity and natural gas for others. The electric customer base comprises 89% residential and 11% commercial and industrial customers.

SDG&E's electric transmission network is comprised of 130 substations with 884 miles of 69-kV, 265 miles of 138-kV, 349 miles of 230-kV, and 215 miles of 500-kV transmission lines. Local ("on system") generating resources include the Encina plant (connected into SDG&E's grid at 138 kV and 230 kV), the Palomar Energy Center (connected at 230kV) and a number of combustion turbine facilities located around the service area (connected at 69 kV). Imported resources are received via the Miguel Substation as the delivery point for power flow on the Southwest Power Link, which is SDG&E's 500-kV transmission line that runs from Arizona to San Diego along the U.S./Mexico border, and via the San Onofre Nuclear Generating Station 230-kV switchyard.

The figure below shows a simplified diagram of existing SDG&E's service area, which encompasses an area of 4,100 square-miles and spans 2 counties and 25 communities.

For a map California IOU service territories please visit:
http://www.energy.ca.gov/maps/serviceareas/electric_service_areas.html

7.0 RESOURCE CRITERIA

A. Compliance Period 3 Procurement Needs

In order to meet its RPS goals for Compliance Period 3, SDG&E intends to solicit long term Category 1, 2, and 3 projects with CODs no earlier than December of 2016, with a preference for CODs in 2018 or later. SDG&E will accept offers for Unit Contingent Structures only (from a single facility). Requirements for such products are defined below.

I. Category 1 Products

a. Term: 20 years or less;

b. Pricing: fixed price for the bundled product, expressed in $/MWh;

c. Eligible Renewable Resources: All proposed resources must be CEC-certifiable as an eligible renewable resource ("ERR"), and cannot be subject to any moratorium or injunction against procurement by the California Energy Commission, California Public Utility Commission, or other legal authority with jurisdiction over utility procurement;

d. Minimum Size: Net Contract Capacity must be ≥ 20 MW (rated in alternating current, or "AC");

e. Maximum Size: Net Contract Capacity must be ≤ 250 MWs AC SDG&E encourages Respondents to limit deliveries to 400 GWh and Net Contract Capacity to up to 150 MW[16]s AC.;

f. Deliverability: Offers may provide energy only products or fully deliverable products SDG&E will incorporate any deliverability value in its evaluation of these offers[17];

g. Green Attributes: All green attributes associated with the project must be tendered to SDG&E;

h. Dynamic Transfers: Proposed resources using dynamic transfer for delivery to a CBA must provide documentation certifying the existence of the dynamic transfer arrangements. Such documentation must have a sufficient level of detail for SDG&E to determine conformance with Category 1 specifications, and to ensure

[16] This project size nameplate guidance may change between the time this RFO Document is filed and the pre-bidders conference. If such, it will be described at the pre-bid conference. More guidance of the GWh sought in CP3 will be provided at the pre-bid conference.

[17] Resource Adequacy (RA) is a capacity attribute of a CAISO Participating Generator. An RA resource can provide either Local and/or System RA attributes based on its location as determined by the CAISO. Annually the CPUC and the CAISO assign a Net Qualifying Capacity (NQC) to each RA resource. In order to receive an NQC the resource's capacity output must be deliverable to load as described in the CAISO Tariff. The methodology for determining a resource's NQC can be found in the CPUC's Qualifying Capacity Methodology Manual located at: http://www.cpuc.ca.gov/NR/rdonlyres/2526B26C-BEEA-46FE-904F-A99D2F042FD8/0/AdoptedQCmethodologymanualfromD1006036APPENDIXB.doc.

that the dynamic transfer arrangement conforms with all other California state laws and decisions issued by the California Public Utilities Commission, the California Energy Commission, and any other regulatory authorities with jurisdiction over utility procurement in California;

i. Project Stewardship: The Respondent will own and operate[18] the facility(ies) associated with the offer and be responsible for development, land acquisition, fuel supply source and transportation, permitting, financing and construction for the facility(ies).

II. Category 2 Products

j. Term: 20 years or less;

k. Pricing: fixed price, expressed in $/MWh;

l. Eligible Renewable Resources: All proposed resources must be CEC-certifiable as an eligible renewable resource ("ERR"), and cannot be subject to any moratorium or injunction against procurement by the California Energy Commission, California Public Utility Commission, or other legal authority with jurisdiction over utility procurement;

m. Minimum Size: Net Contract Capacity must be ≥ 20 MW AC;

n. Maximum Size: Net Contract Capacity must be ≤ 250 MWs AC. SDG&E encourages Respondents to limit deliveries to 400 GWh and Net Contract Capacity to up to 150 MW[19]s AC.;

o. Deliverability: Offers may provide energy only products or fully deliverable products SDG&E will incorporate any deliverability value in its evaluation of these offers[20];

p. Green Attributes: All green attributes associated with the project must be tendered to SDG&E;

q. Firmed and Shaped: The transaction must conform to the Commission's definition of a firmed and shaped product[21]. The energy and associated RECs from the facility must be sold simultaneously to SDG&E; the energy must not be sold back to the

[18] A direct contractual relationship with the operator of the facility is sufficient to meet this criteria.

[19] This project size nameplate guidance may change between the time this RFO Document is filed and the pre-bidders conference. If such, it will be described at the pre-bid conference. More guidance of the GWh sought in CP3 will be provided at the pre-bid conference.

[20] Resource Adequacy (RA) is a capacity attribute of a CAISO Participating Generator. An RA resource can provide either Local and/or System RA attributes based on its location as determined by the CAISO. Annually the CPUC and the CAISO assign a Net Qualifying Capacity (NQC) to each RA resource. In order to receive an NQC the resource's capacity output must be deliverable to load as described in the CAISO Tariff. The methodology for determining a resource's NQC can be found in the CPUC's Qualifying Capacity Methodology Manual located at: http://www.cpuc.ca.gov/NR/rdonlyres/2526B26C-BEEA-46FE-904F-A99D2F042FD8/0/AdoptedQCmethodologymanualfromD1006036APPENDIXB.doc.

[21] Decision Implementing Portfolio Content Categories for the Renewables Portfolio Standard Program, p. 46-47

generator and must not be already committed to another party; and the initial contract for substitute energy may be acquired no earlier than the time the energy is purchased by SDG&E and no later than prior to the initial date of generation of the energy under the terms of the contract between SDG&E and the facility;

r. Substitute Energy: The contract for substitute energy must be at least five years in duration, or as long as the contract for RPS-eligible energy, whichever is shorter.

s. Incremental Energy: The facility must provide incremental energy, as defined by the CPUC[22]. The energy must not be in the portfolio of the retail seller claiming the transaction for RPS compliance prior to the firmed and shaped transaction.

t. Project Stewardship: The Respondent will own and operate[23] the facility(ies) associated with the offer and be responsible for development, land acquisition, fuel supply source and transportation, permitting, financing and construction for the facility(ies).

III. Category 3 Products

a. Facility Location: directly connected or dynamically scheduled to a CBA;

b. Pricing: the implied price for the Green Attributes, expressed in $/MWh;

c. Eligible Renewable Resource: All proposed resources must be CEC-certifiable as an eligible renewable resource ("ERR"), and cannot be subject to any moratorium or injunction against procurement by the California Energy Commission, California Public Utility Commission, or other legal authority with jurisdiction over utility procurement;

d. REC Shelf Life: SDG&E will accept offers for RECs that have been generated no earlier than December 2013, with a preference for 2015 and later [to accommodate 36 month shelf life for unbundled RECs];

u. Respondents must take all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System prior to the first delivery under the contract.

Additional Requirements for Shortlisted Category 1 and 2 Offers:

Additional requirements for Respondents successfully entering into an agreement for Category 1 or 2 products with SDG&E, for deliveries in Compliance Period 3, may include, but are not limited to:

a. Respondents shall be financially and operationally responsible for the transmission gen-tie up to the point of interconnection with the local transmission/distribution network in accordance with applicable laws. Gen-tie costs must be included in the offer price for energy and/or capacity;

[22] Decision Implementing Portfolio Content Categories for the Renewables Portfolio Standard Program, p. 49

[23] A direct contractual relationship with the operator of the facility is sufficient to meet this criteria.

b. Respondents must have a verifiable fuel resource plan for the duration of the PPA;

c. Respondents will provide personnel required to operate the Facility;

d. Resource operations will be scheduled in accordance with the CAISO Tariff, as from time to time modified. CAISO compliant real-time metering of the generation will be required for Energy Management System (EMS) data;

e. Respondents must execute Participating Generator Agreements and Meter Service Agreements as required by the CAISO. If the project is outside of CAISO's jurisdiction, Respondents must make all interconnection and wheeling arrangements required;

f. To facilitate monthly settlement processes, Respondents shall authorize Buyer to view the Facility's CAISO on-line meter data by identifying SDG&E as an authorized user with "read only" privileges on Schedule 3 of Respondent's Meter Service Agreement with the CAISO. For resources outside of CAISO's area, Respondent will provide similar access to SDG&E, if such an interface exists, with the system operator having jurisdiction over the project;

g. Respondents offering fully deliverable projects must obtain a CAISO deliverability study at the next available opportunity pursuant to the CAISO's cluster study schedule;

h. Respondents must take all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System prior to the first delivery under the contract;

i. Note for Portfolio Structure offers: The Model PPA will be adjusted to accommodate these projects.

8.0 FIN46 REQUIREMENTS

Generally Accepted Accounting Principles and SEC rules require SDG&E to evaluate whether or not SDG&E must consolidate a Seller's financial information. SDG&E will require access to financial records and personnel to determine if consolidated financial reporting is required. If SDG&E determines at any time that consolidation is required, SDG&E shall require the following during every calendar quarter for the term of any resultant agreement:

a) Complete financial statements and notes to financial statements, within 15 days of the end of each quarter;
b) Financial schedules underlying the financial statements, within 15 days of the end of each quarter;
c) Access to records and personnel, so that SDG&E's internal or independent auditor can conduct financial audits (in accordance with generally accepted auditing standards) and internal control audits (in accordance with Section 404 of the Sarbanes-Oxley Act of 2002)) and SDG&E can meet its SEC filing requirements;
d) Certifications by duly authorized representatives as may be reasonably requested by SDG&E; and
e) Such other information as reasonably requested by SDG&E.

Any information provided to SDG&E shall be treated as confidential, except that it may be disclosed for financial statement purposes. Full details of SDG&E's requirements in connection with consolidation are set forth in the Model PPA or REC Agreement.

9.0 EVALUATION CRITERIA AND SHORTLISTING

SDG&E will utilize the Offer Response Forms and narratives to evaluate all offers. Respondents are responsible for the accuracy of all figures and calculations. Errors discovered during negotiations may impact Respondents standing on the short-list.

SDG&E will periodically brief the members of the PRG during the various stages of evaluation. Upon completion of SDG&E's evaluation process, SDG&E will brief the PRG members regarding SDG&E's recommendations for its short-list. Based upon the comments and recommendations received from the PRG, SDG&E may modify the preliminary short-list as necessary.

SDG&E will consider any proposal by shortlisted counterparties to reduce the price for shortlisted projects provided that no other material changes are made to the terms of the offer.

EVALUATING OFFERS

In order to be considered a conforming long-term offer, bids for renewable projects must, at a minimum, declare:

a. A single specific geographical location where the project will be located, with an address, coordinates, or a legal description of the project that conforms with the standards of the township/range/section methods of the Public Land Survey System;

b. A single Guaranteed Commercial Operation Date when the project will provide the product described in the Bid Pricing Form, or a single Initial Commercial Operation Date for the beginning of deliveries from a project's initial phase together with a single Guaranteed Commercial Operation Date when the project will provide the maximum capacity described in the Bid Pricing Form;

c. A single contract term, in years, between the Guaranteed Commercial Operation Date and the ending date of the contract;

d. A single set of net output capacities, estimated contract deliveries, and energy prices for the duration of the contract term for quantities and prices as delivered to SDG&E, using alternating current (AC) and in the appropriate units of measure as specified on the Bid Pricing Form and inclusive of all losses due to expected curtailment, transmission losses, distribution losses, and transmission costs up to the point of delivery;

e. Expected hourly capacity factors in the Typical Profile of the Bid Pricing Form, which shall be the ratio of estimated contract deliveries in megawatts (AC) delivered to SDG&E in a typical hour to the net output capacity at the point of delivery to SDG&E in megawatts (AC) during that same hour, in Pacific Time (including Pacific Standard Time and Pacific Daylight Time for appropriate time periods).

Absence of any of the above may result in a bid being rejected due to nonconformance. SDG&E may require clarifying information for certain projects in addition to those specified above; failure to provide such clarifying information in a timely fashion, or the provision of information which conflicts with original bid documents, may also result in a bid being rejected due to nonconformance.

SDG&E will evaluate all offers via a three-step process. Passing each step is required in order to advance to the next level, with the eventual Short Listed offers having to pass all levels. The following provides a general description of each evaluation level.

Step I: Preliminary Ranking and Short Listing. This assessment will be based on a project's Net Market Value, which consists of (1) a project's Levelized Contract Cost, (2) transmission network upgrade costs as determined by the costs of network upgrades as presented in the project's transmission cost studies, (3) congestion costs and (4) the deliverability value of the project to SDG&E, less (5) the Energy Benefit, a project's MPR cost as determined by the CPUC's AMF Calculator which incorporates TOD factors) and (6) the Capacity Benefit, which shall be the deliverability value of the project if it were to provide full deliverability and local resource adequacy within SDG&E's service territory, on the Sunrise Powerlink, or on the Southwest Powerlink west of the Imperial Valley substation. Offers will be ranked on a levelized Net Market Value, $/MWh basis from highest to lowest value.

Step II: Check for Conformance. Check to ensure that all offers meet minimum RFO criteria. All offers meeting minimum requirements will pass Step II, will be deemed "conforming" and will move on to Step III.

Step III: Modeling/Detailed Analysis. After the preliminary short list has been approved by the PRG, the Offers may be modeled to determine impacts to SDG&E's portfolio. If modeling occurs, the shortlist may be updated based on modeling results which identify offers that best meet SDG&E's bundled customer needs.

SDG&E is evaluating long-term offers in accordance with CPUC direction and criteria established for the RPS Program. SDG&E will place high emphasis on the offer pricing in its evaluations, not only in terms of the initial cost to SDG&E, but also the long-term costs. Upon completion of Step III, SDG&E may differentiate offers of similar cost[24] by reviewing qualitative factors including: (in no particular order of preference)

a) Project viability
b) Local reliability
c) Benefits to low income or minority communities
d) Resource diversity

[24] The term "similar cost" is used to indicate expected indifference by the PRG and CPUC as to the cost of one offer or another. The PRG will have access to SDG&E's evaluation and the quantitative and qualitative components of those offers prior to SDG&E's recommendation filing to the CPUC.

e) Environmental stewardship
f) Rate Impacts
g) DBE factor

These factors will be used to differentiate long-term offers with similar costs for those resources under consideration near the annual procurement target. SDG&E requests that Respondents elaborate in their offer on the benefits of their project with regard to these factors. SDG&E notes that a project scoring low on the Project Viability Calculator may not be shortlisted even if it ranks high on the LCBF quantitative evaluation.

Consistent with CPUC Decision D.04-07-029 issued on July 8, 2004, SDG&E will treat dispatchability, curtailability and repowering as quantitative attributes and will evaluate these factors using quantitative methods. SDG&E requests that Respondents elaborate in their offer on the benefits of their project with regard to these factors.

SHORTLISTING

In the 2012 RFO, SDG&E's shortlists will be organized in 3 categories or Tiers:

Tier 1 "Nominal Need": projects are shortlisted because they fulfill any Nominal Need, e.g. prior to applying probability weighting to the RPS projects in its portfolio, SDG&E needs to procure additional eligible renewable energy to meet RPS requirements. Projects on this list will be required to agree on exclusivity as a condition for Tier 1 short-listing and must withdraw their offer from all other solicitations or risk being removed from the short-list. Respondent's shall confirm such withdrawal by submitting to SDG&E a copy of the written correspondence sent to all other solicitations pertaining to such withdrawal.. SDG&E is very likely but not certain to reach a deal on these projects.

Tier 2 "Probability Weighted Need": the projects that are shortlisted because they fulfill any Probability Weighted Need (e.g. SDG&E's RPS procurement need after taking into account the probabilities of success of each RPS project in its portfolio). For this list, SDG&E will not require exclusivity as a condition to short-listing but will grant preference to projects willing to offer such exclusivity for a reasonable timeframe. SDG&E may or may not reach a deal on these projects.

Tier 3 "Contingency Need": projects are shortlisted on the basis that the need assessment may change during the course of the solicitation, and the 2012 RFP shortlist is uncertain until successful negotiations are completed and some meaningful development progress is made. These projects will be shortlisted on a "stand-by" basis and counterparties will be informed of such. Exclusivity will not be required for Tier 3 short-listing. SDG&E is not as likely to reach a deal on these projects.

ALL OFFERS SHALL BE VALID AND BINDING UPON THE RESPONDENT AFTER BEING SELECTED FOR THE SHORT LIST UNTIL CONTRACT EXECUTION.

Respondents as part of responding to the shortlist letter will have an opportunity to improve the pricing – keeping unchanged all other terms – of their offer as well as any time thereafter. SDG&E

reserves the right to prioritize negotiation or to amend the tier status based on the price improvement.

SDG&E WILL NOT REIMBURSE RESPONDENTS FOR THEIR EXPENSES UNDER ANY CIRCUMSTANCES, REGARDLESS OF WHETHER THE RFO PROCESS PROCEEDS TO A SUCCESSFUL CONCLUSION OR IS ABANDONED BY SDG&E IN ITS SOLE DISCRETION.

10.0 REJECTION OF OFFERS

SDG&E SHALL TREAT ALL RESPONDENTS FAIRLY AND EQUALLY AND SHALL EVALUATE ALL OFFERS IN GOOD FAITH. WHILE SDG&E IS MINDFUL OF THE BENEFITS OF RENEWABLE ENERGY AND IS VIGOROUSLY PURSUING THE GOALS OF THE RPS, IT MAKES NO GUARANTEE THAT A CONTRACT AWARD SHALL RESULT FROM THIS RFO EVEN AFTER AN OFFER HAS BEEN SHORTLISTED. IN ADDITION, SDG&E NOTES THAT SHORTLISTING AN OFFER DOES NOT CONSTITUTE SDG&E ACCEPTANCE OF ALL REDLINED CHANGES TO THE PROFORMA CONTRACT. SDG&E RESERVES THE RIGHT AT ANY TIME, AT ITS SOLE DISCRETION, TO ABANDON THIS RFO PROCESS, TO CHANGE THE BASIS FOR EVALUATION OF OFFERS, TO TERMINATE FURTHER PARTICIPATION IN THIS PROCESS BY ANY PARTY, TO ACCEPT ANY OFFER OR TO ENTER INTO ANY DEFINITIVE AGREEMENT, TO EVALUATE THE QUALIFICATIONS OF ANY RESPONDENT OR THE TERMS AND CONDITIONS OF ANY OFFER, OR TO REJECT ANY OR ALL OFFERS, ALL WITHOUT NOTICE AND WITHOUT ASSIGNING ANY REASONS AND WITHOUT LIABILITY OF SEMPRA ENERGY, SDG&E, OR ANY OF THEIR SUBSIDIARIES, AFFILIATES, OR REPRESENTATIVES TO ANY RESPONDENT. SDG&E SHALL HAVE NO OBLIGATION TO CONSIDER ANY OFFER.

11.0 CONFIDENTIALITY

EXCEPT AS STATED BELOW OR WITH THE PRIOR WRITTEN CONSENT OF SDG&E, RESPONDENTS MAY NOT DISCLOSE (OTHER THAN BY ATTENDANCE ALONE AT ANY MEETING TO WHICH MORE THAN ONE RESPONDENT IS INVITED BY SDG&E) TO ANY OTHER RESPONDENT OR POTENTIAL RESPONDENT THEIR PARTICIPATION IN THIS RFO, AND RESPONDENTS MAY NOT DISCLOSE, COLLABORATE ON, OR DISCUSS WITH ANY OTHER RESPONDENT, OFFER STRATEGIES OR THE SUBSTANCE OF OFFERS, INCLUDING WITHOUT LIMITATION THE PRICE OR ANY OTHER TERMS OR CONDITIONS OF ANY INDICATIVE OR FINAL OFFER. RESPONDENT MAY DISCLOSE THEIR PARTICIPATION IN THIS RFO, THEIR OFFER INFORMATION, AND THE NEGOTIATION PROCESS, TO THE CPUC, ITS STAFF, THE PRG AND THE IE UNDER APPROPRIATE CONFIDENTIALITY PROTECTIONS.

SDG&E WILL USE THE HIGHER OF THE SAME STANDARD OF CARE IT USES WITH RESPECT TO ITS OWN PROPRIETARY OR CONFIDENTIAL INFORMATION OR A REASONABLE STANDARD OF CARE TO PREVENT DISCLOSURE OR UNAUTHORIZED USE OF RESPONDENT'S CONFIDENTIAL AND PROPRIETARY INFORMATION THAT IS LABELED AS "PROPRIETARY AND CONFIDENTIAL" ON THE OFFER PAGE ON WHICH THE PROPRIETARY INFORMATION APPEARS ("CONFIDENTIAL INFORMATION"). RESPONDENT SHALL SUMMARIZE ELEMENTS OF THE OFFER(S) IT DEEMS CONFIDENTIAL. THE SUMMARY MUST CLEARLY IDENTIFY WHETHER OR NOT PRICE, PROJECT NAME, LOCATION, SIZE, TERM OF DELIVERY AND TECHNOLOGY TYPE (EITHER COLLECTIVELY OR INDIVIDUALLY) ARE TO BE CONSIDERED CONFIDENTIAL INFORMATION. CONFIDENTIAL INFORMATION MAY BE MADE AVAILABLE ON A "NEED TO KNOW" BASIS TO SDG&E'S DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, CONSULTANTS, THE INDEPENDENT EVALUATOR, AGENTS AND ADVISORS ("REPRESENTATIVES") FOR THE PURPOSE OF EVALUATING RESPONDENT'S OFFER, BUT SUCH REPRESENTATIVES SHALL BE REQUIRED TO OBSERVE THE SAME CARE WITH RESPECT TO DISCLOSURE AS SDG&E.

NOTWITHSTANDING THE FOREGOING, SDG&E MAY DISCLOSE ANY OF THE CONFIDENTIAL INFORMATION TO COMPLY WITH ANY LAW, RULE, OR REGULATION OR ANY ORDER, DECREE, SUBPOENA OR RULING OR OTHER SIMILAR PROCESS OF ANY COURT, SECURITIES EXCHANGE, CONTROL AREA OPERATOR, GOVERNMENTAL AGENCY OR GOVERNMENTAL OR REGULATORY AUTHORITY AT ANY TIME EVEN IN THE ABSENCE OF A PROTECTIVE ORDER, CONFIDENTIALITY AGREEMENT OR NON-DISCLOSURE AGREEMENT, AS THE CASE MAY BE, WITHOUT NOTIFICATION TO THE RESPONDENT AND WITHOUT LIABILITY OR ANY RESPONSIBILITY OF SDG&E TO THE RESPONDENT.

IT IS EXPRESSLY CONTEMPLATED THAT MATERIALS SUBMITTED BY A RESPONDENT IN CONNECTION WITH THIS RFO WILL BE PROVIDED TO THE

CPUC, ITS STAFF, THE CEC, ITS STAFF, AND THE PRG. SDG&E WILL SEEK CONFIDENTIAL TREATMENT PURSUANT TO PUBLIC UTILITIES CODE SECTION 583 AND GENERAL ORDER 66-C OF THE CPUC, WITH RESPECT TO ANY RESPONDENT CONFIDENTIAL INFORMATION SUBMITTED BY SDG&E TO THE CPUC FOR THE PURPOSES OF OBTAINING REGULATORY APPROVAL. SDG&E WILL ALSO SEEK CONFIDENTIALITY PROTECTION FROM THE CEC FOR RESPONDENT'S CONFIDENTIAL INFORMATION AND WILL SEEK CONFIDENTIALITY AND/OR NON-DISCLOSURE AGREEMENTS WITH THE PRG. SDG&E CANNOT, HOWEVER, ENSURE THAT THE CPUC OR CEC WILL AFFORD CONFIDENTIAL TREATMENT TO A RESPONDENT'S CONFIDENTIAL INFORMATION OR THAT CONFIDENTIALITY AGREEMENTS OR ORDERS WILL BE OBTAINED FROM AND/OR HONORED BY THE PRG, CEC, OR CPUC.

SDG&E, ITS REPRESENTATIVES, SEMPRA ENERGY, AND ANY OF THEIR SUBSIDIARIES DISCLAIM ANY AND ALL LIABILITY TO A RESPONDENT FOR DAMAGES OF ANY KIND RESULTING FROM DISCLOSURE OF ANY OF RESPONDENT'S INFORMATION.

12.0 CREDIT TERMS AND CONDITIONS

SDG&E has the unilateral right to evaluate and determine the credit-worthiness of the Respondent relative to this RFO. The Respondent is required to complete, execute and submit the RFO credit application as part of its offer. The application requests financial and other relevant information needed to demonstrate creditworthiness. Respondents may download the application from the RFO Website.

CREDIT PROVISIONS FOR OFFERS WITH TERMS OF 2 YEARS OR LESS

CREDIT PROVISIONS FOR OFFERS WITH TERMS LONGER THAN 2 YEARS

SDG&E's anticipated credit requirements are provided below.

Collateral to Support Long Term PPAs	From	To	Category 1 and 2 Security Amount	Category 3 Security Amount
Bid Acceptance Fee	within 5 business days from formal notification of shortlisting	Contract Execution	$100,000	10% of contract value
CPUC Approval Security	Contract Execution	CPUC Approval Date	$2.50/MWh multiplied by 2 times expected annual generation	Security amount, reflecting credit exposure, to be posted by the seller within 30 days following final, non-appealable CPUC approval. The amount of credit exposure is determined by SDG&E based on its internal models using available market data and/or best estimates.
Development Period Security	CPUC Approval Date	Date on which all Conditions Precedent are satisfied or waived	$5.00/MWh multiplied by 2 times expected annual generation	N/A

Construction Period Security	Date on which all Conditions Precedent are satisfied or waived	COD	$10.00/MWh multiplied by 2 times expected annual generation	N/A
Delivery Term Security	COD	End of Term	$20.00/MWh multiplied by 2 times expected annual generation	N/A

See Section 8 of the Model PPA for more information regarding SDG&E's credit terms.

All credit support arrangements (e.g., parent guaranty, deed of trust, letter of credit) must be negotiated prior to an offer being accepted as a winning offer. The form of the security (e.g. parent guaranty, deed of trust, letter of credit) will be at SDG&E's sole discretion and will depend on various factors including Respondent's credit worthiness, the estimated annual delivery amount and the term of the agreement. A model guaranty and a model letter of credit may be downloaded from the RFO Website as attachments to the Model PPA.

13.0 CPUC APPROVAL

SDG&E shall submit all signed contracts to the CPUC for approval. CPUC approval will be required as a condition precedent to the effectiveness of any contract resulting from this RFO, however, SDG&E, in its sole discretion, may choose to take deliveries prior to such approval.

SAN DIEGO GAS & ELECTRIC COMPANY

APPENDIX B
RFO DOCUMENTS

1) PARTICIPATION SUMMARY
2) PROJECT DESCRIPTION FORM
3) BUNDLED PRICING FORM
4) REC PRICING FORM
5) MODEL PPA
6) REC AGREEMENT
7) CREDIT APPLICATION
8) CONSENT FORM

Participation Summary Form

Company Name Submitting Offer(s)	
Company Legal Name as party to potential contract (s) ***(if different)***	
Street Address	
City	
State	
Zip Code	

	Primary Contact	**Secondary Contact**
Name		
Title		
Office Phone		
Cell Phone		
Email Address		

Populate the table to summarize the number of projects and describe the nature of each pricing option**(max 3 per project)**. Assign sequential letters (A to Z) for each unique project and assign sequential numbers to pricing options. An all-or-nothing scalable project with multiple phases should be assigned one letter, not one letter per phase. A project which can be built with (1) multiple optional phases; (2) auxiliary equipment to increase output; or (3) supplemental equipment to provide operational flexibility should be assigned one Project Letter with multiple pricing options for each phase or configuration.

If the information on this form is incorrect or conflicts/inconsistent with the information on other documents, it may delay the evaluation of your offer and/or affect your project ranking.

Note:

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
Project Letter	**Pricing Option No.**	**Project Name and Description**	**Technology** Biomass Solar Thermal Solar PV Wind etc…	**Project Location**				**Delivery Point** (Point where energy will transfer to SDG&E)			**Term** (years)	**Viability Score**	**If project can begin deliveries before 100% is completed**			**After 100% project completion**			**Characteristic of Pricing Option**	**PPA** (Following 100% project completion)			
				City, State, Country	**Is Project in the SPL Region?** (yes / no)	**CREZ Zone** N/A if out-of-state	**Interconnecting Transmission Operator**	**Actual Delivery Point** identify specific substation, pnode, etc.	**Is this delivery point within California or a CAISO trading HUB?**	**Delivery Zone or CAISO Trading Hub** i.e. NP-15, SP-15, Mid-C, Palo Verde, COB, NOB, etc.			**Date initial deliveries can begin**	**Net MW that can initially deliver**	**MWH delivered in first calendar year of operation**	**Date of Project Completion**	**Net MW**	**Maximum Annual MWH** (assume no degradation)		**First Year $/kw-yr*** (Capacity Price at initial deliveries)	**First Year $/MWH*** (Energy Price at initial deliveries)	**Annual Capacity Price Escalation thereafter**	**Annual Energy Price Escalation thereafter**

IF pricing for any project listed above is contingent on SDG&E contracting with one or more other projects, please identify the affected projects and explain:

Additional Notes/Comments:

PUBLIC VERSION

PUBLIC VERSION

2012 RPS SOLICITATION

PROJECT DESCRIPTION FORM

Instructions:

1. *Submit one Project Description Form for each project being submitted for SDG&E's consideration.*
2. *If offering multiple pricing options for one project, please do so via multiple Pricing Forms.*
3. *Use green font for information the Respondent deems to be confidential.*
4. *Limit and focus the discussions so that this form does not exceed 50 pages (10 size font).*

A. Company Information

Company Name Submitting Offer(s)	
Company Legal Name as party to potential contract(s) (if different)	
Project Name	
Company Street Address	
Company City	
Company State	
Company Zip Code	
How did the company hear of the 2012 RPS RFO? • SDG&E Website • Email from SDG&E • Colleague • Other (please elaborate)	

B. Company Representative

	Primary Contact	Secondary Contact
Name		
Title		
Office Phone		
Cell Phone		
Email Address		

C. Project Summary

Respondents having contracts with SDG&E may propose to extend terms or expand contracted capacities for existing agreements. However, Respondents may not propose to increase existing contract prices for contracted capacities during the remaining term of an existing agreement.

Resource Origin *(Check one)*

..... New Facility
..... Re-powered Facility
..... Existing Facility with expiring contract with SDG&E or a third-party
..... Upgrading an existing Facility and offering upgraded output to SDG&E
..... Other. Please describe:

Technology Type *(biomass, solar thermal, wind, etc)*	
Expected Project Completion Date	
Nameplate MW AC *(at 100% project completion)*	
Net Contract MW AC *(at 100% project completion)*	

Capacity Factor	
Expected MWH *(first 12months after 100% project completion)*	
Percent Expected MWH degradation per year (Solar only)	
Project service territory (please select SDG&E, SCE, or PG&E or IID). Indicate other if not included.	

D. Eligibility

Criteria	Project Meets Criteria – Enter "Yes" and refer to the location in the application containing the information or explanation. Please include a brief sentence supporting your Eligibility	Project Does Not Meet Criteria – Enter "No" and refer to the location in this document containing a detailed explanation. Please include a brief sentence summarizing your conclusion
Compliance Period 3, Category 1		
1. Term of up to 20 years		
2. CEC-certifiable as an eligible renewable resource, and cannot be subject to any CPUC, CEC, or other legal moratorium or injunction against procurement		
3. Net Contract Capacity must be between 20 MW AC and 250 MW AC		
4. All green attributes associated with the project must be tendered to SDG&E		
5. If using a dynamic transfer for delivery to a California balancing authority ("CBA"), must provide documents that have a sufficient level of detail for SDG&E to determine conformance with Category 1 specifications, and to ensure that the arrangement conforms with state law and all regulatory requirements		
6. Respondent must own and operate the facility(ies) associated with the offer and be responsible for development, land acquisition, fuel supply source and transportation, permitting, financing, and construction for the facility(ies)		
Compliance Period 3, Category 2		
1. Term of up to 20 years		

2. CEC-certifiable as an eligible renewable resource, and cannot be subject to any CPUC, CEC, or other legal moratorium or injunction against procurement		
3. Net Contract Capacity must be between 20 MW AC and 250 MW AC		
4. All green attributes associated with the project must be tendered to SDG&E		
5. The energy and associated RECs from the facility must be sold simultaneously to SDG&E; the energy must not be sold back to the generator and must not be already committed to another party; and the initial contract for substitute energy may be acquired no earlier than the time the energy is purchased by SDG&E and no later than prior to the initial date of generation of the energy under the terms of the contract between SDG&E and the facility		
6. The contract for substitute energy must be at least five years in duration, or as long as the contract for RPS-eligible energy, whichever is shorter.		
7. The facility must provide incremental energy (e.g. must not be in the portfolio of the retail seller claiming the transaction for RPS compliance prior to the firmed and shaped transaction)		
8. Respondent must own and operate the facility(ies) associated with the offer and be responsible for development, land acquisition, fuel supply source and transportation, permitting, financing, and construction for the facility(ies)		
Compliance Period 3, Category 3		

1. Directly connected to or dynamically scheduled into a CBA		
2. CEC-certifiable as an eligible renewable resource, and cannot be subject to any CPUC, CEC, or other legal moratorium or injunction against procurement		
3. RECs have been generated no earlier than December 2013, with a preference for 2015 and later		

E. Proposed Facility Location

Insert site location map(s) in Section O of this Response Form.

Project Name	
Site Name *(if different from above)*	
Project Street Address	
Project City, State	
Project Longitude:	
Project Latitude:	
Project parcel numbers:	
Describe merits of proposed site/location.	

Discuss status of site control, including required easements. Note that the site control documentation should be in the name of the entity that will sign the PPA. If not, please provide explanation.

F. Proposed Product

Describe the attributes which are and are not bundled within the Respondent's offer, including Renewable Energy Credits as defined by the CPUC, resource adequacy, ancillary services, etc.

G. Interconnection TRCR, Interconnection Application, Delivery Point

Host Utility/Muni	
Interconnection Point *(substation name, line or physical description)*	
City, State of Interconnection Point	
Proposed Delivery Point	
Interconnection COD	
Provide an explanation if the Interconnection COD (above) is different than the Expected Project Completion Date specified under the Project Summary Section of this form.	
Is the project in the SPL Region?	
CREZ Zone *(N/A if out-of-state)*	

CAISO Phase I Study (*or equivalent: System Impact Study or Facility Study from official North American Electric Reliability Corporation Transmission Operator*)	
On what date was the application filed?	
On what date was the study completed?	
Interconnection Agreement	
Has an interconnection application been submitted? (*please indicate CAISO, Rule 21, or WDAT*) – see above	
Has the project executed an Interconnection Agreement?	
Who is the counterparty to the agreement?	
Entity that requested study and/or signed Interconnection Agreement should be the same as entity that will sign the PPA. If not, please provide explanation.	

Actual Delivery Point per Interconnection Agreement *(Identify the specific substation, pnode, etc…)*	
Delivery Zone *(NP-15, ZP-26, SP-15)* or Trading hub *(Palo Verde, Mid-C, Mead, etc.)*	
First Point of Interconnection	
Is the first point of interconnection with a CBA?	
Is the first point of interconnection with distribution facilities used to serve end	

users within a CBA area?	
Is the energy scheduled from the project into a CBA without substituting electricity from another source?	
Does the project have an agreement to dynamically transfer its energy to a CBA	
Does the project provide incremental firmed and shaped energy scheduled into a CBA?	

Is a System Impact Study for this project included with the offer?	
If yes:	
Is the study CAISO approved?	
If the study is dated 2006 or earlier, explain why the study and costs are still valid.	

H. Electric Interconnection Plan and Costs

Transmission upgrade plan and costs are vital for SDG&E to assess overall project viability and cost. The absence of this information or providing inaccurate descriptions or costs may render a Respondent's offer(s) non-conforming, delay the evaluation for the response(s) and/or impact the Respondent's standing on the short-list.

Discuss interconnection plan and status.
Please identify any termination clauses or other potential issues with existing Interconnection Agreements (*for existing only*)

Provide an itemized cost breakdown of expected interconnection costs attributable to both Respondent and host utility. *(i.e. voltage support costs, reconductoring costs, etc..)* *(Note that gen-tie costs (including but not limited to: cable, transformers, protection gear and other equipment on the generator side of the meter) attributable to Respondent shall be included in the bid price indicated on the Pricing Forms.)*

I. Proposed Technology

Describe the proposed technology:
Biogas
Biomass
Geothermal
Hydro
Solar: provide specific details regarding the following and specify whether the facility is Fixed Tilt or Tracking

- *Crystalline flat plate Photovoltaic?*
- *Thin Film Photovoltaic?*
- *Concentrating Photovoltaic?*
- *Solar Thermal Electric?*

Wind
Other

Describe the proposed technology and equipment manufacturer by name and model (include inverter characteristics if applicable):

Discuss the viability of proposed technology and credibility of the manufacturer:

Discuss operational reliability of proposed technology and manufacturer.

How many projects and MWs with proposed technology have been installed worldwide? Discuss year(s) of installation, project locations, project size at each location and operational success.
Discuss and provide published reports demonstrating that the proposed technology is commercially proven.
Described the warranty of major components, including panels and inverters.

J. Fuel Source Plan

Has a fuel availability (wind assessments, solar radiation index, etc.) study been performed for the proposed site? If so, specify the data source, the length/duration of the data made available by the data source, and explain the results and how the results support the projected annual MWHs.

If applicable, has a long term fuel contract been executed with a supplier?

Discuss project's overall fuel plan and status.

K. Ownership and Operations

Explain how the Respondent has operational control of the project. (*Either through contractual operational control of the project, or if the Respondent is the project operator.)*

L. Financing Plan

Discuss the project's financing plan and status, including on-going debt/equity ratio to be carried by the project during construction (if a new facility) and during operation, sources of debt and equity, equity percentage by sponsor, financing organizations (including rates and terms), level of commitment by investors and lenders. (*If anticipating the need for subsidies, grants, Production Tax Credits, Investment Tax Credits or any other third party monetary awards, detail finances associated with monetary awards and discuss how the lack of funding shall impact the offer and deadlines for obtaining such awards*.)

M. Permitting

Populate the following table with a list of required permits and anticipated completion. Include CEC RPS Certification and if applicable, water rights.

No.	Permit Type/Name	Issuing Agency	Completion Date
1			
2			
3			

Has project received RPS Certification from the CEC?	
If yes:	
Certification No.	
If no:	
Date Application filed or to be filed	
Describe anticipated issues surrounding RPS certification.	

Discuss plan and status to obtain the permits listed above. Discuss required water rights and status to obtain such rights. Describe scope of assistance from any third party (if applicable).

N. Project Schedule

No.	Milestones	Date
1.	Obtain control of all lands and rights-of-way comprising the Site.	
2.	File a CEC Pre-Certification and Verification application.	
3.	Receive a completed [Phase I Interconnection study report] [Interconnection System Impact study report].	
4.	Receive CEC Certification and Verification.	
5.	Files permitting application with appropriate agency(ies).	
6.	Receive a completed [Phase II interconnection facility study][interconnection system impact study].	
7.	Execute Interconnection Agreement and/or Transmission Agreement.	
8.	Receive permitting approval(s).	
9	Execute long term fuel contract. Complete a comprehensive resource assessment.	
10.	Execute a turbine/panel supply contract.	
11.	Execute an Engineering, Procurement and Construction (“EPC”) contract.	
12.	Deliver full NTP under EPC contract and begins construction of the Project.	
13.	Execute Meter Service Agreement and Participating Generator Agreement.	
14.	Achieve initial operation.	
15.	Receive all Governmental Approvals necessary to achieve Commercial Operation (*add details).*	
16.	Receive CEC Certification and Verification.	

Discuss overall project and construction schedule.

O. Operational Characteristics

Insert Facility Drawings in Section P of this Response Form.

Discuss operational characteristics including required maintenance, delivery profile (peak and off-peak, hourly, daily, seasonal, annual), curtailability and dispatchability.
(If offering the ability to curtail deliveries, discuss terms and operational conditions including, annual hours resource can be curtailed, the amount of curtailable capacity and the cost to SDG&E.)

P. Corporate Profile and Experience

Please be brief and refrain from including extensive marketing materials, resumes, etc, especially information outside the scope of the project.

Corporate background and organizational structure for the project.
Describe project team's background and experience developing projects of a similar nature and technology. How many MWs total are currently under construction?
List and describe other projects of a similar nature and technology developed by Respondent currently in operation. What are the total MWs of projects installed?

Q. Site Location Maps

Insert site location map(s) clearly showing the location, size, and orientation of the site; the location of the expected interconnections for transmission, fuel, and water; and the location of residential communities, schools, hospitals, airports, churches, cemeteries, or other expected sensitive receptors within five miles of the site.

R. Facility Drawings

Insert facility drawings and diagrams including general equipment arrangement of the site, electric interconnect one line diagram showing the scope of supply, delivery point and metering for the electric interconnection including any transmission line and switchyard. If applicable, include fuel interconnection diagram indicating fuel delivery point.

S. Diverse Business Enterprise Information

a) *Please indicate whether the Respondent is a DBE (yes/no). Please also provide any relevant documentation proving such status.*
b) *Please indicate whether the Respondent has or will utilize DBE services during the development and/or construction of the project.*

T. Additional Information

Insert additional relevant information necessary for SDG&E to evaluate the merits of the proposal.

U. Confidential Information

Identify parts, sections and elements of the offer (including information in this and all other forms) which Respondent considers to be Confidential and Proprietary in accordance with RFO Section 11 Confidentiality.

Company Information	
Company Name Submitting Offer:	
Company Name on Potential Contract:	
Company Address:	

Company Representative	Primary Contact	Secondary Contact
Contact Name:		
Contact Title:		
Office Number:		
Cell Number:		
Email:		

Company is Women/Minority/Disabled Veteran owned Business Enterprise as per CPUC General Order 156?

Project Name:

Project Letter:

Offer Type: PPA
Technology/Fuel:
Resource origin:
Resource Location:
Interconnection Point (Or Point of Entry Into California):
Nearest 230 kV Substation:
Balancing Authority (and Transmission Operator):
Interconnection Class:
Proposed CAISO Delivery Point:

Facility Nameplate Capacity: _____ MW
Net Contract Capacity: _____ MW

Guaranteed Commercial Operation Date: _____
PPA Term: _____ years from Guaranteed COD, above

PUBLIC VERSION

2012 RPS Solicitation
Pricing Form

SDGE connect this
A Sempra Energy utility

Instructions:

1. **Disregard cells which are blacked out.**
2. **Deliveries should be net of degradation.**
3. **Capacity pricing is only available to unit firm projects.**
4. **Create additional copies of this spreadsheet to propose additional pricing options for the same project.**

Potential costs excluded from the bid price:

Optional Dispatch-down Provision

(Note: The ability to dispatch-down is optional, not required.)

Annual hours facility may be dispatched-down:		Hours
Amount of Curtailable Capacity:		MW
Unit Cost per Curtailment:		per MWH curtailed
Ramp-down rate (MW per minute or hour):		Indicate per min. or per hr.
Minimum up time (minutes or hours):		Indicate min. or hrs.
Minimum down time (minutes or hours):		Indicate min. or hrs.
Operating range (MW net):		MW minimum
		MW maximum

Pricing Assumptions

Project Name:
Project Letter:
Pricing Option Description

Offer Type: PPA
PPA Term: 0 years

Required Subsidies/Tax Benefits: (Check all Applicable)

	None required.
	PTC
	ITC
	SB90
	Other. List all:

Technology:
Product Type*:
Unit Firm Type**:

*If the Renewable Energy Source is solar or wind, product type must be "As-Available".
**If the Product Type is "As-Available", Unit Firm Type must be "N/A".
**If the Unit Firm Type is "Dispatchable", please fill out the DISPATCH tab of this workbook.

Other conditions which would change pricing:

Deliverability Status:	0	
DELIVERABILITY VALUE:	**#DIV/0!**	per MWh
ENERGY BENEFIT:	**#DIV/0!**	per MWh
CAPACITY BENEFIT:	**#DIV/0!**	per MWh

TOTAL NOMINAL COST:	$0	DEVELOPMENT SECURITY:	$0
TOTAL DISCOUNTED COST:	$0	DELIVERY SECURITY:	$0
TOTAL DISCOUNTED DELIVERIES (MWh):	0	Balancing & TO:	
LEVELIZED ANNUAL COST:	#DIV/0!	Resource Adequacy Type:	
LEVELIZED ANNUAL DELIVERIES (MWh):	#DIV/0!		
LEVELIZED CONTRACT COST:	**#DIV/0! per MWh**	**PRELIMINARY NMV:**	**#DIV/0! per MWh**

TOD FACTORS	SUMMER July 1 - October 31		WINTER November 1 - June 30	
On-Peak	Weekdays 11 am - 7 pm		Weekdays 1 pm - 9 pm	
	FCDS	Energy Only	FCDS	Energy Only
	2.501	1.531	1.089	1.192
Semi-Peak	Weekdays 6 am - 11 am Weekdays 7 pm - 10 pm		Weekdays 6 am - 1 pm Weekdays 9 pm - 10 pm	
	FCDS	Energy Only	FCDS	Energy Only
	1.342	1.181	0.947	1.078
Off-Peak*	All other hours		All other hours	
	FCDS	Energy Only	FCDS	Energy Only
	0.801	0.900	0.679	0.774

*All hours during NERC holidays are off-peak

Indicate the type of pricing desired via the green drop down box below.
(a) Flat Pricing
(b) TOD Pricing

TOD Pricing	------> Prices for delivery periods adjusted per SDGE factors					
TOD Multipliers	Summer On-Peak	Summer Semi-Peak	Summer Off-Peak	Winter On-Peak	Winter Semi-Peak	Winter Off-Peak
0	1.000	1.000	1.000	1.000	1.000	1.000

TIME-OF-DAY DELIVERIES
Columns (I) through (R) will prorate data from Column (H) by the generation shape from the <Typical Profile> tab.

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)	(Z)
Contract Year	Start Date	Stop Date	Net Contract Capacity (MW)	Forecast Index Price ($/MWh)	Fixed Energy Price ($/MWh)	Energy Price ($/MWh)	Capacity Price ($/kW-yr)	Guaranteed Annual Delivery (MWH)	Estimated Annual Delivery (MWH)	Summer On-Peak	Summer Semi-Peak	Summer Off-Peak	Summer Total	Winter On-Peak	Winter Semi-Peak	Winter Off-Peak	Winter Total	Grand Total	Capacity Factor	Summer On-Peak	Summer Semi-Peak	Summer Off-Peak	Winter On-Peak	Winter Semi-Peak	Winter Off-Peak
1										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
3										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
4										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
5										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
6										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
7										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
8										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
9										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
10										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
11										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
12										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
13										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
14										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
15										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
16										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
17										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
18										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
19										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
20										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
21										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
22										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
23										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
24										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
25										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

PUBLIC VERSION

26				[redacted]					-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
27									-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
28									-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
29									-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
30									-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

PUBLIC VERSION

(AA)

Total Annual Energy Cost
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -
$ -

PUBLIC VERSION

Delivery Profile

2012 RPS Solicitation
Eligible Renewable Resources

PUBLIC VERSION

Instructions:

Populate the table below with the hourly capacity factor from the project. Hourly capacity factor should be the ratio of expected generation in the hour to project nameplate capacity in AC as reported on the "PROJECT INFORMATION" worksheet, cell D29.

				GENERATION AS PERCENT OF NAMEPLATE CAPACITY (%)											
				WINTER						SUMMER				WINTER	
Weekday	Hour Beginning	Hour of Day	Hour of Week	January	February	March	April	May	June	July	August	September	October	November	December
Monday	12:00 AM	1	1												
Monday	1:00 AM	2	2												
Monday	2:00 AM	3	3												
Monday	3:00 AM	4	4												
Monday	4:00 AM	5	5												
Monday	5:00 AM	6	6												
Monday	6:00 AM	7	7												
Monday	7:00 AM	8	8												
Monday	8:00 AM	9	9												
Monday	9:00 AM	10	10												
Monday	10:00 AM	11	11												
Monday	11:00 AM	12	12												
Monday	12:00 PM	13	13												
Monday	1:00 PM	14	14												
Monday	2:00 PM	15	15												
Monday	3:00 PM	16	16												
Monday	4:00 PM	17	17												
Monday	5:00 PM	18	18												
Monday	6:00 PM	19	19												
Monday	7:00 PM	20	20												
Monday	8:00 PM	21	21												
Monday	9:00 PM	22	22												
Monday	10:00 PM	23	23												
Monday	11:00 PM	24	24												
Tuesday	12:00 AM	1	25												
Tuesday	1:00 AM	2	26												
Tuesday	2:00 AM	3	27												
Tuesday	3:00 AM	4	28												
Tuesday	4:00 AM	5	29												
Tuesday	5:00 AM	6	30												
Tuesday	6:00 AM	7	31												
Tuesday	7:00 AM	8	32												
Tuesday	8:00 AM	9	33												
Tuesday	**9:00 AM**	**10**	**34**												
Tuesday	10:00 AM	11	35												
Tuesday	11:00 AM	12	36												
Tuesday	12:00 PM	13	37												
Tuesday	1:00 PM	14	38												
Tuesday	2:00 PM	15	39												
Tuesday	3:00 PM	16	40												
Tuesday	4:00 PM	17	41												
Tuesday	5:00 PM	18	42												
Tuesday	6:00 PM	19	43												
Tuesday	7:00 PM	20	44												
Tuesday	8:00 PM	21	45												
Tuesday	9:00 PM	22	46												
Tuesday	10:00 PM	23	47												
Tuesday	11:00 PM	24	48												
Wednesday	12:00 AM	1	49												
Wednesday	1:00 AM	2	50												
Wednesday	2:00 AM	3	51												
Wednesday	3:00 AM	4	52												
Wednesday	4:00 AM	5	53												
Wednesday	5:00 AM	6	54												
Wednesday	6:00 AM	7	55												
Wednesday	7:00 AM	8	56												
Wednesday	8:00 AM	9	57												
Wednesday	9:00 AM	10	58												
Wednesday	10:00 AM	11	59												
Wednesday	11:00 AM	12	60												
Wednesday	12:00 PM	13	61												
Wednesday	1:00 PM	14	62												
Wednesday	2:00 PM	15	63												
Wednesday	3:00 PM	16	64												
Wednesday	4:00 PM	17	65												
Wednesday	5:00 PM	18	66												
Wednesday	6:00 PM	19	67												
Wednesday	7:00 PM	20	68												
Wednesday	8:00 PM	21	69												
Wednesday	9:00 PM	22	70												
Wednesday	10:00 PM	23	71												
Wednesday	11:00 PM	24	72												
Thursday	12:00 AM	1	73												
Thursday	1:00 AM	2	74												
Thursday	2:00 AM	3	75												
Thursday	3:00 AM	4	76												
Thursday	4:00 AM	5	77												
Thursday	5:00 AM	6	78												
Thursday	6:00 AM	7	79												
Thursday	7:00 AM	8	80												
Thursday	8:00 AM	9	81												
Thursday	9:00 AM	10	82												
Thursday	10:00 AM	11	83												
Thursday	11:00 AM	12	84												
Thursday	12:00 PM	13	85												
Thursday	1:00 PM	14	86												
Thursday	2:00 PM	15	87												
Thursday	3:00 PM	16	88												
Thursday	4:00 PM	17	89												
Thursday	5:00 PM	18	90												
Thursday	6:00 PM	19	91												
Thursday	7:00 PM	20	92												
Thursday	8:00 PM	21	93												
Thursday	9:00 PM	22	94												
Thursday	10:00 PM	23	95												
Thursday	11:00 PM	24	96												
Friday	12:00 AM	1	97												
Friday	1:00 AM	2	98												
Friday	2:00 AM	3	99												
Friday	3:00 AM	4	100												
Friday	4:00 AM	5	101												
Friday	5:00 AM	6	102												
Friday	6:00 AM	7	103												
Friday	7:00 AM	8	104												
Friday	8:00 AM	9	105												
Friday	9:00 AM	10	106												
Friday	10:00 AM	11	107												
Friday	11:00 AM	12	108												
Friday	12:00 PM	13	109												
Friday	1:00 PM	14	110												
Friday	2:00 PM	15	111												
Friday	3:00 PM	16	112												
Friday	4:00 PM	17	113												
Friday	5:00 PM	18	114												
Friday	6:00 PM	19	115												
Friday	7:00 PM	20	116												
Friday	8:00 PM	21	117												
Friday	9:00 PM	22	118												
Friday	10:00 PM	23	119												
Friday	11:00 PM	24	120												
Saturday	12:00 AM	1	121												
Saturday	1:00 AM	2	122												
Saturday	2:00 AM	3	123												
Saturday	3:00 AM	4	124												
Saturday	4:00 AM	5	125												
Saturday	5:00 AM	6	126												
Saturday	6:00 AM	7	127												
Saturday	7:00 AM	8	128												
Saturday	8:00 AM	9	129												
Saturday	9:00 AM	10	130												
Saturday	10:00 AM	11	131												
Saturday	11:00 AM	12	132												
Saturday	12:00 PM	13	133												
Saturday	1:00 PM	14	134												
Saturday	2:00 PM	15	135												
Saturday	3:00 PM	16	136												
Saturday	4:00 PM	17	137												
Saturday	5:00 PM	18	138												
Saturday	6:00 PM	19	139												
Saturday	7:00 PM	20	140												
Saturday	8:00 PM	21	141												
Saturday	9:00 PM	22	142												
Saturday	10:00 PM	23	143												
Saturday	11:00 PM	24	144												
Sunday	12:00 AM	1	145												
Sunday	1:00 AM	2	146												
Sunday	2:00 AM	3	147												
Sunday	3:00 AM	4	148												
Sunday	4:00 AM	5	149												
Sunday	5:00 AM	6	150												
Sunday	6:00 AM	7	151												
Sunday	7:00 AM	8	152												
Sunday	8:00 AM	9	153												
Sunday	9:00 AM	10	154												
Sunday	10:00 AM	11	155												
Sunday	11:00 AM	12	156												
Sunday	12:00 PM	13	157												
Sunday	1:00 PM	14	158												
Sunday	2:00 PM	15	159												
Sunday	3:00 PM	16	160												
Sunday	4:00 PM	17	161												
Sunday	5:00 PM	18	162												
Sunday	6:00 PM	19	163												
Sunday	7:00 PM	20	164												
Sunday	8:00 PM	21	165												
Sunday	9:00 PM	22	166												
Sunday	10:00 PM	23	167												
Sunday	11:00 PM	24	168												

Total Factors in Typical Week:	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Capacity Factor in Typical Week:	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	
Total Factors in Month:	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
% of annual delivery in month:	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	

W Off-Peak	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**	**0.00%**
W Semi-Peak	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**	**0.00%**
W On-Peak	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**	**0.00%**
S Off-Peak							**0.00%**	**0.00%**	**0.00%**	**0.00%**		
S Semi-Peak							**0.00%**	**0.00%**	**0.00%**	**0.00%**		
S On-Peak							**0.00%**	**0.00%**	**0.00%**	**0.00%**		

	W Off-Peak	W Semi-Peak	W On-Peak	S Off-Peak	S Semi-Peak	S On-Peak
Annual TOD Delivery Breakdown:	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

Generation Profile (Dispatchable Units Only)

SDGE connected — A Sempra Energy utility

2012 RPS Solicitation
Eligible Renewable Resources

Instructions:

If your project is designated as "Dispatchable" on the "PRICING" worksheet cell C32, respond to the questions below. Otherwise, please leave this section blank.

Plant Description:

Plant Start Profile

Dispatch Profile	Plant Starts Available to SDG&E	Cost for Each Plant Start	Start Fuel MMBTU

List the number of starts and startup costs for your plant.
Also list the MMBTU associated with the startup cost of your plant if you are burning natural gas.

Please Answer the Following Dispatch Information:

1	Will your plant be supplemented with Natural Gas or other fossil fuel?	Not Applica	Yes, No or Not Applicable (N/A)		
2	What percentage of your fuel costs will be fixed or variable?	0%	Fixed	100%	Variable
3	What percentage of your O&M will be fixed or variable?	0%	Fixed	100%	Variable
4	What percentage of your start costs will be fixed or variable?	0%	Fixed	100%	Variable
5	What is your dispatch rate to maximum capacity (e.g. 1 minutes, 1 hour, 1 day)?		Minutes		
6	What is your COLD start ramp-up rate (MW per minute, hour)?		Minutes		
6a.	What is your WARM start ramp-up rate (MW per minute, hour)?		Minutes		
6b.	What is your HOT start ramp-up rate (MW per minute, hour)?		Minutes		
7	What is your ramp-down rate (MW per minute, hour)?		Minutes		
8	What is your minimum up and minimum down times (e.g. minutes, hours)?	Min Up		Min Down	
			Hours		Hours
9	What are your operating ranges MW (minimum and maximum)?	MW Minimum		MW Maximum	
10	What is your expected schedule maintenance outage rate?	0%	% Hours/Year		
11	What is your expected forced outage rate?	0%	% Hours/Year		
12	What are your expected run hours?		Hours/Year		
13	Describe any seasonal variations in your available MWH deliveries.				

Bidder Notes:

PUBLIC VERSION

Operation Date	5	6	7
2012	$69.309	$71.014	$72.594
2013	$74.065	$75.551	$76.982
2014	$77.632	$79.072	$80.477
2015	$80.959	$82.394	$83.806
2016	$84.141	$85.605	$87.045
2017	$87.039	$88.531	$90.010
2018	$89.995	$91.531	$93.230
2019	$93.036	$94.833	$96.638
2020	$96.442	$98.354	$100.250
2021	$100.105	$102.108	$104.022
2022	$104.036	$106.037	$107.928
2023	$108.162	$110.107	$111.945

PROJECT COD/START YEAR 1900 TERM **0** **BA**

MPR TOD ALL-IN

CONTRACT YR	Summer On-Peak Expected MWh	MPR $/MWh	TOD Multiplier	MPR TOD Price	Period Cost
1	-	$0.00	2.501	$0.00	-
2	-	$0.00	2.501	$0.00	-
3	-	$0.00	2.501	$0.00	-
4	-	$0.00	2.501	$0.00	-
5	-	$0.00	2.501	$0.00	-
6	-	$0.00	2.501	$0.00	-
7	-	$0.00	2.501	$0.00	-
8	-	$0.00	2.501	$0.00	-
9	-	$0.00	2.501	$0.00	-
10	-	$0.00	2.501	$0.00	-
11	-	$0.00	2.501	$0.00	-
12	-	$0.00	2.501	$0.00	-
13	-	$0.00	2.501	$0.00	-
14	-	$0.00	2.501	$0.00	-
15	-	$0.00	2.501	$0.00	-
16	-	$0.00	2.501	$0.00	-
17	-	$0.00	2.501	$0.00	-
18	-	$0.00	2.501	$0.00	-
19	-	$0.00	2.501	$0.00	-
20	-	$0.00	2.501	$0.00	-
21	-	$0.00	2.501	$0.00	-
22	-	$0.00	2.501	$0.00	-

23	-	$0.00	2.501	$0.00	-
24	-	$0.00	2.501	$0.00	-
25	-	$0.00	2.501	$0.00	-
26	-	$0.00	2.501	$0.00	-
27	-	$0.00	2.501	$0.00	-
28	-	$0.00	2.501	$0.00	-
29	-	$0.00	2.501	$0.00	-
30	-	$0.00	2.501	$0.00	-

TOTAL FCDS PAYMENT STREAM	-
PV OF FCDS PAYMENT STREAM	-

MPR TOD ENERGY ONLY

CONTRACT YR	Summer On-Peak Expected MWh	MPR $/MWh	TOD Multiplier	MPR TOD Price	Period Cost
1	-	$0.00	1.531	$0.00	-
2	-	$0.00	1.531	$0.00	-
3	-	$0.00	1.531	$0.00	-
4	-	$0.00	1.531	$0.00	-
5	-	$0.00	1.531	$0.00	-
6	-	$0.00	1.531	$0.00	-
7	-	$0.00	1.531	$0.00	-
8	-	$0.00	1.531	$0.00	-
9	-	$0.00	1.531	$0.00	-
10	-	$0.00	1.531	$0.00	-
11	-	$0.00	1.531	$0.00	-
12	-	$0.00	1.531	$0.00	-
13	-	$0.00	1.531	$0.00	-
14	-	$0.00	1.531	$0.00	-
15	-	$0.00	1.531	$0.00	-
16	-	$0.00	1.531	$0.00	-
17	-	$0.00	1.531	$0.00	-
18	-	$0.00	1.531	$0.00	-
19	-	$0.00	1.531	$0.00	-
20	-	$0.00	1.531	$0.00	-
21	-	$0.00	1.531	$0.00	-
22	-	$0.00	1.531	$0.00	-
23	-	$0.00	1.531	$0.00	-
24	-	$0.00	1.531	$0.00	-
25	-	$0.00	1.531	$0.00	-
26	-	$0.00	1.531	$0.00	-
27	-	$0.00	1.531	$0.00	-
28	-	$0.00	1.531	$0.00	-
29	-	$0.00	1.531	$0.00	-
30	-	$0.00	1.531	$0.00	-

TOTAL ENERGY-ONLY PAYMENT STREAM	-
PV OF ENERGY-ONLY PAYMENT STREAM	-
PV DIFFERENCE	-
FCDS PAYMENT PREMIUM	-

ergy utility

Request for Offers

Contract Term (years)

8	9	10	15	20	25	30
$74.086	$75.512	$76.888	$83.528	$89.559	$92.743	$92.743
$78.369	$79.721	$81.043	$87.756	$93.758	$96.957	$96.957
$81.854	$83.205	$84.538	$91.504	$97.554	$100.808	$100.808
$85.196	$86.570	$88.039	$95.194	$101.318	$104.633	$104.633
$88.472	$90.012	$91.562	$98.832	$105.091	$108.474	$108.474
$91.625	$93.252	$94.877	$102.222	$108.589	$112.053	$112.053
$94.941	$96.649	$98.310	$105.696	$112.178	$115.719	$115.719
$98.436	$100.178	$101.852	$109.272	$115.863	$119.452	$119.452
$102.077	$103.824	$105.495	$112.958	$119.647	$123.252	$123.252
$105.844	$107.578	$109.159	$116.749	$123.532	$127.118	$127.118
$109.721	$111.342	$112.986	$120.665	$127.518	$131.048	$131.048
$113.592	$115.276	$116.909	$124.683	$131.599	$135.034	$135.034

SELOAD MPR $0.000

Winter On-Peak					Summer Semi-Peak			
Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price	Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00

-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00

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Winter On-Peak					Summer Semi-Peak			
Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price	Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00

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	Winter Semi-Peak					Summer Off-Peak		
Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price	Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801

-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801

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	Winter Semi-Peak					Summer Off-Peak		
Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price	Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9

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TOD Price	Period Cost	Winter Off-Peak Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price	Period Cost	Total GWh	Total MPR Cost $/mil
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0

$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0

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		Winter Off-Peak						
		Expected	MPR	TOD				Total MPR
TOD Price	Period Cost	MWh	$/MWh	Multiplier	TOD Price	Period Cost	Total GWh	Cost $/mil
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0

-	-
-	-
-	-
-	-

Annual TOD $/MWh	Discount Factor	Discounted GWh	Discounted Cost
$0.00	1.000	-	0.0
$0.00	1.084	-	0.0
$0.00	1.175	-	0.0
$0.00	1.274	-	0.0
$0.00	1.381	-	0.0
$0.00	1.497	-	0.0
$0.00	1.622	-	0.0
$0.00	1.759	-	0.0
$0.00	1.906	-	0.0
$0.00	2.067	-	0.0
$0.00	2.240	-	0.0
$0.00	2.428	-	0.0
$0.00	2.632	-	0.0
$0.00	2.854	-	0.0
$0.00	3.093	-	0.0
$0.00	3.353	-	0.0
$0.00	3.635	-	0.0
$0.00	3.940	-	0.0
$0.00	4.271	-	0.0
$0.00	4.630	-	0.0
$0.00	5.019	-	0.0
$0.00	5.440	-	0.0

$0.00	5.897	-	0.0
$0.00	6.393	-	0.0
$0.00	6.930	-	0.0
$0.00	7.512	-	0.0
$0.00	8.143	-	0.0
$0.00	8.827	-	0.0
$0.00	9.568	-	0.0
$0.00	10.372	-	0.0
		-	0.0

Annual TOD $/MWh	Discount Factor	Discounted GWh	Discounted Cost
$0.00	1.000	-	0.0
$0.00	1.084	-	0.0
$0.00	1.175	-	0.0
$0.00	1.274	-	0.0
$0.00	1.381	-	0.0
$0.00	1.497	-	0.0
$0.00	1.622	-	0.0
$0.00	1.759	-	0.0
$0.00	1.906	-	0.0
$0.00	2.067	-	0.0
$0.00	2.240	-	0.0
$0.00	2.428	-	0.0
$0.00	2.632	-	0.0
$0.00	2.854	-	0.0
$0.00	3.093	-	0.0
$0.00	3.353	-	0.0
$0.00	3.635	-	0.0
$0.00	3.940	-	0.0
$0.00	4.271	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0

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		-
Deliverability Value	#DIV/0!	

REC Quick Form

	Company Information
Company Name Submitting Offer:	
Company Name on Potential Contract:	
Company Address:	

Technology	Resource Location	First Point of I

SDGE
mpra Energy utility

2012 RPS Solicitation

Eligible Renewable Resources

	Company Representative	
	Primary Contact	Secondary Contact
Contact Name:		
Contact Title:		
Office Number:		
Cell Number:		
Email:		

nterconnection	REC Price ($/MWh)	Volume (MWh)	Generated From Date	Generated To Date	WREGIS Acct # (for existing facilities only)	Total Cost
						$0
						$0
						$0

						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0

Company Information	
Company Name Submitting Offer:	0
Company Name on Potential Contract:	0
Company Address:	0
	0
	0
	0

Company Representative	Primary Contact	Secondary Contact
Contact Name:	0	0
Contact Title:	0	0
Office Number:	0	0
Cell Number:	0	0
Email:	0	0

Project Name:

Offer Type: REC (no power deliveries)
Technology/Fuel:
Resource origin:
Resource Location:
Interconnection Point:
Balancing Authority at Interconnection: CAISO
Proposed CAISO Delivery Point:

Facility Nameplate Capacity: MW
Net Contract Capacity: MW

PUBLIC VERSION

[Form of PPA for As-Available, Baseload, Peaking or Dispatchable Product]

[Standard contract terms and conditions that "may not be modified" per CPUC D.04-06-014 and subsequent decisions are shown in red shaded text and standard contract terms and conditions that may be modified per CPUC D.04-06-014 and subsequent decisions are shown in green shaded text.]

POWER PURCHASE AGREEMENT

Between

SAN DIEGO GAS & ELECTRIC COMPANY
(as "Buyer")

and

_____
(as "Seller")

POWER PURCHASE AGREEMENT

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EXHIBIT F FORM OF QUARTERLY PROGRESS REPORT F-1

EXHIBIT G OUTAGE NOTIFICATION FORM G-1

COVER SHEET

This Power Purchase Agreement is made as of the following date: [_____]. This Power Purchase Agreement and all exhibits, schedules, appendices, and any written supplements hereto, any designated collateral, credit support or margin agreement or similar arrangement between the Parties as well as all written and signed amendments and modifications thereto shall be a part of, and shall be referred to as, the "Agreement." The Parties to this Agreement (hereinafter individually a "Party" and collectively the "Parties") are the following:

Name:_____("Seller")
All Notices:
Street:
City: _____ Zip: __
Attn: Contract Administration
Phone: _____
Facsimile: _____
Duns: _____
Federal Tax ID Number: _____

Invoices:
_____
_____
_____
Attn:
Phone: _____
Facsimile: _____

Scheduling:
_____
_____
_____
Attn:
Phone: _____
Facsimile: _____

Payments:
_____
_____
_____
Attn:
Phone: _____
Facsimile: _____

Wire Transfer:
BNK: _____
ABA: _____
ACCT: _____
Confirmation: _____
FAX: _____

Credit and Collections:
_____
_____
_____
Attn:
Phone: _____

Name: San Diego Gas & Electric Company ("Buyer")
All Notices:
Street: 8315 Century Park Court
City: San Diego, CA Zip: 92123
Attn: Electric & Fuel Procurement - Contract Administration
Phone: (858) 650-6176
Facsimile: (858) 650-6190
Duns: 006911457
Federal Tax ID Number: 95-1184800

Invoices:
San Diego Gas & Electric Company
8315 Century Park Ct.
San Diego, California 92123-1593
Attn: Energy Accounting Manager
Phone: (858) 650-6177
Facsimile: (858) 650-6190

Scheduling:
San Diego Gas & Electric Company
8315 Century Park Ct.
San Diego, California 92123-1593
Attn: Transaction Scheduling Manager
Phone: (858) 650-6160
Facsimile: (858) 650-6191

Payments:
San Diego Gas & Electric Company
PO Box 25110
Santa Ana, CA 92799-5110
Attn: Mail Payments
Phone: (619) 696-4521
Facsimile: (619) 696-4899

Wire Transfer:
BNK: Union Bank of California
for: San Diego Gas & Electric Company
ABA: Routing # 122000496
ACCT: #4430000352
Confirmation: SDG&E, Major Markets
FAX:(213) 244-8316

Credit and Collections:
San Diego Gas & Electric Company, Major Markets
555 W. Fifth Street, ML 18A3
Los Angeles, CA 90013-1011
Attn.: Major Markets, Credit and Collections Manager

Facsimile: _____

With additional Notices of an Event of Default or Potential Event of Default to:

_____
_____
_____
Attn:
Phone: _____
Facsimile:

Fax No.: (213) 244-8316
Phone: (213) 244-4343

With additional Notices of an Event of Default or Potential Event of Default to:

San Diego Gas & Electric Company
8330 Century Park Ct.
San Diego, California 92123
Attn: General Counsel
Phone: (858) 650-6141
Facsimile: (858) 650-6106

GENERAL TERMS AND CONDITIONS

ARTICLE ONE: GENERAL DEFINITIONS

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

"[AAA][JAMS]" means [the American Arbitration Association] [JAMS, Inc.].

"Affiliate" means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. 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.

"Agreement" has the meaning set forth in the preamble to the Cover Sheet.

"Arbitration" has the meaning set forth in Section 12.3.

[For As-Available Product only: "As-Available" means a Product for which, subject to the terms of this Agreement, Seller is excused from selling and delivering the Product to Buyer, and Seller shall not be liable to Buyer for any damages determined pursuant to Section 3.1(h) of the Agreement, in the event that Seller fails to deliver the Product to Buyer for any of the following reasons:

(a) if the Project is unavailable as a result of a Forced Outage and such Forced Outage is not the result of Seller's negligence or willful misconduct;

(b) Force Majeure;

(c) by the Buyer's failure to perform;

(d) by a Planned Outage of the Project;

(e) a reduction in output as ordered under Dispatch Down Periods; or

(f) [the unavailability of landfill gas which was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of negligence of, Seller or the party supplying such landfill gas to the Project, and which by the exercise of reasonable due diligence, Seller is unable to overcome or avoid or causes to be avoided.] OR [insufficient wind power for the Project to generate energy as determined by the best wind speed and direction standards utilized by other wind producers or purchasers in the vicinity of the Project or if wind speeds exceed the Project's technical specifications.] OR [the unavailability of water or the unavailability of sufficient pressure required for operation of the hydroelectric turbine-generator as reasonably determined by Seller within its operating procedures, neither of which was anticipated as of the

Execution Date, which is not within the reasonable control of, or the result of negligence of, Seller or the party supplying such water to the Project, and which by the exercise of due diligence, such Seller or the party supplying the water is unable to overcome or avoid or causes to be avoided.] OR [insufficient solar power for the Project to generate energy as determined by the best solar standards utilized by other solar producers or purchasers in the vicinity of the Project.]

[For Dispatchable Product only: "Availability Adjustment Factor" has the meaning set forth in Section 4.1(b).***]***

"Availability Incentive Payments" shall mean Availability Incentive Payments as defined in FERC filing ER09-1064 or such other similar term as modified and approved by FERC thereafter to be incorporated in the CAISO Tariff or otherwise applicable to CAISO.

[For Dispatchable Product only: "Availability Notice" has the meaning set forth in Section 3.3([f/g]).]

"Availability Standards" shall mean Availability Standards as defined in FERC filing ER09-1064 or such other similar term as modified and approved by FERC thereafter to be incorporated in the CAISO Tariff or otherwise applicable to CAISO.

"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, (b) has any such petition filed or commenced against it which remains unstayed or undismissed for a period of sixty (60) days, (c) makes an assignment or any general arrangement for the benefit of creditors, (d) otherwise becomes bankrupt or insolvent (however evidenced), (e) 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 (f) is generally unable to pay its debts as they fall due.

[For Baseload Product only: "Baseload" means a Unit Firm Product for which the delivery levels are uniform twenty-four (24) hours per day, seven (7) days per week.]

"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.

"Buyer" has the meaning set forth on the Cover Sheet.

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

[When SDG&E is the SC for the Project: "CAISO Charges Invoice" has the meaning set forth in Section 3.3([a/b])(iv).***]***

"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.

"CAISO Tariff" means the CAISO Operating Agreement and Tariff, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC.

"California Renewables Portfolio Standard" means the Renewables Portfolio Standard of California under California Senate Bills 1078 and 107, as codified in California Public Utilities Code Sections 387, 390.1, and 399.25 and Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1, as such provisions are amended or supplemented from time to time.

"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 Contract Capacity of the Project may be counted toward a Resource Adequacy obligation or similar measure in respect to the capacity of the Project to generate Energy by the CPUC, the CAISO, the FERC, or any other entity vested with the authority under federal or state Law, to require Buyer to procure, or to procure at Buyer's expense, Resource Adequacy or other similar products.

[For Dispatchable Product only: "Capacity Price" has the meaning set forth in Section 4.1(a).]

[For Baseload, Peaking, or Dispatchable Product only: "Capacity Test" shall be the complete capacity testing procedure for the Project that is reasonably acceptable to Buyer that Seller shall develop no later than thirty (30) days prior to the initial capacity testing of the Project prior to the Commercial Operation Date. The capacity testing procedure shall describe in detail the testing standard(s) to be used for the technology of the Project, the conditions under which testing shall take place, the average summer ambient conditions to which the results will be corrected, and the testing procedures. The same capacity testing procedure shall be applied to all subsequent Capacity Tests.]

"CEC" means the California Energy Commission or its successor agency.

"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 Agreement.

"Claims" has the meaning set forth in Section 11.2(a).

"Commercial Operation" means that (a) the Project is operating and able to produce and deliver Energy to Buyer pursuant to the terms of this Agreement; (b) Seller shall have satisfied the requirements set forth in the Commercial Operation Certificate in the form attached as

Exhibit E; (c) Seller shall have delivered true, correct, and complete Commercial Operation Certificates from Seller, the Turbine Supplier, the EPC Contractor, and a Licensed Professional Engineer; (d) Seller shall have delivered to Buyer the Delivery Term Security required under Article 8; (e) Seller has received all local, state and federal Governmental Approvals and other approvals as may be required by Law for the construction, operation and maintenance of the Project, including approvals, if any, required under the California Environmental Quality Act for the Project and related interconnection facilities; ***[For Baseload, Peaking, Dispatchable Product only:*** and (f) Seller shall have successfully completed the initial Capacity Test and delivered to Buyer a true, correct, and complete report documenting the results of Seller's initial Capacity Test as required under Section 3.1(f)].

"Commercial Operation Date" means the date on which Seller achieves Commercial Operation for the Project.

"Conditions Precedent" has the meaning set forth in Section 2.3.

"Construction Period Security" shall mean the Performance Assurance that Seller is required to maintain during the period and as otherwise specified in Section 8.4(a)[(ii)/(iii)] to secure performance of its obligations hereunder.

"Contract Capacity" has the meaning set forth in Section 3.1(f).

[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP: "Contract Energy" means the lower of Delivered Energy or Scheduled Energy for any given period in each case net of all Electrical Losses.**]**

"Contract Quantity" has the meaning set forth in Section 3.1(e).

"Contract Year" means a period of twelve (12) consecutive months (except in the case of the first Contract Year which may be longer) with the first Contract Year commencing on the Commercial Operation Date and each subsequent Contract Year commencing on the anniversary of the first day of the month following the Commercial Operation Date.

"Costs" means, with respect to the Non-Defaulting Party, 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 entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with such Terminated Transaction.

"Cover Sheet" means the document that precedes Article 1: General Definitions to this Agreement.

"CP Satisfaction Date" shall mean the date on which all of the Conditions Precedent have been satisfied (or waived in writing by the Party described in Section 2.4).

"CPUC" or "Commission or successor entity" means the California Public Utilities Commission, or successor entity.

"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 Agreements with Delivery Terms greater than two years: "CPUC Approval Date" shall mean the date on which the Conditions Precedent set forth in Section 2.3(a) have been satisfied (or waived in writing by the beneficiary Party described in Section 2.4).]

[For Agreements with Delivery Terms greater than two years: "CPUC Approval Security" shall mean the Performance Assurance that Seller is required to maintain during the period and as otherwise specified in Section 8.4(a)(i) to secure performance of its obligations hereunder.]

"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) by S&P or Moody's.

"Daily Delay Damages" means an amount equal to (a) the Construction Period Security amount required hereunder, divided by (b) the number of days in the Project Cure Period.

"Day-Ahead Forecast" has the meaning set forth in Section 3.3([d/e]).

[Dispatchable Product only: "Default Availability Factor" means, for any period, the amount determined according to the following formula:

Default Availability Factor = (PH - (EDH - EEDH)) / PH

Where:

PH is the number of period hours;

EDH is the number of equivalent derate hours calculated as the sum, for each derate, of the product of the number of hours of full or partial derate hours times the size of the reduction divided by the Contract Capacity for the month. For the purposes of this calculation, a derate includes all outages for any reason, including without limitation, Forced Outages,

Force Majeure events, Dispatch Down Periods, Planned Outages, Buyer's failure to perform, and other times when any portion of the Contract Capacity is not available or the Delivered Energy of the Project is less than the amount of Energy dispatched by Buyer; and

EEDH is the number of equivalent excused derate hours solely due to either Force Majeure events, Dispatch Down Periods or Buyer's failure to perform (and for no other reason), calculated as the sum, for each excused derate, of the product of the number of hours of full or partial derate hours times the size of the reduction, divided by the Contract Capacity for the month.]

"Defaulting Party" means the Party that is subject to an Event of Default.

"Default Rate" means for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable Law.

"Delivered Energy" means all Energy produced from the Project and delivered to Buyer at the Delivery Point as measured in MWh at the CAISO revenue meter of the Project based on a power factor of precisely one (1) and net of all Electrical Losses.

"Delivery Point" means the point at which Buyer receives Seller's Product, as set forth in Section 3.1(d).

"Delivery Term" has the meaning set forth in Section 3.1(c).

"Delivery Term Security" shall mean the Performance Assurance that Seller is required to maintain during the period and as otherwise specified in Section 8.4(a)[(iii)/(iv)] to secure performance of its obligations hereunder.

"Development Period Security" shall mean the Performance Assurance that Seller is required to maintain during the period and as otherwise specified in Section 8.4(a)[(i)/(ii)] to secure performance of its obligations hereunder.

"Disclosing Party" has the meaning set forth in Section 13.1(a).

"Disclosure Order" has the meaning set forth in Section 13.1(a).

"Dispatch Down Period" means the period of curtailment of delivery of Product from the Project resulting from (a) curtailment ordered by the CAISO (whether directly or through the Scheduling Coordinator or the Participating Transmission Owner), for any reason, including, but not limited to, any system emergency as defined in the CAISO Tariff ("System Emergency"), any warning of an anticipated System Emergency, or any warning of an imminent condition or situation which could jeopardize the CAISO's or Participating Transmission Owner's electric system integrity or the integrity of other systems to which the CAISO or Participating Transmission Owner is connected; (b) curtailment ordered by the Participating Transmission

Owner or distribution operator (if interconnected to distribution or sub-transmission system) 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, (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) curtailment ordered by the Participating Transmission Owner or distribution operator (if interconnected to distribution or sub-transmission system) as a result of scheduled or unscheduled maintenance or construction on the Participating Transmission Owner's transmission facilities or distribution operator's facilities (if interconnected to distribution or sub-transmission system) that prevents the delivery or receipt of Delivered Energy to or at the Delivery Point, (d) curtailment in accordance with Seller's obligations under its interconnection agreement with the Participating Transmission Owner or distribution operator, ***[For all Products other than Dispatchable Product:*** or (e) curtailment ordered by Buyer that meets the requirements of Economic Dispatch Down***,] [If the Project is located outside of the CAISO:*** or (f) curtailment ordered by the Transmission Provider provided, that Seller has contracted for firm transmission with such Transmission Provider for the Product to be delivered to the Delivery Point and such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff]; ***[For Dispatchable Product only:*** or (g) curtailment ordered by Buyer pursuant to a Dispatch Notice***.] [For all Products other than Dispatchable and when SDG&E is the SC:*** provided, however, that except with respect to curtailment ordered by Buyer that meets the requirements of Economic Dispatch Down, Dispatch Down Periods shall not include any other periods of curtailment of delivery of Product from the Project resulting from economic curtailment where Buyer (as the Scheduling Coordinator) submits an economic bid in the applicable CAISO market that results in an otherwise available Product not being scheduled or awarded in such CAISO market].

"Dispatch Notice" means the operating instruction, and any subsequent updates given by Buyer to Seller, directing Seller ***[For Dispatchable Product only:*** to operate the Project at a specified megawatt output***] [For all other Products:*** to reduce generation from the Project to no greater than the amount and for the period of time set forth in such order***]***.

[For Dispatchable Product only: "Dispatchable" means a Unit Firm Product for which Seller makes available capacity for Buyer to Schedule and dispatch up or down at Buyer's option in accordance with Section 3.3([g/h]).]

"Distribution Upgrades" has the meaning set forth in the CAISO Tariff.

"DUNS" means the Data Universal Numbering System, which is a unique nine character identification number provided by Dun and Bradstreet.

"Early Termination Date" has the meaning set forth in Section 5.2.

[For all Products other than Dispatchable Product: "Economic Dispatch Down" has the meaning set forth in Section 3.4(b)(i).***]***

"Electrical Losses" means all electrical losses associated with the transmission of Product to the Delivery Point, including if applicable, but not limited to, any transmission or transformation losses between the CAISO revenue meter and the Delivery Point.

"Electrical Interconnection Upgrades" means the facilities to which Seller shall be able to interconnect and deliver Energy from the Project to and at the Delivery Point and Buyer shall be able to transmit Energy from the Delivery Point and the facilities that protect the Participating Transmission Owner's, Transmission Provider's, or distribution operator's, as applicable, electric system (or other systems to which such electric systems are connected, including the CAISO Grid) and the Participating Transmission Owner's, Transmission Provider's, or distribution operator's, as applicable, customers from faults occurring at the Project, including, but not limited to, all network, distribution, connection, transformation, switching, metering, communications, control, and safety equipment, as such equipment may be required pursuant to Good Industry Practices or in accordance with the Participating Transmission Owner's, Transmission Provider's, or distribution operator's, as applicable, facility connection requirements. If the Project interconnects to the CAISO Grid, such Electrical Interconnection Upgrades include all Network Upgrades, Distribution Upgrades, and 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 so as to allow Seller to deliver Energy from the Project to the Delivery Point and Buyer to be able to transmit Energy from the Delivery Point.

"Eligible Renewable Energy Resource" or "ERR" has the meaning set forth in California Public Utilities Code Section 399.11, *et seq.*, as amended or supplemented from time to time.

"Energy" means electric energy measured in MWh and net of Station Service (unless otherwise specified).

"Energy Price" has the meaning set forth in Section 4.[1/2](a).

"EPC Contract" means the Seller's engineering, procurement and construction contract with the EPC Contractor.

"EPC Contractor" means an engineering, procurement, and construction contractor, selected by Seller, with substantial experience in the engineering, procurement, and construction of power plants of the same type of facility as Seller's.

"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.

[For Dispatchable Product only: "Equivalent Availability Factor" or "EAF" has the meaning set forth in Section 4.1(b).]

"Event of Default" has the meaning set forth in Section 5.1.

"Execution Date" means the date hereof as set forth in the preamble of the Cover Sheet.

"Executive(s)" has the meaning set forth in Section 12.2(a).

"FERC" means the Federal Energy Regulatory Commission or any successor government agency.

"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 to the extent (1) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (2) 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 (3) such event is not the direct or indirect result of the fault or negligence of 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) acts of God, flooding, lightning, landslide, earthquake, fire, drought, explosion, epidemic, quarantine, storm, hurricane, tornado, volcano, 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; or

(iii) except as set forth in subpart (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).

(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 Governmental Approvals or other approvals of any type for the construction, operation, or maintenance of the Project;

(iv) a lack of wind, sun or other fuel source of an inherently intermittent nature;

(v) Seller's inability to obtain sufficient labor, equipment, materials, or other resources to build or operate the Project, except to the extent Seller's inability to obtain

sufficient labor, equipment, materials, or other resources is caused by an event of Force Majeure of the specific type described in any of subsections (a)(i) through (a)(iii) above;

(vi) Seller's failure to obtain financing or other 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;

(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; or

(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) though (a)(iii) above.

"Force Majeure Extension Period" has the meaning set forth in Section 3.9(c)(ii).

"Forced Outage" means any unplanned reduction or suspension of production of Product from the Project or unavailability of the Project in whole or in part that is not a Planned Outage or a willful withholding of Product when the Project is otherwise capable of delivering Product under Good Industry Practices.

"GAAP" has the meaning set forth in Section 13.4.

"Gains" means with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Delivery Term, 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 referent prices for renewable power set by the CPUC, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., NYMEX), all of which should be calculated for the remaining term of this Agreement and include the value, if any, of Capacity Attributes, and Green Attributes.

"Good Industry Practice" means those practices, methods and acts that would be implemented and followed by prudent operators of electric transmission facilities (with respect to Buyer) or prudent operators of electric generation facilities similar to the Project (with respect to Seller) in the Western United States during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability and safety, and shall include, at a minimum, those professionally responsible practices, methods and acts described in the preceding sentence that comply with manufacturers' warranties, restrictions in this Agreement, and the requirements of Governmental Authorities, WECC standards, the CAISO and applicable Law. Good Industry Practice is not intended to be the optimum practice, method

or act to the exclusion of all others, but rather is intended to be any of the practices, methods and/or actions generally accepted in the region.

"Governmental Approval" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any governmental entity and, with respect to the Seller, 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.

"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.

"Governmental Charges" has the meaning set forth in Section 9.2.

"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 (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by Law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;[1] and (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

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

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.

"Guaranteed Commercial Operation Date" or "GCOD" means [*insert date*], as may be extended pursuant to Section 3.9(c)(ii).

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

"Guarantor" means, with respect to Seller, any person that (a) does not already have any material credit exposure to Buyer under any other agreements, guarantees, or other arrangements at the time its Guaranty is issued, (b) is an Affiliate of Seller, or other third party reasonably acceptable to Buyer, (c) has a Credit Rating of [____] or better from S&P or a Credit Rating of [____] or better from Moody's, (d) has a tangible net worth of at least [_____], (e) is incorporated or organized in a jurisdiction of the United States and is in good standing in such jurisdiction, and (f) executes and delivers a Guaranty for the benefit of Buyer substantially in the form attached hereto as Exhibit D. ***[SDG&E will consider accepting a Guaranty based on the Project, the amount of Performance Assurance, and the identity of the Seller and Guarantor]***

"Guaranty" means a guaranty from a Guarantor provided for the benefit of Buyer substantially in the form attached hereto as Exhibit D. ***[SDG&E will consider accepting a Guaranty based on the Project, the amount of Performance Assurance, and the identity of the Seller and Guarantor]***

"Imbalance Energy" means the amount of Energy, in any given settlement period, by which the amount of Delivered Energy deviates from the amount of Scheduled Energy.

[For As-Available Product PIRP Participants only and only when Seller is SC for the Project: "Imbalance Price" has the meaning set forth in Section 4.[2/3](b).]

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

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

"Interest Amount" means, with respect to an Interest Period, the amount of interest derived from the product of (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; multiplied by (b) the Interest Rate in effect on the first day of the Interest Period; multiplied by (c) the number of days in that Interest Period; divided by (d) 360.

"Interest Payment Date" means the date on which cash held as Performance Assurance is returned pursuant to the terms of this Agreement.

"Interest Period" means the monthly period beginning on the first day of each month and ending on the last day of each month or the shorter period during which Performance Assurance in the form of cash is held by Buyer.

"Interest Rate" means for any date the rate per annum equal to the Commercial Paper (prime, 3 months) rate as published the prior month in the Federal Reserve Statistical Release, H.15. Should publication of the interest rate on Commercial Paper (prime, 3 months) be discontinued, then the interest rate on commercial paper, which most closely approximates the discontinued rate, published the prior month in the Federal Reserve Statistical Release, H.15, or its successor publication.

"[Large/Small] Generator Interconnection Agreement" has the meaning set forth in the CAISO Tariff.

"Law" means any statute, law, treaty, rule, regulation, ordinance, code, Governmental Approval, 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 become effective prior to the end of the Delivery Term; or any binding interpretation of the foregoing by a Governmental Authority.

"Letter(s) of Credit" means one or more irrevocable, standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a Credit Rating of at least [A-] with an outlook designation of "stable" from S&P or [A3] with an outlook designation of "stable" from Moody's, in substantially the form as contained in Exhibit C to this Agreement.

"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.

"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 a Terminated Transaction for the remaining term of this Agreement, determined in a commercially reasonable manner. 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 referent prices for renewable power set by the CPUC, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g. NYMEX), all of which should be calculated for the remaining term of this Agreement and include the value, if any, of Capacity Attributes, and Green Attributes.

"Manager" has the meaning set forth in Section 12.2(a).

"Milestones" has the meaning set forth in Section 3.9(b)(i).

[For Dispatchable Product only: "Monthly Capacity Payment" has the meaning set forth in Section 4.1(b).]

"Monthly Energy Payment" has the meaning set forth in Section 4.[1/2]([b/c]).

[For Dispatchable Product only: "Monthly Shaping Factor" has the meaning set forth in Section 4.1(b).]

"Moody's" means Moody's Investor Services, Inc., or its successor.

"MWh" means megawatt-hour.

"Negative Imbalance Energy" has the meaning set forth in Section 4.[2/3].

"NERC" means the North American Electric Reliability Corporation or a successor organization that is responsible for establishing reliability criteria and protocols.

"NERC Holiday" means any of 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.

"Network Upgrades" has the meaning set forth in the CAISO Tariff.

"Non-Availability Charges" shall mean Non-Availability Charges as defined in FERC filing ER09-1064 or such other similar term as modified and approved by FERC thereafter to be incorporated in the CAISO Tariff or otherwise applicable to CAISO.

"Non-Defaulting Party" has the meaning set forth in Section 5.2.

"Notice" shall, unless otherwise specified in the Agreement, mean written communications by a Party to be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail).

"Notice to Proceed" or "NTP" 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 precedent to performance of such contract, by which Seller authorizes such EPC Contractor to commence and complete full performance of the work under the EPC Contract without any delay or waiting periods.

"Outage Notification Form" means the completed document from Seller notifying Buyer of an outage of the Project substantially in the form attached hereto as Exhibit G. Buyer reserves the right to reasonably revise or change the form upon Notice to Seller.

[For intermittent As-Available Product: "Participating Intermittent Resource" shall have the meaning set forth in the CAISO Tariff.]

[For an intermittent As-Available Product only: "Participating Intermittent Resource Program" or "PIRP" means the rules, protocols, procedures and standards for Participating Intermittent Resources under the CAISO's Eligible Intermittent Resource Protocol, as may be amended from time to time, as set forth in the CAISO Tariff.]

"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. As of the Execution Date, the Participating Transmission Owner is ***[San Diego Gas & Electric Company].***

"Party" or "Parties" means the Buyer or Seller individually, or to both collectively.

[For Peaking Product only: "Peaking" means a Unit-Firm Product for which Energy must be delivered during hours ending 1200-1900 (11:00 am to 7:00 pm) on Monday-Friday, excluding NERC Holidays, for the months July through October and during hours ending 1400-2100 (1:00 pm to 9:00 pm) on Monday-Friday, excluding NERC Holidays, for the months November and December.] ***[Note: Buyer will consider other firm products such as 6x16:*** "6x16 Block" means a Unit-Firm Product for which Energy must be delivered during hours ending 0700-2200 (6:00 am to 10:00 pm) on Monday-Saturday throughout the Delivery Term.]

"Performance Assurance" means collateral provided by Seller to Buyer to secure Seller's obligations hereunder and includes ***[For Agreements with Delivery Terms greater than two years:*** CPUC Approval Security,] Development Period Security, Construction Period Security, and Delivery Term Security.

[For As-Available, Baseload, Peaking Product: "Performance Measurement Period" has the meaning set forth in Section 3.1(e).]

"Planned Outage" means any planned reduction or suspension of the electrical output from the Project or unavailability of the Project in whole or in part as a result of the inspection, maintenance, or repair of equipment that is scheduled in accordance with Section 3.7(a).

"PNode" has the meaning set forth in the CAISO Tariff.

"Positive Imbalance Energy" has the meaning set forth in Section 4.[2/3].

"Product" has the meaning set forth in Section 3.1(a).

"Project" means all of the *[insert technology]* electric generating units, the Site at which the generating facility is located, the utility interconnection facilities up to the point of change in ownership to the applicable utility's facilities, and the other assets, tangible and intangible, that compose the generation facility as more particularly described on Exhibit A.

"Project Cure Period" has the meaning set forth in Section 3.9(c)(i).

"Quarterly Progress Report" means the report similar in form and content attached hereto as Exhibit F, as may be modified from time to time to meet applicable CPUC requirements.

"Recording" has the meaning set forth in Section 13.6.

"Reductions" has the meaning set forth in Section 3.2(c).

"Referral Date" has the meaning set forth in Section 12.2(a).

"Remedial Action Plan" has the meaning provided in Section 3.9(b)(ii).

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

"Replacement Price" means the price (in dollars per megawatt hour) at which Buyer, acting in a commercially reasonable manner, purchases for delivery at the Delivery Point (or any other reasonably equivalent delivery point for Buyer) a replacement for any Product (including its associated Green Attributes) that was not Scheduled and delivered by Seller, plus (a) costs (calculated in dollars per megawatt hour) reasonably incurred by Buyer in purchasing such replacement Product and (b) additional transmission charges (calculated in dollars per megawatt hour), if any, reasonably incurred by Buyer for such replacement Product, or absent a purchase, the market price at the Delivery Point (or any other reasonably equivalent delivery point for Buyer) for such replacement Product for the hours impacted by such failure to Schedule or deliver such Product as determined by Buyer in a commercially reasonable manner. The Replacement Price also shall include all CAISO and other charges and penalties calculated in dollars per megawatt hour with respect to the deviation from the Scheduled supply resulting from Seller's failure to Schedule or deliver; provided, however, in no event shall such price include any ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller's liability. For the purposes of this definition, Buyer shall be considered to have purchased replacement Product to the extent Buyer shall have entered into one or more arrangements in a commercially reasonable manner whereby Buyer repurchases its obligation to sell and deliver the Product to another party. If for any reason a Replacement Price is unavailable when Seller fails to deliver or Schedule Product, then the Replacement Price for the hours when a Replacement Price is unavailable shall be the last available Replacement Price together with any charges and penalties allocated to Buyer during such time.

"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.

"Sales Price" means the price (in dollars per megawatt hour) at which Seller, acting in a commercially reasonable manner, resells any Product not Scheduled and received by Buyer, deducting from such proceeds any (a) costs (calculated in dollars per megawatt hour) reasonably incurred by Seller in reselling such Product including all costs charged by CAISO to Schedule and deliver the Product into the CAISO System, and (b) additional transmission charges (calculated in dollars per megawatt hour), if any, reasonably incurred by Seller in Scheduling and delivering such Product to the third party purchasers, or absent a sale despite commercially reasonable efforts to resell the Product, zero. The Sales Price shall also be reduced by all CAISO and other costs, charges and penalties with respect to the deviation from the Scheduled supply, in each case, resulting from Buyer's failure to take Product and calculated in dollars per megawatt hour; provided, however, in no event shall such price include any ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer's liability. The Sales Price may be less than zero.

"S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor.

"Schedule" means the actions of Seller, Buyer and/or their designated representatives, or Scheduling Coordinators, including each Party's Transmission Providers, if applicable, of notifying, requesting and confirming to each other and the CAISO the quantity and type of Product to be delivered on any given day or days at a specified Delivery Point.

"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.

"Scheduled Energy" means the Energy that clears under the applicable CAISO market based on the final Schedule developed in accordance with this Agreement, the operating procedures developed by the Parties pursuant to Section 3.10, and the applicable CAISO Tariff, protocols and Scheduling practices.

"SEC" means the U.S. Securities and Exchange Commission.

"Seller" shall have the meaning set forth on the Cover Sheet.

"Settlement Amount" means, with respect to the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of the liquidation of a Terminated Transaction pursuant to Sections 5.2 and 5.3.

"Site" shall mean the location of the Project as described in Exhibit A.

"Station Service" means the electric energy produced by the Project that is used within the Project to power the lights, motors, control systems and other auxiliary electrical loads that are necessary for operation of the Project.

"Terminated Transaction" means the termination of this Agreement in accordance with Section 5.2 of this Agreement.

"Termination Payment" has the meaning set forth in Section 5.2.

[For TOD Pricing Only: "TOD Factors" has the meaning set forth in Section 4.[1/2](b)***.]***

[For TOD Pricing Only: "TOD Period" has the meaning set forth in Section 4.[1/2](b)***.]***

"Transmission Provider" means any entity or entities transmitting or transporting the Product on behalf of Seller or Buyer to or from the Delivery Point.

"Turbine Supplier" means the supplier of the electric generating [wind] [gas] [steam] turbine(s) for the Project, selected by Seller.

[For Baseload, Peaking, or Dispatchable Product only: "Unit Firm" means, with respect to a Product, that the Product is intended to be supplied from the Project, and subject to the terms of this Agreement, Seller is excused from selling and delivering the Product to Buyer, and Seller shall not be liable to Buyer for any damages determined pursuant to Section 3.1(h) of the Agreement, in the event that Seller fails to deliver the Product to Buyer for any of the following reason:

(a) if the Project is unavailable as a result of a Forced Outage and such Forced Outage is not the result of Seller's negligence or willful misconduct;

(b) Force Majeure;

(c) by the Buyer's failure to perform;

(d) by a Planned Outage of the Project; or

(e) a reduction in output as ordered under Dispatch Down Periods.

The following products shall be considered "Unit Firm" products: Peaking, Baseload, and Dispatchable.]

"WECC" means the Western Electricity Coordinating Council or successor agency.

"WREGIS" means the Western Renewable Energy Generating Information System or any successor renewable energy tracking program.

1.2 Interpretation. The following rules of interpretation shall apply:

(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 exist 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 1, 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) 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.

(f) 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.

(g) 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.

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

ARTICLE TWO: EFFECTIVENESS OF AGREEMENT; CONDITIONS PRECEDENT

2.1 Effectiveness of Agreement Prior to CP Satisfaction Date. Commencing on the Execution Date until the CP Satisfaction Date, this Agreement shall be in full force and effect, enforceable and binding only to the extent required to give full effect to, and enforce, the rights and obligations of the Parties under this Article 2, including, as it relates to Article 2, the rights and obligations under Articles 1, 5, 7, 8, 9, 10, 11, 12, and 13.

2.2 Obligations of the Parties. The Parties shall cooperate with each other to cause the Conditions Precedent to be satisfied as soon as reasonably practical.

(a) Seller's Obligations. Prior to the CP Satisfaction Date, Seller shall (i) use commercially reasonable efforts to pursue satisfaction of the Conditions Precedent set forth in Sections [___], (ii) diligently pursue development of the Project in accordance with Section 3.9, (iii) comply with Section 3.9(b) in achieving the applicable Milestones that have due dates

occurring prior to the CP Satisfaction Date, reporting completion of such Milestones, and delivering Remedial Action Plans in respect of missed Milestones as more fully described therein, (iv) deliver the Quarterly Progress Report in accordance with Section 3.9(a), and (v) otherwise comply with its obligations, covenants, representations, and warranties under Articles 7-13. ***[For Agreements with Delivery Terms greater than two years:*** Upon an Event of Default of Seller prior to the CPUC Approval Date, Buyer may terminate this Agreement in which case Seller shall owe Buyer liquidated damages in the amount of the CPUC Approval Security.] Upon an Event of Default of Seller ***[For Agreements with Delivery Terms greater than two years:*** on or after the CPUC Approval Date but] prior to the CP Satisfaction Date, Buyer may terminate this Agreement in which case Seller shall owe Buyer liquidated damages in the amount of the Development Period Security. Buyer may retain such Performance Assurances to pay such liquidated damages. Each Party agrees and acknowledges that (a) the actual damages that Buyer would incur due to an Event of Default of Seller prior to the CP Satisfaction Date would be difficult or impossible to predict with certainty, (b) the liquidated damages set forth in this section are a reasonable and appropriate approximation of such damages, and (c) the liquidated damages set forth in this section are the exclusive remedy for an Event of Default of Seller prior to the CP Satisfaction Date.

(b) Buyer's Obligations. Prior to the CP Satisfaction Date, Buyer shall (i) use commercially reasonable efforts to pursue satisfaction of the Conditions Precedent set forth in Sections 2.3(a), and (ii) otherwise comply with its obligations, covenants, representations, and warranties under Articles 7-13. ***[For Agreements with Delivery Terms greater than two years:*** Upon an Event of Default of Buyer prior to the CPUC Approval Date, Seller may terminate this Agreement in which case Buyer shall owe Seller liquidated damages in the amount of the CPUC Approval Security.] Upon an Event of Default of Buyer ***[For Agreements with Delivery Terms greater than two years:*** on or after the CPUC Approval Date but] prior to the CP Satisfaction Date, Seller may terminate this Agreement in which case Buyer shall owe Seller liquidated damages in the amount of the Development Period Security. Each Party agrees and acknowledges that (a) the actual damages that Seller would incur due to an Event of Default of Buyer prior to the CP Satisfaction Date would be difficult or impossible to predict with certainty, (b) the liquidated damages set forth in this section are a reasonable and appropriate approximation of such damages, and (c) the liquidated damages set forth in this section are the exclusive remedy for an Event of Default of Buyer prior to the CP Satisfaction Date.

2.3 Conditions Precedent. Subject to Section 2.1, the effectiveness of the remainder of this Agreement is conditioned upon the satisfaction (or waiver by the Party described in Section 2.4) of all of the following conditions precedent ("Conditions Precedent") by the deadline dates set forth below for each Condition Precedent without extension for Force Majeure or any other reason:

(a) CPUC Approval. No later than [_____], Buyer shall have obtained CPUC Approval. Prior to this deadline, should the CPUC issue an order approving this Agreement but with conditions or modifications that materially alter the commercial aspects of this Agreement, the Parties agree to use good faith efforts to renegotiate this Agreement and file the amended agreement with the CPUC seeking CPUC Approval therefor. If, no later than the earlier of (i) sixty (60) days after such order or (ii) the deadline date above, no agreement is reached, either Party may terminate this Agreement upon delivery of Notice to the other Party.

(b) Electrical Interconnection. No later than [_____], Seller shall have entered into a [Large/Small] Generator Interconnection Agreement providing for the construction of the Electrical Interconnection Upgrades necessary to maintain the "[Full Capacity] [Energy Only] Deliverability Status" (as defined in the CAISO Tariff) of the Project and setting forth:

(i) an estimated in-service interconnection date for the "Participating TO's Interconnection Facilities," the "Network Upgrades," and the "Distribution Upgrades" (as each term is defined in the CAISO Tariff) of no later than [_____] months after Seller provides the Participating Transmission Owner with the appropriate security and written authorization to proceed under its [Large/Small] Generator Interconnection Agreement for the Project,

(ii) a refundable cost for "Network Upgrades" (as defined in the CAISO Tariff) that Seller would be obligated to pay and would be entitled to reimbursement from the CAISO, a Participating Transmission Owner, or any other affected transmission provider as provided thereunder not exceeding $[_____], and [***Note: Seller may propose additional provisions whereby Seller can satisfy this Condition Precedent by buying down the Network Upgrade costs that exceed the foregoing cost cap in a manner that is mutually acceptable to the Parties.***]

(iii) a nonrefundable cost that Seller would be obligated to pay thereunder not exceeding $[_____] (or such greater amount as Seller may approve, in its sole discretion).

(c) ***[Others, Major Governmental Approvals, Financing, etc.]***

2.4 Failure to Meet All Conditions Precedent.

(a) Beneficiary Party.

(i) Both of the Parties are the beneficiaries of the Conditions Precedent set forth in Sections 2.3(a), 2.3(b)(i)-(ii) ***[Others]***, and in order for a waiver of non-satisfaction of such Conditions Precedent to be effective, both of the Parties must waive (in their sole discretion) non-satisfaction by the deadline date therefor.

(ii) Buyer shall be the sole beneficiary of the Conditions Precedent set forth in Sections ***[List]***, and in order for a waiver of non-satisfaction of such Conditions Precedent to be effective, Buyer alone must waive (in its sole discretion) non-satisfaction by the deadline date therefor.

(iii) Seller shall be the sole beneficiary of the Conditions Precedent set forth in Sections 2.3(b)(iii) ***[Others]***, and in order for a waiver of non-satisfaction of such Conditions Precedent to be effective, Seller alone must waive (in its sole discretion) non-satisfaction by the deadline date therefor.

(b) Termination. If any of the Conditions Precedent is not satisfied or waived in writing by the beneficiary Parties thereto on or before the date that is fifteen (15) days after the

applicable deadline date therefor, then this Agreement shall automatically terminate with no further obligation to either Party (other than as set forth in Sections 2.4(b)(i)-(ii) below and any other payment obligations which are accrued and payable at the time of termination).

(i) Upon a termination of this Agreement for any reason under Section 2.4 other than as described in Section 2.4(b)(ii) below, Seller shall forfeit to Buyer an amount equal to the Performance Assurance then required to be delivered to Buyer hereunder. Buyer may retain such Performance Assurance to pay such amount.

(ii) Upon a termination of this Agreement under this Section 2.4 as a result of the failure of the Conditions Precedent set forth in Sections 2.3(a) to be satisfied (or waived by both Parties) or as a result of the failure of the Conditions Precedent set forth in Sections 2.3(b)(i)-(ii) to be satisfied or waived by Buyer, Buyer shall return to Seller the Performance Assurances then held by Buyer.

2.5 Effectiveness of Agreement on and after CP Satisfaction Date. This Agreement shall be in full force and effect, enforceable and binding in all respects as of the CP Satisfaction Date until the conclusion of the Delivery Term or earlier termination pursuant to the terms of this Agreement; provided however, that this Agreement shall remain in effect until (i) the Parties have fulfilled all obligations under this Agreement, including payment in full of amounts due for the Product delivered prior to the end of the Delivery Term, the Settlement Amount, indemnification payments or other damages (whether directly or indirectly such as through set-off or netting) and (ii) the undrawn portion of the ***[For Agreements with Delivery Terms greater than two years:*** CPUC Approval Security,] Development Period Security, Construction Period Security, or Delivery Term Security, as applicable, is released and/or returned as applicable (if any is due). All indemnity rights shall survive the termination or expiration of this Agreement for the longer of twelve (12) months or the expiration of the statute of limitations period of the claim underlying the indemnity obligation.

ARTICLE THREE: OBLIGATIONS AND DELIVERIES

3.1 Transaction.

(a) Product. The "Product" to be delivered and sold by Seller and received and purchased by Buyer under this Agreement is ***[Seller to select: As-Available, Baseload, Peaking or Dispatchable]*** Energy, Capacity Attributes, Green Attributes, and other ancillary products, services or attributes similar to the foregoing which are or can be produced by or associated with the Project (net of Station Service) in accordance with the terms hereof.

(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, and Buyer shall pay Seller for the Product in accordance with the terms hereof. In no event shall Seller have the right to procure any element of the Product from sources other than the Project for sale or delivery to Buyer under this Agreement ***[If the Project is located outside of the CAISO:*** except with respect to Imbalance Energy from the Transmission Provider**]**.

(c) Delivery Term. The Parties agree that the period of Product delivery is [____] Contract Years. As used herein, "Delivery Term" shall mean the period of Contract Years specified above beginning on the Commercial Operation Date and continuing until the end of the last Contract Year unless terminated earlier as provided by the terms of this Agreement.

(d) Delivery Point. The Delivery Point shall be [the point of interconnection of the Project to the CAISO Grid] ***[Seller may specify another delivery point; for a Project located outside the CAISO Grid, the Delivery Point should be a CAISO Scheduling Point as defined by the CAISO]*** and for financial settlement purposes under the applicable CAISO market, the PNode corresponding to such point.

(e) ***[For Baseload, Peaking, As-Avaliable Product:*** Contract Quantity and Guaranteed Energy Production. The quantity of Delivered Energy that Seller expects to be able to deliver to Buyer during each Contract Year is **[_____]** MWh ("Contract Quantity"). Throughout the Delivery Term, Seller shall be required to deliver to Buyer no less than the Guaranteed Energy Production (as defined below) in any [twelve (12)] [twenty-four (24)] consecutive calendar month period during the Delivery Term ("Performance Measurement Period"). "Guaranteed Energy Production" means an amount of Energy, as measured in MWh, equal to [two times] [_____]% of the Contract Quantity. Notwithstanding the excuses to performance set forth in the definition of the Product type (as such Product type is specified in Section 3.1(a)), Seller shall be excused from achieving the Guaranteed Energy Production during any Performance Measurement Period only to the extent of any Force Majeure events, Buyer's failure to perform, or Dispatch Down Periods. For purposes of determining whether Seller has achieved the Guaranteed Energy Production, Seller shall be deemed to have delivered to Buyer Energy in the amount it could reasonably have delivered to Buyer but was prevented from delivering to Buyer by reason of any Force Majeure events, Buyer's failure to perform, or Dispatch Down Periods.] ***[For Dispatchable Product:*** Contact Quantity. The quantity of Delivered Energy that Seller expects to be able to deliver to Buyer during each Contract Year is **[_____]** MWh ("Contract Quantity").]

(f) Contract Capacity. The "Contract Capacity" is the full generation capacity of the Project net of all Station Service which shall be ***[For As-Available Product:*** no less than [____] MW and no greater than [____] MW] ***[For Baseload, Peaking, or Dispatchable Product only:*** an amount determined periodically pursuant to a Capacity Test as set forth below]. Throughout the Delivery Term, Seller shall sell and Schedule all Product associated with the Contract Capacity of the Project solely to Buyer, except in the case of an Event of Default of Buyer or during Dispatch Down Periods ***[If the Project is located outside of the CAISO:*** or the sale of Imbalance Energy to the Transmission Provider]. ***[For Dispatchable Product:*** Throughout the Delivery Term, Seller shall make the Contract Capacity available solely to Buyer at all times, except in the case of an Event of Default of Buyer or during Dispatch Down Periods ***[If the Project is located outside of the CAISO:*** or the sale of Imbalance Energy to the Transmission Provider].]

(i) ***[For Baseload, Peaking, Dispatchable Product:*** Initial Capacity Testing. Upon no less than fourteen (14) days prior Notice to Buyer, Seller shall schedule and complete a Capacity Test prior to the Commercial Operation Date for the Project. Such initial Capacity Test shall establish the Contract Capacity for the Project for the first Contract Year.]

(ii) ***[For Baseload, Peaking, Dispatchable Product:*** Annual Capacity Testing. Thereafter, at least once per Contract Year within the first quarter of each Contract Year, upon no less than 14 days prior Notice to Buyer, Seller shall schedule and complete a Capacity Test. In addition, Buyer shall have the right to require a retest of the Capacity Test at any time upon five (5) days prior written Notice to Seller if Buyer reasonably believes that the actual Contract Capacity has varied materially from the results of the most recent tests. Seller shall have the right to run a retest of the Capacity Test at any time upon two (2) days prior written Notice to Buyer (or any shorter period reasonably acceptable to Buyer consistent with Good Industry Practices).]

(iii) ***[For Baseload, Peaking, Dispatchable Product:*** Witness at Capacity Tests. Buyer shall have the right to send one or more representative(s) to witness all Capacity Tests.]

(iv) ***[For Baseload, Peaking, Dispatchable Product:*** Capacity Test Reporting. No later than fourteen (14) days following any Capacity Test, Seller shall submit a testing report detailing results and findings of the test. The report shall include meter readings and plant log sheets verifying the operating conditions and output of the Project. The Contract Capacity determined pursuant to a Capacity Test shall become the new Contract Capacity at the beginning of the day following the completion of the test for all purposes under this Agreement.]

(v) ***[For Baseload, Peaking, Dispatchable Product:*** Capacity Test Costs and Payments. Buyer shall pay the [Monthly Energy Payment] in respect of the Product produced during the initial Capacity Test prior to the Commercial Operation Date and each annually scheduled Capacity Test thereafter. In addition, Buyer shall pay the [Monthly Energy Payment] in respect of the Product produced during any other Buyer requested test unless the results of such test demonstrate that the actual Contract Capacity has varied by more than two percent (2%) from the results of the most recent tests, in which case Buyer shall pay the lesser of the [Monthly Energy Payment] in respect of the Product produced during such test and the applicable CAISO real-time hourly average energy price. In addition, Buyer shall pay the lesser of the [Monthly Energy Payment] in respect of the Product produced during any Seller requested test and the applicable CAISO real-time hourly average energy price]. Buyer is responsible for all costs, expenses and fees payable or reimbursable to its representative(s) witnessing Capacity Testing. All other costs of any Capacity Tests shall be borne by Seller.]

(g) Project. All Product provided by Seller pursuant to this Agreement shall be supplied from the Project only ***[If the Project is located outside of the CAISO:*** except with respect to Imbalance Energy from the Transmission Provider**]**. Other than maintenance in accordance with Good Industry Practices, Seller shall not make any alteration or modification to the Project which results in a change to the Contract Capacity of the Project without Buyer's prior written consent. The Project is further described in Exhibit A.

(h) Performance Excuses.

(i) Seller Excuses. The performance of Seller to Schedule, deliver, and sell the Product shall be excused only for the reasons set forth in the definition of ***[Seller to select:*** "As-Available" or "Unit Firm"***]***. If Seller fails to Schedule, deliver, or sell all or part of

the Product, and such failure is not excused as described above, then Seller shall pay Buyer, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such Product deficiency equal to the positive difference, if any, obtained by subtracting (A) the product of the Energy Price ***[For TOD Pricing Only:*** times the weighted average TOD Factor for such period of Product deficiency***]*** times the Product deficiency, from (B) the product of the Replacement Price times the Product deficiency. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

(ii) Buyer Excuses. The performance of Buyer to Schedule, receive, and pay for the Product shall be excused only (A) during periods of Force Majeure, (B) by Seller's failure to perform or (C) during Dispatch Down Periods ***[For all Products other than Dispatchable Product:*** (except that Buyer shall not be excused from paying for the Product as required under Section 3.4 during periods of Economic Dispatch Down)***]***. If Buyer fails to Schedule, receive, or purchase all or part of the Product and such failure is not excused as described above, then Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such Product deficiency equal to the positive difference, if any, obtained by subtracting (Y) the product of the Sales Price times the Product deficiency from (Z) the product of the Energy Price ***[For TOD Pricing Only:*** times the weighted average TOD Factor for such period of Product deficiency***]*** times the Product deficiency. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

(i) 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.

(j) Resource Adequacy. 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 for Buyer to use in meeting its Resource Adequacy or successor program requirements, as the CPUC, CAISO or other regional entity may prescribe. 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. Seller agrees that it shall take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to enable Buyer to use all of the Contract Capacity, including Capacity Attributes, to be committed by Seller to Buyer pursuant to this Agreement for the Resource Adequacy requirements of Buyer. Seller agrees that the Project is subject to the terms of the Availability Standards.

(k) Climate Registry. Seller shall register the Project with the Climate Registry as may be required by the CPUC pursuant to Decision 06-02-032 and any subsequent order, but in any event, no later than the [Commercial Operation Date] [initial delivery of test Energy to Buyer prior to the Commercial Operation Date].

(l) WREGIS. Prior to the initial delivery of Energy to Buyer, Seller shall register the Project in WREGIS, and take all other actions necessary to ensure that the Energy or Green Attributes produced from the Project are issued and tracked for purposes of satisfying the requirements of the California Renewable Portfolio Standard and transferred to Buyer, including payment of all fees required to register the facility in WREGIS, issue WREGIS certificates, and transfer such certificates to Buyer. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in WREGIS will be taken prior to the first delivery under the Agreement.

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

3.2 Transmission.

(a) Seller's Transmission Service Obligations. During the Delivery Term, Seller shall arrange and be responsible for transmission service for delivery of the Product to and at the Delivery Point and bear all risks and costs associated with such transmission service, including, but not limited to, all Transmission Provider costs and charges, electric transmission losses, and any transmission outages or curtailment, except as provided otherwise in this Agreement in respect of Dispatch Down Periods. ***[For Projects located outside of CAISO:*** Seller shall obtain and maintain during the Delivery Term firm transmission service to deliver the Product from the Site to the Delivery Point from all intermediary Transmission Providers between the Site and the Delivery Point. At Buyer's request, Seller shall provide to Buyer a copy of all firm transmission service agreements and any amendments thereto.] Seller shall fulfill all contractual, metering and applicable interconnection requirements, including those set forth in Participating Transmission Owner's applicable tariffs, the CAISO Tariff and implementing CAISO standards and requirements, including, but not limited to, executing applicable interconnection agreements, Participating Generator Agreement and Meter Service Agreement so as to be able to deliver Energy to the CAISO Grid. Seller shall arrange for any interconnection agreement with the CAISO and such interconnection agreement is separate and not a part of this Agreement.

(b) Buyer's Transmission Service Obligations. During the Delivery Term, Buyer shall arrange and be responsible for transmission service for delivery of the Product from the Delivery Point and bear all risks and costs associated with such transmission service, including, but not limited to, all Transmission Provider costs and charges, electric transmission losses, and any transmission outages or curtailment, except as provided otherwise in this Agreement in respect of Dispatch Down Periods.

(c) Congestion Charges. Seller shall be responsible for all costs of congestion for transmission of the Product up to and at the Delivery Point. Buyer shall be responsible for all costs of congestion for transmission of the Product from the Delivery Point. To the extent that Seller is reimbursed for or receives any refunds, credits, or benefits from the CAISO for congestion charges or losses in respect of transmission of the Product from the Delivery Point, whether due to differences between the locational marginal pricing at the Delivery Point and Buyer's load aggregation point or any other point downstream of the Delivery Point, congestion revenue rights associated with any transmission path downstream of the Delivery Point, or any

other hedging instruments associated with the transmission of the Product from the Delivery Point (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; or (ii) Buyer shall reduce payments due to Seller under this Agreement in amounts equal to the Reductions and Seller shall retain the Reductions.

3.3 Scheduling.

(a) ***[For As-Available intermittent Product only:*** PIRP Requirements.]

[Note: Use the following paragraph only if the Project is NOT PIRP eligible as of the Execution Date.] [The intent of this Agreement is that the Project shall be a certified Participating Intermittent Resource. The Parties acknowledge that as of the Execution Date, the CAISO has not yet established protocols for Scheduling [*type of technology*] power to permit [*type of technology*] projects to participate in PIRP. As soon as practicable, but not more than ninety (90) days after such Scheduling protocols are finalized and made effective by the CAISO, Seller shall cause the Project to become certified as a Participating Intermittent Resource including negotiating and executing all necessary documents to become a Participating Intermittent Resource. Seller shall be responsible for all CAISO forecasting fees and related charges associated with the Project becoming a Participating Intermittent Resource and participating in PIRP. 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. Following certification and whenever applicable, Seller and Buyer shall comply with PIRP, and all additional protocols issued by the CAISO relating to Participating Intermittent Resources during the Delivery Term. In the event that PIRP or the CAISO Tariff and/or any protocols relating thereto are changed, amended, modified replaced or terminated, Seller and Buyer agree to comply with such revisions and, to the extent practical, to implement such revisions in a manner that maintains the relative economic positions of the parties as of the date of this Agreement.]

[***Note: If the Project is PIRP eligible as of the Execution Date, please use the following paragraph instead***] [Seller shall cause the Project to become a Participating Intermittent Resource including executing all necessary documents to become a Participating Intermittent Resource. Seller shall be responsible for all CAISO forecasting fees and related charges associated with the Project becoming a Participating Intermittent Resource and participating in PIRP. Seller and Buyer shall comply with PIRP, and all additional protocols issued by the CAISO relating to Participating Intermittent Resources, including the PIRP, for the Delivery Term. Seller shall provide Buyer with a copy of the notice from the CAISO certifying the Project as a Participating Intermittent Resource prior to the Commercial Operation Date. In the event that PIRP or the CAISO Tariff and/or any protocols relating thereto are changed, amended, modified replaced or terminated, Seller and Buyer agree to comply with such revisions and, to the extent practical, to implement such revisions in a manner that maintains the relative economic positions of the parties as of the date of this Agreement.]

(b) Scheduling Coordinator.

[When Seller is SC for the Project, include the following two paragraphs:

(i) Seller as Scheduling Coordinator for the Project. During the Delivery Term, Seller shall be its own Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with its Transmission Provider to Schedule and deliver the Product to the Delivery Point and Buyer shall be its own Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with its Transmission Provider to Schedule and receive the Product at the Delivery Point. Throughout the Delivery Term, Buyer and Seller shall submit inter-SC trades for scheduling all Product from the Project at the Delivery Point (including Energy, Integrated Forward Market Load Uplift Obligations in respect of self-scheduled Energy, and other Product from time to time contemplated under the CAISO Tariff to be subject to inter-SC trades), based on a final Schedule developed in compliance with this Agreement. During the Delivery Term, each Party or each Party's SC shall conduct all Scheduling in accordance with the operating procedures developed by the Parties pursuant to Section 3.10 and in full compliance with the applicable CAISO Tariff, protocols and Scheduling practices for Product on a day-ahead, hour-ahead, or real time basis, as determined by Buyer. ***[For As-Available intermittent Product only:*** Whenever PIRP is applicable, Seller shall submit Schedules and any updates to such Schedules to the CAISO based on the most current forecast of Delivered Energy consistent with PIRP.]**]** It is the intent of the Parties that neither Party be subject to a double payment or a double charge for Product from the Project through this Agreement and CAISO settlement process and that the more detailed Scheduling and operating procedures developed pursuant to Section 3.10 complement the CAISO settlement process to produce a final economic result between them that is consistent with the fundamental transaction of this Agreement.

(ii) CAISO Costs and Revenues. Seller shall be responsible for CAISO costs (including penalties and other charges) and shall be entitled to all CAISO revenues (including credits and other payments) as the Scheduling Coordinator for the Project, in each case, associated with Imbalance Energy, including all CAISO charges or penalties incurred as a consequence of the Project not being available, the Seller not notifying the CAISO and Buyer of outages in a timely manner (in accordance with the CAISO Tariff and as set forth in Section 3.7), any other failure by Seller to abide by the CAISO Tariff, and any other deviations between Delivered Energy and Scheduled Energy that are attributable to Seller, the Project, or any event, circumstance, act, or incident occurring prior to or at the Delivery Point, including without limitation uninstructed deviation penalties. The Parties agree that any Availability Incentive Payments are for the benefit of the Seller and for Seller's account and that any Non-Availability Charges or other CAISO charges associated with the Project not providing sufficient Resource Adequacy capacity are the responsibility of the Seller and for Seller's account. In addition, if during the Delivery Term, the CAISO implements or has implemented any sanction or penalty related to scheduling, outage reporting, or generator operation, the cost of the sanctions or penalties shall be the Seller's responsibility. Buyer shall be entitled to all credits, payments, or revenues from the CAISO in respect of the Product Scheduled or delivered from the Project, including revenues associated with CAISO dispatches, inter-SC trade credits, and bid cost recovery.

[When SDG&E is SC for the Project, include the following seven paragraphs:

(iii) Buyer as Scheduling Coordinator for the Project. [During the Delivery Term] [Upon initial synchronization of the Project to the CAISO Grid], Buyer shall be

the Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with the CAISO for the Project for both the delivery and the receipt of the Product at the Delivery Point. At least thirty (30) days prior to the [Commercial Operation Date of the Project] [initial synchronization of the Project to the CAISO Grid], Seller shall take all actions and execute and deliver to Buyer and the CAISO all documents necessary to authorize or designate Buyer as Seller's Scheduling Coordinator for the Project effective as of [the beginning of the Delivery Term] [initial synchronization of the Project to the CAISO Grid]. [During the Delivery Term] [On and after initial synchronization of the Project to the CAISO Grid], Seller shall not authorize or designate any other party to act as Seller's Scheduling Coordinator, nor shall Seller perform for its own benefit the duties of Scheduling Coordinator, and Seller shall not revoke Buyer's authorization to act as Seller's Scheduling Coordinator unless agreed to by Buyer. Buyer (as Seller's SC) shall submit Schedules to the CAISO based on the final Schedule developed in accordance with this Agreement, the operating procedures developed by the Parties pursuant to Section 3.10, and the applicable CAISO Tariff, protocols and Scheduling practices for Product on a day-ahead, hour-ahead, or real time basis, as determined by Buyer. ***[For As-Available intermittent Product only:*** Buyer (as Seller's SC) shall submit Schedules and any updates to such Schedules to the CAISO based on the most current forecast of Delivered Energy consistent with PIRP whenever PIRP is applicable, and consistent with Buyers' best estimate based on the information reasonably available to Buyer including Buyer's forecast whenever PIRP is not applicable.]

(iv) Notices. Buyer (as Seller's SC) shall provide Seller with access to a web based system through which Seller shall submit to Buyer and the CAISO all notices and updates required under the CAISO Tariff regarding the Project's status, including, but not limited to, all outage requests, forced outages, forced outage reports, clearance requests, or must offer waiver forms. In accordance with Section 3.7 and this Section 3.2, Seller will cooperate with Buyer to provide such notices and updates. If the web based system is not available, Seller shall promptly submit such information to Buyer and the CAISO (in order of preference) telephonically, by electronic mail, or facsimile transmission to the personnel designated to receive such information.

(v) CAISO Costs and Revenues. Except as otherwise set forth below and elsewhere in this Agreement, Buyer (as Seller's SC) shall be responsible for CAISO costs (including penalties, ***[For As-Available Product PIRP Participants only:*** Negative Imbalance Energy costs,] and other charges) and shall be entitled to all CAISO revenues (including credits, ***[For As-Available Product PIRP Participants only:*** Positive Imbalance Energy revenues,] and other payments) as the Scheduling Coordinator for the Project, including revenues associated with CAISO dispatches, bid cost recovery, inter-SC trade credits, or other credits in respect of the Product Scheduled or delivered from the Project. ***[For As-Available Product PIRP Participants only:*** Seller shall be responsible for all CAISO charges or penalties net of credits and payments, in each case, resulting from the Seller not notifying the CAISO and Buyer (as Seller's SC) of outages or other unavailability of Project capacity in a timely manner (in accordance with the CAISO Tariff and as set forth in Section 3.7) or any other failure by Seller to abide by the CAISO Tariff, including without limitation uninstructed deviation penalties resulting therefrom.***]*** ***[For all Products other than As-Available Product PIRP Participants:*** Seller shall be responsible for all CAISO charges or penalties net of credits and payments, in each case, resulting from the Project not being available, the Seller not notifying the CAISO and

Buyer (as Seller's SC) of outages in a timely manner (in accordance with the CAISO Tariff and as set forth in Section 3.7), any other failure by Seller to abide by the CAISO Tariff, and deviations between Delivered Energy and Scheduled Energy that are attributable to Seller, the Project, or any event, circumstance, act, or incident occurring prior to or at the Delivery Point, including without limitation uninstructed deviation penalties.**]** The Parties agree that any Availability Incentive Payments are for the benefit of the Seller and for Seller's account and that any Non-Availability Charges or other CAISO charges associated with the Project not providing sufficient Resource Adequacy capacity are the responsibility of the Seller and for Seller's account. In addition, if during the Delivery Term, the CAISO implements or has implemented any sanction or penalty related to scheduling, outage reporting, or generator operation, and any such sanctions or penalties are imposed upon the Project or to Buyer as Scheduling Coordinator due to the actions or inactions of Seller, the cost of the sanctions or penalties shall be the Seller's responsibility.

(vi) CAISO Settlements. Buyer (as Seller's SC) shall be responsible for all settlement functions with the CAISO related to the Project. Buyer shall render a separate invoice to Seller for any CAISO charges or penalties ("CAISO Charges Invoice") for which Seller is responsible under this Agreement. CAISO Charges Invoices shall be rendered after settlement information becomes available from the CAISO that identifies any CAISO charges. Notwithstanding the foregoing, Seller acknowledges that the CAISO will issue additional invoices reflecting CAISO adjustments to such CAISO charges. Seller shall pay the amount of CAISO Charges Invoices within ten Business Days of Seller's receipt of the CAISO Charges Invoice. If Seller fails to pay such CAISO Charges Invoice within that period, Buyer may net or offset any amounts owing to it for these CAISO Charges Invoices against any future amounts it may owe to Seller under this Agreement. The obligations under this section with respect to payment of CAISO Charges Invoices shall survive the expiration or termination of this Agreement.

(vii) Dispute Costs. Buyer (as Seller's SC) may be required to dispute CAISO settlements in respect of the Project. Seller agrees to pay Buyer's costs and expenses (including reasonable attorneys' fees, including reasonably allocated costs of in-house counsel of the Buyer) associated with its involvement with such CAISO disputes.

(viii) Terminating Buyer's Designation as Scheduling Coordinator. At least thirty (30) days prior to expiration of this Agreement or as soon as reasonably practicable upon an earlier termination of this Agreement, the Parties will take all actions necessary to terminate the designation of Buyer as Scheduling Coordinator for the Project as of 11:59 p.m. on such expiration date.

(ix) Master Data File and Resource Data Template. Seller shall provide the data to the CAISO (and to Buyer) that is required for the CAISO's Master Data File and Resource Data Template (or successor data systems) for this Project consistent with this Agreement. Neither Party shall change such data without the other Party's prior written consent.**]**

(c) Annual Delivery Schedules. No later than forty-five (45) days before (A) the first day of the first Contract Year of the Delivery Term and (B) the beginning of each

calendar year for every subsequent Contract Year during the Delivery Term, Seller shall provide a non-binding forecast of each month's average-day expected Delivered Energy, by hour, for the following calendar year.

(d) Monthly Delivery Schedules. Ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide a non-binding forecast of each day's average expected Delivered Energy, by hour, for the following month ("Monthly Delivery Forecast").

(e) Daily Delivery Schedules. By 5:30 AM Pacific Prevailing Time on the Business Day immediately preceding the date of delivery, Seller shall ***[When Seller is SC for the Project:*** cause its Scheduling Coordinator to**]** provide Buyer with a ***[For As-Available intermittent Product only:*** non-binding forecast of the Project's available capacity (or if PIRP is not available for any reason, the expected Delivered Energy)] ***[For all Products other than As-Available intermittent:*** binding forecast of the expected Delivered Energy] for each hour of the immediately succeeding day ("Day-Ahead Forecast") ***[For all Products other than As-Available intermittent: [When Seller is SC for the Project:*** concurrent with delivery to the CAISO**]** ***[When SDGE is SC for the Project:*** and Buyer shall submit a Schedule to the CAISO consistent with such Day-Ahead Forecast**]]**. A Day-Ahead Forecast provided in a day prior to any non-Business Day(s) shall include Schedules for the immediate day, each succeeding non-Business Day and the next Business Day. Each Day-Ahead Forecast shall clearly identify, for each hour, Seller's best estimate of ***[For As-Available intermittent Product only:*** the Project's available capacity (or if PIRP is not available for any reason, the expected Delivered Energy)] ***[For all Products other than As-Available intermittent:*** the expected Delivered Energy]. Seller may not change such Schedule past the deadlines provided in this section except in the event of a Forced Outage or Schedule change imposed by Buyer or the CAISO, in which case Seller shall promptly provide Buyer with a copy of any and all updates to such Schedule indicating changes from the then-current Schedule. These notices and changes to the Schedules shall be sent to Buyer's on-duty Scheduling Coordinator. If Seller fails to provide Buyer with a Day-Ahead Forecast as required herein, then for such unscheduled delivery period only Buyer shall rely on the delivery Schedule provided in the Monthly Delivery Forecast or Buyer's best estimate based on information reasonably available to Buyer and Seller shall be liable for Scheduling and delivery based on such Monthly Delivery Forecast or Buyer's best estimate.

(f) Hourly Delivery Schedules. Notwithstanding anything to the contrary herein, in the event Seller makes a change to its Schedule on the actual date of delivery for any reason including Forced Outages (other than a scheduling change imposed by Buyer or CAISO) which results in a change to its deliveries (whether in part or in whole), Seller shall notify Buyer immediately by calling Buyer's on-duty Scheduling Coordinator. Seller shall notify Buyer and the CAISO of Forced Outages in accordance with Section 3.7. Seller shall keep Buyer informed of any developments that will affect either the duration of the outage or the availability of the Project during or after the end of the outage.

(g) ***[For Dispatchable Product Only:*** Availability Notices. During the Delivery Period, no later than two (2) Business Days before each Schedule day for the day-ahead market in accordance with WECC scheduling practices, Seller shall provide Buyer with an hourly Schedule of the capacity that the Project is expected to have available for each hour of

such Schedule day (the "Availability Notice"). Seller will notify Buyer immediately if the available capacity of the Project may change after Buyer's receipt of an Availability Notice. Seller shall accommodate Buyer's reasonable requests for changes in the time of delivery of Availability Notices. Seller shall provide Availability Notices using the form developed by the Parties under Section 3.10 by (in order of preference) electronic mail, facsimile transmission or, telephonically to Buyer personnel designated to receive such communications.]

(h) ***[For Dispatchable Product Only:*** Notices/Dispatch. Buyer will have the right to dispatch the Project, seven days per week and 24 hours per day (including holidays), by providing Dispatch Notices and updated Dispatch Notices to Seller electronically, and subject to the requirements and limitations set forth in this Agreement. Should dispatch be subject to automatic dispatch system or automatic generation control by Buyer or the CAISO, Seller shall ensure that the Project is capable of following such dispatch. Each Dispatch Notice will be effective unless and until Buyer modifies such Dispatch Notice by providing Seller with an updated Dispatch Notice. If an electronic submittal is not possible for reasons beyond Buyer's control, Buyer may provide Dispatch Notices by (in order or preference) electronic mail, telephonically, or facsimile transmission to Seller's personnel designated to receive such communications, as provided by Seller in writing. In addition to any other requirements set forth or referred to in this Agreement, all Dispatch Notices and updated Dispatch Notices will be made in accordance with market notice timelines as specified in the CAISO Tariff.]

3.4 Dispatch Down/Curtailment.

(a) General. Seller shall reduce delivery amounts as directed by the CAISO, the Participating Transmission Owner, Buyer, or a Transmission Provider during any Dispatch Down Period.

(b) ***[For all Products other than Dispatchable Product:*** Economic Dispatch Down.

(i) Buyer shall have the right to order Seller to curtail deliveries of Energy from the Project to the Delivery Point for reasons unrelated to Force Majeure events impacting Buyer or Dispatch Down Periods (other than clause [(e)] (Economic Dispatch Down)] in the definition of Dispatch Down Periods) pursuant to a Dispatch Notice delivered to Seller, provided that (A) such curtailment periods shall be limited to a quantity of not more than 5% of the Contract Quantity cumulatively per Contract Year, and (B) ***[Include Operational Restrictions associated with Dispatch Notices]*** ("Economic Dispatch Down"). Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which any such Economic Dispatch Down occurred an amount equal to the positive difference, if any, obtained by subtracting (Y) the product of the positive value of the Sales Price, if any, times the amount of Energy that Seller could reasonably have delivered to Buyer but for such Economic Dispatch Down from (Z) the product of the Energy Price, times ***[For TOD Pricing Only:*** the weighted average TOD Factor for such period of Economic Dispatch Down, times***]*** the amount of Energy that Seller could reasonably have delivered to Buyer but for such Economic Dispatch Down. Seller agrees to reduce the Project's Delivered Energy as set forth in a Dispatch Notice that meets the requirements of Economic Dispatch Down.

(ii) Failure to Comply. If Seller fails to comply with a Dispatch Notice that meets the requirements of Economic Dispatch Down, then, for the amount of Delivered Energy that the Project delivered to the Delivery Point in contradiction of the Dispatch Notice, Seller shall pay Buyer the greater of: (A) 200% of the Energy Price ***[For TOD Pricing Only:*** times the weighted average TOD Factor] for such hours plus any penalties or other charges resulting from Seller's failure to comply with the Dispatch Notice; or (B) the absolute value of the CAISO Real-Time Settlement Interval MSS Price for the Delivery Point for such hours plus any penalties or other charges resulting from Seller's failure to comply with the Dispatch Notice.]

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 Industry Practices.

(c) Reliability Standard. Seller agrees to abide by all (i) NERC, WECC and CAISO reliability requirements, including all such reliability requirements for generator owners and generator operators, and, if applicable, 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 Transmission Provider. Seller shall enter into and comply with the WECC Reliability Management System (Generator) Agreement, or successor agreement, as of the Commercial Operation Date and throughout the Delivery Term.

3.6 Metering.

(a) CAISO Revenue Meter. All output from the Project per the terms of this Agreement must be delivered through a single CAISO revenue meter and that meter must be dedicated exclusively to the Project described herein. All Product purchased under this Agreement must be measured by the Project's CAISO revenue meter to be eligible for payment under this Agreement. Seller shall bear all costs relating to all metering equipment reasonably necessary 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 meter reporting website and/or directly from the CAISO meter(s) at the Project site. 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.

(i) Testing and Calibration. Seller shall perform or cause to be performed, at its expense, annual testing and calibration of the electric meters in accordance with Good Industry Practice and the CAISO Tariff. Seller shall give Buyer reasonable advance notice of any inspection, testing or calibration of the electric meters. Buyer shall have the right to have a representative or designee present at such inspection, test or calibration of the electric meters. Buyer shall have the right to require, at Buyer's expense, except as required below, a test of any of the electric meters not more often than two (2) times every twelve (12) months.

(ii) Inaccurate Meters. If any of the electric meters is deemed to be inaccurate under the Meter Service Agreement, deliveries shall be measured by reference to Seller's check-meters, if any are installed and registering accurately, or the meter readings for the period of inaccuracy shall be adjusted as far as can be reasonably ascertained by Seller from the best available data, subject to review and approval by Buyer. If the period of the inaccuracy cannot be ascertained reasonably, any such adjustment shall be for a period equal to one-half of the time elapsed since the preceding test by applying the percentage of inaccuracy so found. Seller shall promptly cause such electric meters to be corrected and, where such inaccuracy was determined pursuant to a test required by Buyer, Seller shall bear the expense of any such test.

(iii) Delivered MWh Adjustments. In the event that, due to correction for inaccurate electric meters deemed to be inaccurate under the Meter Service Agreement, the Delivered Energy is increased or decreased, the revised Delivered Energy shall be used for purposes of calculating payments. If any of such amounts for any period have already been calculated using the previous amount of Delivered Energy, they shall be recalculated using the revised amount of Delivered Energy. If the recalculation changes the amount payable for the period in question, revised payments shall be made by Buyer or Seller, as applicable, in accordance with Section 6.2.

(b) Real Time Telemetry. Seller shall install, activate and maintain metering, communication and telemetry equipment for the Project in a centralized system to which Buyer shall have real time access. Seller shall link its system to Buyer via an approved Buyer communication network, utilizing existing industry standard network protocol, as reasonably approved by Buyer. Seller shall correct any problems with such equipment as soon as practicable.

(c) ***[The following section is for As-Available Intermittent Products only when SDG&E is the SC for the Project]*** Meteorological Station. Seller, at its own expense, shall install and maintain such stand-alone meteorological stations at the Project as may be required under PIRP and the CAISO Tariff to monitor and report weather data to both the CAISO and Buyer's weather station data collection system. Each station shall be equipped with instruments and equipment that meet the specifications of PIRP and shall measure, collect, record, format, and communicate the data required under PIRP. Seller shall submit to Buyer for review and approval, which shall not be unreasonably withheld, its technical specifications for the meteorological station along with a site plan showing the location of the station within the Project. Seller shall correct any problems with such equipment as soon as practicable.

3.7 Outage Notification.

(a) Planned Outages. Seller shall schedule Planned Outages for the Project in accordance with Good Industry Practices and with the prior written consent of Buyer, which consent may not be unreasonably withheld or conditioned. The Parties acknowledge that in all circumstances, Good Industry Practices shall dictate when Planned Outages should occur. Seller shall notify Buyer of its proposed Planned Outage schedule for the Project for the following calendar year by submitting a written Planned Outage schedule no later than October 1st of each year during the Delivery Term. The Planned Outage schedule is subject to Buyer's approval, which approval may not be unreasonably withheld or conditioned. Buyer shall promptly respond with its approval or with reasonable modifications to the Planned Outage schedule and Seller shall use its best efforts in accordance with Good Industry Practices to accommodate Buyer's requested modifications. Notwithstanding the submission of the Planned Outage schedule described above, Seller shall also submit a completed Outage Notification Form to Buyer no later than fourteen (14) days prior to each Planned Outage and all appropriate outage information or requests to the CAISO in accordance with the CAISO Tariff. 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 Industry Practices. Seller shall not change its Planned Outage schedule without Buyer's approval, not to be unreasonably withheld or conditioned. Seller shall use its best efforts in accordance with Good Industry Practices not to schedule Planned Outages during the months of July, August, September and October. At Buyer's request, Seller shall use commercially reasonable efforts to reschedule Planned Outage so that it may deliver Product during CAISO declared or threatened emergency periods. Seller shall not substitute Energy from any other source for the output of the Project during a Planned Outage.

(b) Forced Outages. Within ***[When Seller is the SC for the Project:*** Within two hours of any Forced Outage,**]** ***[When SDG&E is the SC for the Project:*** Within one-half of the notification time prescribed under the CAISO Tariff for Forced Outages,**]** Seller shall submit a completed Outage Notification Form to the Buyer in accordance with the instructions shown on the form and shall submit outage information to the CAISO in accordance with the CAISO Tariff ***[When SDG&E is the SC for the Project:*** and Section 3.3(b)(ii) above**]**. Seller shall not substitute Energy from any other source for the output of the Project during a Forced Outage.

(c) Coordination with CAISO. Seller shall be responsible ***[When SDG&E is SC for the Project:*** in accordance with Section 3.3(b)(ii)**]** for all outage coordination communications with the CAISO. Buyer shall cooperate with Seller in arranging and coordinating all Project outages with the CAISO.

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, 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 maintain this information for at least two (2) years and shall provide this information electronically to Buyer within one day of Buyer's request.

(b) Access Rights. Buyer, its authorized agents, employees and inspectors shall have the right of ingress to and egress from the Project during normal business hours upon reasonable advance Notice and for any purposes reasonably connected with this Agreement.

3.9 New Generation Facility.

(a) Project Development. Seller, at no cost to Buyer, shall:

(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 and the Participating Transmission Owner for the Electrical Interconnection Upgrades to Schedule and deliver the Product from the Project [***For Projects Providing Resource Adequacy:*** under "Full Capacity Deliverability Status" (as defined in the CAISO Tariff)]. Following satisfaction or waiver of the Conditions Precedent set forth in Section 2.3(b), Seller shall not request from the CAISO or the Participating Transmission Owner any changes to its plan of interconnection that are inconsistent with the plan of interconnection that was evaluated in connection with the satisfaction or waiver of the Conditions Precedent in Section 2.3(b) without Buyer's prior written consent.

(iii) Acquire all Governmental Approvals 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, including all environmental analysis required under the California Environmental Quality Act for the Project and related interconnection facilities.

(v) At Buyer's request, provide to Buyer Seller's electrical specifications and design drawings pertaining to the Project.

(vi) Within fifteen (15) days after the close of each calendar quarter following the Execution Date until the Commercial Operation Date, provide to Buyer a Quarterly Progress Report and agree to regularly scheduled meetings between representatives of Buyer and Seller to review such reports and discuss Seller's construction progress. The Quarterly Progress Report shall identify the Milestones and indicate whether Seller has met or is on target to meet such Milestones.

(vii) Provide access to Buyer, its authorized agents, employees and inspectors for purpose of inspecting the Project's construction site or on-site Seller data and information pertaining to the Project during normal business hours upon reasonable advance Notice.

(viii) At Buyer's request, provide information to Buyer relating to Seller's or Seller's contractor's use, during Project construction, of "Women-Owned Businesses" or "Minority-Owned Businesses" or "Disabled Veteran Business Enterprises" as defined in CPUC General Order 156 and as each may be amended from time to time or further defined, supplemented, or superseded by applicable Law or replaced with similar designations or

certifications. [*Include other covenants related to "women-owned business" or "minority-owned business" as may be applicable to the Seller's RFO bid.*]

(b) Construction Milestones.

(i) The Parties agree time is of the essence in regards to this Agreement. As such, the Parties also agree certain milestones for the construction of the Project as set forth in the Milestone schedule attached hereto as Exhibit B ("Milestones") must be achieved in a timely fashion or Buyer will suffer damages.

(ii) Within seven (7) days after completion of each Milestone, Seller shall provide Buyer with Notice along with accompanying documentation (including reasonably redacted copies of applicable agreements, Governmental Approvals, and certificates) to reasonably demonstrate the achievement of such Milestone. If Seller misses the deadline date for three (3) or more Milestones or misses the deadline date for any one Milestone by more than ninety (90) days, Seller shall submit to Buyer, within ten (10) Business Days of such missed Milestone completion date, a remedial action plan ("Remedial Action Plan") that describes in detail a reasonable course of action and plan (including accelerating the work, for example, by using additional shifts, overtime, additional crews or resequencing of the work, as applicable) to achieve the missed Milestones and all subsequent Milestones no later than the end of the Project Cure Period; provided, that delivery of any Remedial Action Plan shall not relieve Seller of its obligation to meet any subsequent Milestones and the Guaranteed Commercial Operation Date.

(c) Daily Delay Damages.

(i) COD. 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, Seller shall pay to Buyer liquidated damages equal to Daily Delay Damages for each day or portion of a day that the Commercial Operation Date occurs after the Guaranteed Commercial Operation Date for up to a total of [_____] days ("Project Cure Period"). In addition, Seller shall submit a Remedial Action Plan within ten (10) days after the Guaranteed Commercial Operation Date if the Project has not then achieved the Commercial Operation Date. Each Party agrees and acknowledges that (a) the actual damages that Buyer would incur due to a delay in achieving the Commercial Operation Date on or before the Guaranteed Commercial Operation Date would be difficult or impossible to predict with certainty, (b) the Daily Delay Damages set forth in this section are a reasonable and appropriate approximation of such damages, and (c) the Daily Delay Damages set forth in this section are the exclusive remedy for Seller's delay in achieving the Commercial Operation Date for the length of the Project Cure Period but shall not otherwise act to limit any of Buyer's rights or remedies arising from any other Event of Default by Seller, including, without limitation, the failure by Seller to achieve the Commercial Operation Date altogether.

(ii) Extensions. The Guaranteed Commercial Operation Date and the deadline dates for Milestone numbers [_____] as set forth in Exhibit B shall be extended on a day for day basis for up to ninety (90) calendar days in the aggregate ("Force Majeure

Extension Period") without imposition of any Daily Delay Damages to the extent Seller is actually and demonstrably delayed in its critical path to achieving the Commercial Operation Date by the Guaranteed Commercial Operation Date as a result of Force Majeure; provided, however, any such delay in excess of this period shall be subject to Daily Delay Damages pursuant to Section 3.9(c)(i).

3.10 Operating Procedures. No later than forty-five (45) days before the Commercial Operation Date, and from time to time as reasonably determined necessary by the Parties, the Parties shall meet to address how each Party will perform its respective obligations under this Agreement, including, but not limited to: (1) the method of day-to-day communications; (2) key personnel lists for each Party; (3) procedures for Forced Outage and Planned Outage reporting; (4) procedures for delivery forecasting; (5) procedures for record keeping; (6) Scheduling procedures; and (7) invoicing and payment procedures; provided, that the failure to agree on these operating procedures will not relieve the Parties of their respective obligations under this Agreement, and any failure to agree shall be resolved in accordance with the dispute resolution procedures in Article 12.

ARTICLE FOUR: COMPENSATION; MONTHLY PAYMENTS

4.1 ***[For Dispatchable Product Only:*** Capacity Payment.

(a) Capacity Price.

Contract Year	Capacity Price ($/KW)
1	

(b) Monthly Capacity Payment. For each month, Buyer shall pay Seller for the Product the amount calculated as follows ("Monthly Capacity Payment"):

MCP = CC x CP x SF x AAF

Where:

MCP is the Monthly Capacity Payment expressed in Dollars for such month of the Delivery Period.

CC is the Contract Capacity, expressed in kW, rounded to the nearest 100 kW.

CP is the Capacity Price expressed in Dollars per kW-year, for the applicable month.

SF is the Monthly Shaping Factor for the applicable month, as set forth in the following table:

Month	Monthly Shaping Factor (%)
January	6.7
February	5.0
March	5.0
April	5.8
May	6.3
June	8.3
July	15.8
August	17.5
September	11.7
October	5.8
November	5.8
December	6.3

AAF is the Availability Adjustment Factor for each month, expressed as a three-place decimal and determined as follows:

(a) If the Equivalent Availability Factor ("EAF") for the month is less than or equal to 0.980, then the AAF equals EAF / 0.98.

(b) If the EAF for the month is greater than 0.980 but less than 0.990, then the AAF equals 1.0.

(c) If the EAF for the month is greater than or equal to 0.990, then the AAF equals EAF / 0.99.

EAF is the Equivalent Availability Factor for each month determined as follows:

EAF = (PH - (EDH - EEDH)) / PH

Where:

PH is the number of period hours;

EDH is the number of equivalent derate hours calculated as the sum, for each derate, of the product of the number of hours of full or partial derate hours times the size of the reduction divided by the Contract Capacity for the month. For the purposes of this calculation, a derate includes all outages for any reason, including without limitation,

Forced Outages, Force Majeure events, Dispatch Down Periods, Planned Outages, Buyer's failure to perform, and other times when any portion of the Contract Capacity is not available or the Delivered Energy of the Project is less than the amount of Energy dispatched by Buyer; and

EEDH is the number of equivalent excused derate hours solely due to either Dispatch Down Periods or Buyer's failure to perform (and for no other reason), calculated as the sum, for each excused derate, of the product of the number of hours of full or partial derate hours times the size of the reduction, divided by the Contract Capacity for the month.

4.2 Energy Payment.

(a) Energy Price. The price for each MWh of ***[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP:*** Contract Energy**]** ***[When SDG&E is SC for the Project and Project is in PIRP:*** Delivered Energy**]** in each Contract Year shall be as follows ("Energy Price"):

Contract Year	**Energy Price ($/MWh)**

(b) ***[For TOD Pricing Only:*** TOD Factors and TOD Periods. In accordance with all other terms of this Article 4, the Energy Price shall be adjusted by the following Time of Delivery Factors ("TOD Factors") for each of the specified Time of Delivery Periods listed in the first column ("TOD Periods") in which Energy is delivered:]

[***For Projects Providing Resource Adequacy:***

TOD Period	Period Days and Hours	TOD Factor
Winter On-Peak	Nov 1 - Jun 30 Weekdays 1 pm to 9 pm PST (HE 14 to HE 21)	1.089
Winter Semi-Peak	Nov 1 - Jun 30 Weekdays 6 am to 1 pm PST (HE 7 to HE 13) Weekdays 9 pm to 10 pm PST (HE 22)	0.947
Winter Off-Peak	Nov 1 - Jun 30 All Weekend Hours NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.679
Summer On-Peak	Jul 1 - Oct 31 Weekdays 11 am to 7 pm PST (HE 12 to HE 19)	2.501

Summer Semi-Peak	Jul 1 - Oct 31 Weekdays 6 am to 11 am PST (HE 7 to HE 11) Weekdays 7 pm to 10 pm PST (HE 20 to HE 22)	1.342
Summer Off-Peak	Jul 1 - Oct 31 All Weekend Hours, NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.801

[***For Projects Not Providing Resource Adequacy:***

TOD Period	Period Days and Hours	TOD Factor
Winter On-Peak	Nov 1 - Jun 30 Weekdays 1 pm to 9 pm PST (HE 14 to HE 21)	1.192
Winter Semi-Peak	Nov 1 - Jun 30 Weekdays 6 am to 1 pm PST (HE 7 to HE 13) Weekdays 9 pm to 10 pm PST (HE 22)	1.078
Winter Off-Peak	Nov 1 - Jun 30 All Weekend Hours NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.774
Summer On-Peak	Jul 1 - Oct 31 Weekdays 11 am to 7 pm PST (HE 12 to HE 19)	1.531
Summer Semi-Peak	Jul 1 - Oct 31 Weekdays 6 am to 11 am PST (HE 7 to HE 11) Weekdays 7 pm to 10 pm PST (HE 20 to HE 22)	1.181
Summer Off-Peak	Jul 1 - Oct 31 All Weekend Hours, NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.900

(c) Monthly Energy Payment. For each month, Buyer shall pay Seller for the Product an amount equal to the sum for each hour in the month of the product of the Energy Price ***[For TOD Pricing Only:*** times the TOD Factor for the applicable TOD Period***]*** times the ***[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP:*** Contract Energy**]** ***[When SDG&E is SC for the Project and Project is in PIRP:*** Delivered Energy**]** in each hour ("Monthly Energy Payment").

[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP: Monthly Energy Payment = ∑ Energy Price x ***[For TOD Pricing Only:*** TOD Factor x***]*** Contract Energy]

[When SDG&E is SC for the Project and Project is in PIRP: Monthly Energy Payment = ∑ Energy Price x ***[For TOD Pricing Only:*** TOD Factor x***]*** Delivered Energy]

4.3 Imbalance Energy. Seller shall use commercially reasonable efforts to deliver Energy in accordance with the Scheduled Energy. Buyer and Seller recognize that from time to time the amount of Delivered Energy will deviate from the amount of Scheduled Energy. When Delivered Energy minus Scheduled Energy is a positive amount, it shall be considered "Positive Imbalance Energy;" when Delivered Energy minus Scheduled Energy is a negative amount, the absolute (i.e., positive) value of that amount shall be considered the "Negative Imbalance Energy." ***[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP:*** Seller shall be responsible for settlement of Imbalance Energy with the CAISO and all fees, liabilities, assessments, or similar charges assessed by the CAISO in connection with Imbalance Energy. Seller shall also reimburse Buyer for any and all fees, liabilities, assessments, or similar charges assessed by the CAISO, incurred by Buyer as a result of any imbalance in Seller's scheduling and deliveries from the Project or any other failure by Seller to abide by the CAISO Tariff and all applicable protocols.] Buyer and Seller shall cooperate to minimize charges and imbalances associated with Imbalance Energy to the extent possible. Seller shall promptly notify Buyer as soon as possible of any material imbalance that is occurring or has occurred. ***[When SDG&E is SC for the Project and Project is in PIRP:*** Buyer shall receive all Green Attributes for the Positive Imbalance Energy in all settlement intervals.**]**

[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP, include the following three paragraphs:

(a) Positive Imbalance Energy (Over Deliveries). ***[For As-Available Product PIRP Participants only:*** In the event that Delivered Energy for such month is equal to or greater than Scheduled Energy for such month, Buyer shall have no payment obligation in respect of the Positive Imbalance Energy. Buyer shall receive all Green Attributes for the Positive Imbalance Energy in such month regardless as to whether it was sold into the CAISO. Seller shall be entitled to all payments or credits from the CAISO to Seller's SC in respect of the Positive Imbalance Energy.] ***[For all Non-PIRP Participants:*** In the event that Delivered Energy for any CAISO settlement interval is equal to or greater than Scheduled Energy for such CAISO settlement interval, Buyer shall have no payment obligation in respect of the Positive Imbalance Energy. Buyer shall receive all Green Attributes for the Positive Imbalance Energy in such CAISO settlement interval regardless as to whether it was sold into the CAISO. Seller shall be entitled to all payments or credits from the CAISO to Seller's SC in respect of the Positive Imbalance Energy.]

(b) Negative Imbalance Energy (Under Deliveries). ***[For As-Available Product PIRP Participants only:*** In the event that Delivered Energy for such month is less than Scheduled Energy for such month, Buyer shall pay Seller, in addition to the Monthly Energy Payment, an amount equal to the product of (i) the Negative Imbalance Energy for the month, times (ii) the lower of the Energy Price ***[For TOD Pricing Only:*** (without any TOD Factor correction)***]*** or the Imbalance Price (defined below) for the month. Seller shall make all payments to the CAISO in respect of the Negative Imbalance Energy required under the CAISO Tariff. The "Imbalance Price" shall be the monthly average imbalance price applied by the CAISO and paid by the Seller with respect to imbalance charges for participants in PIRP]. ***[For all Non-PIRP Participants:*** In the event that Delivered Energy for any CAISO settlement interval is less than Scheduled Energy for such CAISO settlement interval, Buyer shall have no

payment obligation in respect of the Negative Imbalance Energy. Seller shall make all payments to the CAISO in respect of the Negative Imbalance Energy required under the CAISO Tariff.]

(c) ***[For As-Available Product PIRP Participants only:*** Invoicing for Imbalance Energy. For monthly invoicing, Seller and Buyer agree to use the last available Imbalance Price. Beginning with the first months' invoice following the month in which the actual Imbalance Price becomes available for the applicable month, there shall be a true-up adjustment in the next monthly invoice for the Imbalance Price payable in respect of the Imbalance Energy for the applicable month.]**]**

4.4 Additional Compensation. To the extent not otherwise provided for in this Agreement, in the event that Seller is compensated by a third party for any Product 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 transmission upgrades funded by Seller.

4.5 Energy Sales Prior to Commercial Operation Date. ***[Seller may propose provisions for the sale to Buyer of energy prior to the Commercial Operation Date at a negotiated percentage of the Monthly Energy Payment]***

ARTICLE FIVE: EVENTS OF DEFAULT; FORCE MAJEURE

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 by such Party to make, when due, any payment required pursuant to this Agreement and such failure is not remedied within five (5) Business Days after Notice thereof;

(ii) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof;

(iii) the failure by such Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to Schedule, deliver, or receive the Product, the exclusive remedy for which is provided in Section 3.1(h)) and such failure is not remedied within thirty (30) days after Notice thereof;

(iv) such Party becomes Bankrupt;

(v) such Party assigns this Agreement or any of its rights hereunder other than in compliance with Section 13.2; or

(vi) 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, Seller delivers or attempts to deliver to the Delivery Point for sale under this Agreement Energy that was not generated by the Project ***[If the Project is located outside of the CAISO:*** other than Imbalance Energy from the Transmission Provider];

(ii) the failure by Seller to achieve the Commercial Operation Date no later than the end of the Project Cure Period;

(iii) ***[For Baseload, Peaking, Dispatchable Product:*** the Contract Capacity at the Commercial Operation Date or at any other time pursuant to a Capacity Test is less than [_____] MW and such default is not remedied within thirty (30) days after Notice thereof;]

(iv) ***[For Baseload, Peaking, As-Avaliable Product:*** the failure by Seller to achieve the Guaranteed Energy Production requirement during any Performance Measurement Period as set forth in Section 3.1(e) of this Agreement] ***[For Dispatchable Product:*** the Default Availability Factor of the Project is less than [_____] percent for any rolling twelve (12) consecutive calendar month period];

(v) the failure by Seller to deliver a Remedial Action Plan that reasonably demonstrates in detail how Seller will achieve the Commercial Operation Date within the Project Cure Period, if such failure is not remedied within ten (10) days after Notice;

(vi) failure by Seller to satisfy the collateral requirements pursuant to Sections 8.3 or 8.4 of this Agreement;

(vii) with respect to any Guaranty provided for the benefit of Buyer, the failure by Seller to provide for the benefit of Buyer either (1) cash, (2) a replacement Guaranty from a different Guarantor meeting the criteria set forth in the definition of Guarantor, or (3) a replacement Letter of Credit from an issuer meeting the criteria set forth in the definition of Letter of Credit, in each case, in the amount required hereunder within five (5) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) if any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof;

(B) the failure of the Guarantor to make any payment required or to perform any other material covenant or obligation in any Guaranty;

(C) the Guarantor becomes Bankrupt;

(D) the Guarantor shall fail to meet the criteria for an acceptable Guarantor as set forth in the definition of Guarantor;

(E) the failure of the Guaranty to be in full force and effect (other than in accordance with its terms) prior to the indefeasible satisfaction of all obligations of Seller hereunder; or

(F) the Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any Guaranty; or

(viii) with respect to any outstanding Letter of Credit provided for the benefit of Buyer that is not then required under this Agreement to be canceled or returned, the failure by Seller to provide for the benefit of Buyer either (1) cash, or (2) a substitute Letter of Credit from a different issuer meeting the criteria set forth in the definition of Letter of Credit, in each case, in the amount required hereunder within five (5) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) the issuer of the outstanding Letter of Credit shall fail to maintain a Credit Rating of at least "A-" by S&P or "A3" by Moody's;

(B) the issuer of such Letter of Credit becomes Bankrupt;

(C) the issuer of the outstanding Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit and such failure shall be continuing after the lapse of any applicable grace period permitted under such Letter of Credit;

(D) the issuer of the outstanding Letter of Credit shall fail to honor a properly documented request to draw on such Letter of Credit;

(E) the issuer of the outstanding Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit;

(F) such Letter of Credit fails or ceases to be in full force and effect at any time; or

(G) Seller shall fail to renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit and as provided in accordance with this Agreement, and in no event less than sixty (60) days prior to the expiration of the outstanding Letter of Credit.

5.2 Remedies; Declaration of Early Termination Date. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party ("Non-Defaulting Party") shall have the right (a) to 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") that terminates this Agreement and ends the Delivery Term effective as of the Early Termination Date, to accelerate all amounts owing between the Parties, and to collect liquidated damages calculated in accordance with Section 5.3 below ("Termination Payment"); (b) to withhold any payments due to the Defaulting Party under this Agreement; (c) to suspend performance; and (d) to exercise any other right or remedy available at law or in equity, including specific performance or injunctive relief, except to the extent such remedies are expressly limited under this Agreement.

5.3 Termination Payment. The Termination Payment for a Terminated Transaction shall be the aggregate of all Settlement Amounts plus any or all other amounts due to the Non-Defaulting Party netted into a single amount. Except in the case of a termination of this Agreement by the Non-Defaulting Party solely as a result of an Event of Default by the Defaulting Party under Section 5.1(a)(iv) [Bankruptcy], if the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Termination Payment shall be zero. 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. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, indirect or business interruption damages; provided, however, that any lost Capacity Attributes and Green Attributes shall be deemed direct damages covered by this Agreement. Without prejudice to the Non-Defaulting Party's duty to mitigate, the Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount. Each Party agrees and acknowledges that (a) the actual damages that the Non-Defaulting Party would incur in connection with a Terminated Transaction would be difficult or impossible to predict with certainty, (b) the Termination Payment described in this section is a reasonable and appropriate approximation of such damages, and (c) the Termination Payment described in this section is the exclusive remedy of the Non-Defaulting Party in connection with a Terminated Transaction but shall not otherwise act to limit any of the Non-Defaulting Party's rights or remedies if the Non-Defaulting Party does not elect a Terminated Transaction as its remedy for an Event of Default by the Defaulting Party.

5.4 Notice of Payment of Termination Payment. As soon as practicable after a Terminated Transaction, 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 five (5) 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 12.

5.6 Rights And Remedies Are Cumulative. Except where liquidated damages are provided as the exclusive remedy, the rights and remedies of a Party pursuant to this Article 5 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

5.7 Mitigation. Any Non-Defaulting Party shall be obligated to mitigate its Costs, losses and damages resulting from any Event of Default of the other Party under this Agreement.

5.8 Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party gives Notice and details of the Force Majeure to the other Party as detailed below, then, the Party impacted by Force Majeure shall be excused from the performance of its obligations to the extent impacted. Within forty-eight (48) hours 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. Seller shall not substitute Product 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 Product that Seller fails to Schedule, deliver or provide as a result of Force Majeure during the term of a Force Majeure. This Agreement may be terminated by the non-claiming Party with no further obligation to the Force-Majeure-claiming Party if a Force Majeure event prevents the performance of a material portion of the obligations of the Force-Majeure-claiming Party hereunder and such Force Majeure event is not resolved within eight (8) months after the commencement of such Force Majeure event. In addition to the foregoing, prior to the Commercial Operation Date, this Agreement may be terminated by Buyer with no further obligation to Seller if one or more Force Majeure events prevents Seller from achieving the Commercial Operation Date by the end of the Force Majeure Extension Period; provided, however, that Buyer shall not have the right under this section to terminate this Agreement until the expiration of the Project Cure Period if Seller is paying delay liquidated damages to Buyer as required under Section 3.9(c)(i) during such Project Cure Period (it being acknowledged, that Seller may elect to pay Daily Delay Damages during periods of Force Majeure up to the expiration of any remaining unclaimed portion of the Project Cure Period in lieu of claiming Force Majeure relief hereunder).

ARTICLE SIX: PAYMENT

6.1 Billing and Payment. On or about the tenth (10th) day of each month beginning with the second month of the first Contract Year 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 CAISO, necessary to verify the invoice; and (c) an invoice, in a format reasonably specified by Buyer, covering the services provided in the preceding month determined in accordance with Article 4 (which may include preceding months), with all component charges and unit prices identified and all calculations used to arrive at invoiced amounts described in reasonable detail. Buyer shall pay the undisputed amount of such invoices on or before thirty (30) 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 Default 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. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. 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. 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. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Default Rate from and including the original due date to 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 to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived if the other Party is not notified in accordance with this Section 6.2 within twelve (12) months after the invoice is rendered or subsequently adjusted, except to the extent any misinformation was from a third party not Affiliated with any Party and such third party corrects its information after the twelve-month period. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

6.3 Netting of Payments. The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Product during the monthly billing period under this Agreement, including any related damages calculated pursuant to Section 3.1(h), interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

ARTICLE SEVEN: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED, UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE. EXCEPT FOR A PARTY'S INDEMNITY OBLIGATION IN RESPECT OF THIRD PARTY CLAIMS OR AS OTHERWISE 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 11.2 (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. 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 (i) within one hundred twenty (120) days following the end of each fiscal year, a copy of Buyer's annual report containing audited consolidated financial statements for such fiscal year and (ii) within sixty (60) days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Buyer'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 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 Buyer diligently pursues the preparation, certification and delivery of the statements. Buyer shall be deemed to have satisfied such delivery requirement if the applicable report is publicly available.

8.2 Seller Financial Information. Seller shall provide the following financial information:

(a) If requested by Buyer, Seller shall deliver (i) within one hundred twenty (120) days following the end of each fiscal year, a copy of Seller's annual report containing audited consolidated financial statements for such fiscal year and (ii) within sixty (60) days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Seller'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 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 Seller diligently pursues the preparation, certification and delivery of the statements.

(b) ***[If a Guaranty may be provided:*** If a Guaranty is provided and if requested by Buyer, Seller shall deliver (i) within one hundred twenty (120) days following the end of each fiscal year, a copy of Guarantor's annual report containing audited consolidated financial statements for such fiscal year and (ii) within sixty (60) days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Guarantor's quarterly report containing unaudited consolidated financial statements for such fiscal quarter certified by an officer of Guarantor. In all cases the statements shall be for the most recent accounting period and 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 Guarantor diligently pursues the preparation, certification and delivery of the statements. Seller shall be deemed to have satisfied such delivery requirement if the applicable report is publicly available.]

8.3 Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent Seller delivers Performance Assurance hereunder, Seller hereby grants to Buyer a present and continuing first priority security interest in, and lien on (and right of setoff against), and assignment of, all 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, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the Buyer's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence and during the continuation of an Event of Default by Seller or an Early Termination Date as a result thereof, Buyer may do any one or more of the following: (i) exercise any of the rights and remedies of a secured party with respect to all Performance Assurance, including any such rights and remedies under Law then in effect; (ii) exercise its rights of setoff against such collateral and any and all proceeds resulting therefrom or from the liquidation thereof; (iii) draw on any outstanding Letter of Credit issued for its benefit; and (iv) liquidate all or any portion of any Performance Assurance 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 the Seller's obligations under the Agreement (Seller remaining liable for any amounts owing to Buyer after such application), subject to Buyer's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

8.4 Performance Assurance.

(a) ***[For Agreements with Delivery Terms greater than two years:*** CPUC Approval Security,] Development Period Security, Construction Period Security, Delivery Term Security. To secure its obligations under this Agreement Seller agrees to deliver to Buyer and maintain in full force and effect for the period set forth below, the following Performance Assurance:

(i) ***[For Agreements with Delivery Terms greater than two years:*** CPUC Approval Security, in the amount of [_____] in the form of cash or a Letter of Credit [or a Guaranty] from the Execution Date of this Agreement until the return date specified in Section 8.4(b)(i) below;]

(ii) Development Period Security in the amount of [_____] in the form of cash or a Letter of Credit [or a Guaranty] from ***[For Agreements with Delivery Terms greater than two years:*** the CPUC Approval Date] ***[For all other Agreements:*** the Execution Date of this Agreement] until the return date specified in Section 8.4(b)[(i)/(ii)] below;

(iii) Construction Period Security in the amount of [_____] in the form of cash or a Letter of Credit [or a Guaranty] from the CP Satisfaction Date until the return date specified in Section 8.4(b)[(ii)/(iii)] below; and

(iv) Delivery Term Security in the amount of [_____] in the form of cash or a Letter of Credit [or a Guaranty] from the commencement of the Delivery Term until the return date specified in Section 8.4(b)[(iii)/(iv)] below.

Except as set forth in Section 2.2 as it pertains to the Development Period Security, any such Performance Assurance shall not be deemed a limitation of damages.

(b) Return of Performance Assurance.

(i) ***[For Agreements with Delivery Terms greater than two years:*** Buyer shall promptly return to Seller the unused portion of the CPUC Approval Security after the earlier of (A) the date on which Seller has delivered the Development Period Security or the Construction Period Security, as applicable, and (B) termination of the Agreement under Section 2.4(b)(ii).

(ii) Buyer shall promptly return to Seller the unused portion of the Development Period Security after the earlier of (A) the date on which Seller has delivered the Construction Period Security, and (B) termination of the Agreement under Section 2.4(b)(ii).

(iii) Buyer shall promptly return to Seller the unused portion of the Construction Period Security after the earlier of (A) the date on which Seller has delivered the Delivery Term Security, and (B) the date that all payment obligations of the Seller arising under this Agreement, including compensation for penalties, Termination Payment, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting) after an Early Termination Date.

(iv) Buyer shall promptly return to Seller the unused portion of the Delivery Term Security after the following have occurred: (A) the Delivery Term has expired or

terminated early; and (B) all payment obligations of the Seller arising under this Agreement, including compensation for penalties, Termination Payment, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting).

8.5 Interest on Cash. If Seller provides Performance Assurance in the form of cash, Buyer shall pay interest on such cash held as ***[For Agreements with Delivery Terms greater than two years:*** CPUC Approval Security,] Development Period Security, Construction Period Security, or Delivery Term Security, as applicable, at the Interest Rate. On or before each Interest Payment Date, Buyer shall transfer the sum of all accrued and unpaid Interest Amounts due to Seller for such security in the form of cash by wire transfer to the bank account specified under "Wire Transfer" in the Cover Sheet.

8.6 Costs of Letter of Credit. If Seller provides Performance Assurance in the form of a Letter of Credit, in all cases, the reasonable costs and expenses of (including but not limited to the reasonable costs, expenses, and attorneys' fees, including reasonably allocated costs of in-house counsel of the Buyer) establishing, renewing, substituting, canceling, increasing and reducing the amount of (as the case may be) one or more Letters of Credit shall be borne by the 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 under this Agreement arising prior to and 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 under this Agreement 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.

ARTICLE TEN: REPRESENTATIONS AND WARRANTIES; COVENANTS

10.1 General Representations and Warranties. On the Execution Date and the CP Satisfaction Date, each Party represents and warrants to the other Party that:

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

(b) it has all Governmental Approvals necessary for it to perform its obligations under this Agreement, except for as of the Execution Date (i) CPUC Approval in the case of Buyer, and (ii) all Governmental Approvals necessary to construct, operate and maintain the Project and related interconnection facilities in the case of Seller;

(c) 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 applicable Law;

(d) 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;

(e) 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;

(f) except as may be set forth in its reports filed with the SEC, 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;

(g) 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;

(h) 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

(i) 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.

10.2 Seller Representations and Warranties.

(a) 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.

(b) 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 CPUC Decision 08-08-028, and as may be modified by subsequent decision of the CPUC 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) [*Include other appropriate representations, warranties, and covenants to satisfy the California RPS content category requirements.*]

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 Governmental Approvals necessary for it to legally perform its obligations under this Agreement;

(iii) it shall perform its obligations under this Agreement 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 applicable Law; and

(iv) it shall not dispute its status as a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

(b) Seller Covenants.

(i) Seller covenants throughout the Delivery Term that it, or its permitted successors or assigns, shall maintain ownership of a fee, easement, long-term leasehold interest, or other similar asset ownership interest in the Project.

(ii) Seller covenants throughout the Delivery Term that it shall maintain market based rate authority from FERC to sell Product to Buyer under the terms of this Agreement.

(iii) If at any time during the Delivery Term, Seller's representations and warranties set forth in Section 10.2 become materially false or misleading, Seller covenants that it shall provide prompt Notice to Buyer describing such default along with a description of its efforts to cure such default.

(iv) [*Include other appropriate representations, warranties, and covenants to satisfy the California RPS content category requirements.*]

(v) [*Include other appropriate covenants regarding the use of contractors that may be diverse business enterprises.*]

ARTICLE ELEVEN: TITLE, RISK OF LOSS, INDEMNITIES

11.1 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 arising prior to or at the Delivery Point.

11.2 Indemnities.

(a) Indemnity by Seller. Seller shall release, indemnify, defend, and hold harmless Buyer, its Affiliates, and its and their directors, officers, employees, agents, and representatives against and from any and all actions, suits, losses, costs, damages, injuries, liabilities, claims, demands, penalties and interest, including reasonable costs and attorneys' fees ("Claims") resulting from, or arising out of or in any way connected with (i) any event, circumstance, act, or incident relating to the Product delivered under this Agreement up to and at the Delivery Point, (ii) Seller's development, permitting, construction, ownership, operation and/or maintenance of the Project, (iii) the failure by Seller or the failure of the Project to comply with applicable Law, including without limitation the CAISO Tariff, (iv) any Governmental Charges for which Seller is responsible hereunder, or (v) any liens, security interests, encumbrances, or other adverse claims against the Product delivered hereunder made by, under, or through Seller, in all cases including, without limitation, any Claim for or on account of injury, bodily or otherwise, to or death of persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such Claim to the extent caused by the willful misconduct or gross negligence of Buyer, its Affiliates, and its and their directors, officers, employees, agents, and representatives.

(b) Indemnity by Buyer. Buyer shall release, indemnify, defend, and hold harmless Seller, its Affiliates, and its and their directors, officers, employees, agents, and representatives against and from any and all Claims resulting from, or arising out of or in any way connected with (i) any event, circumstance, act, or incident relating to the Product received by Buyer under this Agreement after the Delivery Point, (ii) the failure by Buyer to comply with applicable Law, including without limitation the CAISO Tariff, or (iii) any Governmental Charges for which Buyer is responsible hereunder, in all cases including, without limitation, any Claim for or on account of injury, bodily or otherwise, to or death of persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such Claim to the extent caused by the willful misconduct or gross negligence of Seller, its Affiliates, and its and their directors, officers, employees, agents, and representatives.

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 or any related agreement is the dispute resolution procedure set forth in this Article 12. Either Party may seek a preliminary injunction or other provisional judicial remedy if such action is necessary to prevent irreparable

harm or preserve the status quo, in which case both Parties nonetheless will continue to pursue resolution of the dispute by means of the dispute resolution procedure set forth in this Article 12.

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 or any related agreements by prompt negotiations between each Party's authorized representative designated in writing as a representative of the Party (each a "Manager"). Either Manager may, by Notice to the other Party, request a meeting 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 (either in person or telephonically). 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 that have authority to settle the dispute ("Executive(s)"). Within five (5) Business Days of the Initial Negotiation End Date ("Referral Date"), each Party shall provide one another 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, which date shall not be greater than thirty (30) days from the Referral Date, to meet. 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 confidential and shall not be used or referred to in any subsequent binding adjudicatory process between the Parties.

(d) If the matter is not resolved within forty-five (45) days of the Referral Date, or if the Party receiving the Notice to meet, pursuant to Section 12.2(a) above, refuses or does not meet within the ten (10) Business Day period specified in Section 12.2(a) above, either Party may initiate arbitration of the controversy or claim by providing Notice of a demand for binding arbitration at any time thereafter.

12.3 Arbitration. Any dispute that cannot be resolved by management negotiations as set forth in Section 12.2 above shall be resolved through binding arbitration by a retired judge or justice from the [AAA][JAMS] panel conducted in San Diego, California, administered by and in accordance with [AAA's Commercial Arbitration Rules] [JAMS [Comprehensive][Streamlined] Arbitration Rules and Procedures] ("Arbitration").

(a) Any 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. The Parties shall cooperate with one another in selecting the arbitrator within sixty (60) days after Notice of the demand for arbitration. If, notwithstanding their good faith efforts, the Parties are unable to agree upon a mutually-acceptable arbitrator, the arbitrator shall be appointed as provided for in [AAA's Commercial Arbitration Rules] [JAMS [Comprehensive][Streamlined] Arbitration Rules and Procedures].

(b) 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.

(c) 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.

(d) The arbitrator shall prepare in writing and provide to the Parties an award including factual findings and the reasons on which their decision is based.

(e) 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.

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

(g) The prevailing Party in this dispute resolution process is entitled to recover its costs. Until such award is made, however, the Parties shall share equally in paying the costs of the Arbitration.

(h) 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 the arbitrator.

(i) The arbitrator shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction for any such error.

(j) The existence, content, and results of any Arbitration hereunder is confidential information that is subject to the provisions of Section 13.1.

ARTICLE THIRTEEN: MISCELLANEOUS

13.1 Confidentiality.

(a) General. Neither Party shall disclose the non-public terms or conditions of this Agreement or any transaction hereunder to a third party, other than (i) the Party's Affiliates and its and their officers, directors, employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential, (ii) for

disclosure to the 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) disclosure of terms specified in and pursuant to Section 13.1(b) 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 Federal Energy Regulatory Commission. In connection with requests made pursuant to clause (v) of this Section 13.1(a) ("Disclosure Order") each Party shall, to the extent practicable, use reasonable efforts to prevent or limit such disclosure. After using such reasonable efforts, the Disclosing Party shall not be: (i) prohibited from complying with a Disclosure Order or (ii) liable to the other Party for monetary or other damages incurred in connection with the disclosure of the confidential information. Except as provided in the preceding sentence, the Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

(b) RPS Confidentiality. Notwithstanding Section 13.1(a) of this Agreement, at any time on or after the date on which the Buyer makes its filing seeking CPUC Approval for this Agreement, either Party shall be permitted to disclose the following terms with respect to this Agreement: Party names, resource type, Delivery Term, Project location, Contract Capacity, anticipated Commercial Operation Date, Contract Quantity, and Delivery Point.

(c) Publicity. Except as otherwise agreed to in this Section 13.1 above, no announcement, publicity, advertising, press release, promotional or marketing materials regarding the arrangement contemplated under this Agreement, including the existence hereof, shall be made by either Party without the prior written approval of the other Party which approval shall not be unreasonably withheld or delayed.

13.2 Assignment. 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. For purposes hereof, the transfer of more than fifty percent (50%) of the equity ownership or voting interest of Seller (or any parent entity holding directly or indirectly at least fifty percent (50%) of the equity ownership or voting interest of Seller if such interest constitutes more than twenty percent (20%) of the fair market value of the assets of such parent entity) to a person that is not an Affiliate of Seller shall also constitute an assignment of this Agreement requiring Buyer's prior written consent. Notwithstanding the foregoing, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), transfer, sell, pledge, encumber, or assign this Agreement or the accounts, revenues or proceeds hereof to its financing providers. In connection with any financing or refinancing of the Project by Seller, Buyer shall in good faith negotiate and agree upon a consent to collateral assignment of this Agreement in a form that is commercially reasonable and customary in the industry.

13.3 Audit. Each Party has the right, at its sole expense and during normal working hours, 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 or Scheduled 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 Default 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 except to the extent any misinformation was from a third party not Affiliated with any Party and such third party corrects its information after such twelve-month period. In addition, Buyer shall have the right, at its sole expense and during normal working hours, to examine the records of Seller to the extent reasonably necessary to verify Seller's compliance with its representations and warranties set forth in Section 10.2.

13.4 Sarbanes-Oxley and SEC Requirements. The Parties acknowledge that accounting principles generally accepted in the United States of America ("GAAP") and SEC rules require Buyer and its independent auditor to evaluate whether Buyer must consolidate Seller's financial information (but not financial information of Seller's constituent members unless deemed to be included in the entity under GAAP). Buyer may require access to information concerning Seller's organizational structure, including its debt/capital structure, as well as to personnel of Seller to determine if consolidated financial reporting is required. If Buyer and its independent auditor determine at any time that the Buyer must consolidate the Seller's financial statements to comply with GAAP and/or SEC rules regarding consolidated financial reporting, then:

(a) Buyer shall require from Seller and Seller agrees to provide to Buyer the following during the Term of this Agreement:

(i) Unaudited financial statements of the Seller prepared in accordance with GAAP as of the end of the quarterly period. The financial statements should include quarter to date and year to date information and are to be provided within fifteen (15) calendar days of the end of the applicable reporting period (or the Business Day thereafter);

(ii) Unaudited financial schedules of the Seller, as deemed necessary for Buyer to prepare its consolidated financial statements and related footnotes to the financial statements in accordance with GAAP as of the end of the quarterly period. The financial schedules should include quarter to date and year to date information underlying the financial statements and footnotes to the financial statements and are to be provided within fifteen (15) calendar days of the end of the applicable reporting period (or the Business Day thereafter);

(iii) Access to Seller's accounting and other records, and accounting and management personnel as reasonably determined by both Buyer and Seller so that (A) Buyer's independent auditor or its internal auditors may conduct financial audits (in accordance with the standards of the Public Company Accounting Oversight Board (United States)) as well as internal control audits (in accordance with Section 404 of the Sarbanes-Oxley Act of 2002) and (B) Buyer can be provided analytical information, as needed, to enable Buyer to meet its SEC filing requirements, including but not limited to those under Item 2 on Form 10-Q, and Item 7 on Form 10-K, "Management's Discussion and Analysis of Financial Condition and Results of Operations;"

(iv) Upon the request of Buyer, such certifications by a duly authorized representative(s) of Seller as may be reasonably requested by Buyer (which certifications shall presumptively be reasonable if the certifications are substantially identical to those required by Buyer or its parent of business units of Buyer or its parent); and

(v) As reasonably requested by Buyer, such information or schedules, similar to the items noted in clauses (i)-(iv) above, to enable Buyer to prepare consolidated financial statements and schedules as may be required for Buyer to obtain financing or to prepare other reports as required by regulatory bodies, such as the SEC, for periods other than as of the end of the monthly, quarterly or year to date periods then ended.

(b) If Buyer (i) in its sole discretion determines that the financial statements of the Seller would be considered material to the Buyer or its parent company's financial statements, financial condition, or internal controls over financial reporting, and (ii) reasonably determines Seller's internal controls over financial reporting are not operating effectively or have resulted in a control deficiency, Buyer shall provide Notice to Seller. Upon receipt of such Notice, Seller will have thirty (30) days to remediate any deficiency in Seller's internal controls over financial reporting identified by the Buyer, which Buyer and Buyer's independent auditor deem to be necessary to ensure Seller's internal controls over financial reporting are adequate, during or as a result of the audits permitted under Section 13.4(a)(iii) or any other.

(c) As soon as possible, but in no event later than two (2) Business Days following any occurrence that would affect Seller in any material way, Seller shall provide to Buyer a Notice describing such occurrence in sufficient detail to permit the Buyer to file a report on SEC Form 8-K. Such occurrences include all reportable events on the then current Form 8-K that applies to Buyer and its parent company at such time, including but not limited to a material acquisition or disposition of assets, a material direct financial obligation or off-balance sheet financing arrangement, material litigation, and the execution or termination of a material contract.

(d) Any information provided to Buyer shall be treated as confidential except that it may be disclosed in connection with the preparation, review, certification and publication of Buyer's financial statements.

(e) Seller shall notify Buyer at any time during the term of this Agreement of any services provided or proposed to be provided to Seller by Buyer's independent auditor. Seller, and any of Seller's Affiliates, are prohibited from engaging Buyer's independent auditor for any services or in any consulting agreement without the express written consent of partner in charge of Buyer's independent audit.

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

13.6 Recording. Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording ("Recording") of all telephone conversations between the Parties to this Agreement,

and 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.

13.7 Forward Contract. The Parties acknowledge and agree that this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code.

13.8 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.

13.9 Attorneys' Fees. In any proceeding brought to enforce this Agreement or because of the breach by any Party of any covenant or condition herein contained, the prevailing Party shall be entitled to reasonable attorneys' fees (including reasonably allocated fees of in-house counsel) in addition to court costs and any and all other costs recoverable in said action.

13.10 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 negotiation, drafting or execution hereof. Except to the extent provided for herein, 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. This Agreement shall be binding on each Party's successors and permitted assigns.

13.11 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.

13.12 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.

13.13 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 in herein; provided, however, that notices of Outages or other Scheduling or dispatch information or requests, shall be provided in accordance with the terms set forth in the relevant section of this Agreement. Invoices 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. 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.

13.14 Mobile Sierra. Notwithstanding any provision of this Agreement, neither Party shall seek, nor shall they support any third party in seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior 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" application of the "just and reasonable" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 US 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 US 348 (1956).

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

[_____]	SAN DIEGO GAS & ELECTRIC COMPANY
a [_____]	a California corporation
By: _____	By: _____
Name:_____	Name:_____
Title:_____	Title:_____

Exhibit A

PROJECT DESCRIPTION INCLUDING DESCRIPTION OF SITE

PROJECT DESCRIPTION

Project name _____

Project Site name: _____

Project physical address: _____

Total number of electric generating units at the Project (committed and not committed to Buyer) _____

Technology Type: _____

Substation:

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

The nameplate capacity of the Project is _____.

The electric generating units utilized as generation assets as part of the Project are described below:

[INSERT MAP]

Exhibit B

MILESTONE SCHEDULE

	Date	*Project Name*
1.		Obtains control of all lands and rights-of-way comprising the Site.
2.		Files a CEC Pre-Certification and Verification application.
3.		Receives a completed [Phase I Interconnection Study Report] [interconnection feasibility study] and CAISO Deliverability Assessment Study Report.
4.		Receives a completed [Phase II Interconnection Study Report] [interconnection system impact study] and CAISO Deliverability Assessment Study report
5.		Files CEQA/NEPA application with appropriate agency(ies).
6.		Executes interconnection agreement and/or transmission agreement and receive FERC approval.
7.		Receives CEQA/NEPA approval/permit
8.		Executes a supply contract.
9.		Executes an Engineering, Procurement and Construction ("EPC") contract.
10.		Delivers full NTP under EPC contract and begins construction of the Project.
11.		Executes Meter Service Agreement and Participating Generator Agreement.
12.		Achieves initial operation.
13.		Demonstrates the Contract Capacity.
14.		Receives all Governmental Approvals necessary to achieve COD.
15.		Receives CEC Certification and Verification.
16.	GCOD	Commercial Operation Date.

Exhibit C

FORM OF LETTER OF CREDIT

[DATE]

To: San Diego Gas & Electric Company
555 W. Fifth Street
Mail Code: GT18A3
Los Angeles, CA 90013

Re: Our Irrevocable Standby Letter of Credit No._____
In the Amount of US_____

Ladies and Gentlemen:

We hereby open our irrevocable standby Letter of Credit Number _____ in favor of [name of Beneficiary] ("Beneficiary"), by order and for account of [name of Applicant] ("Applicant"), [address of Applicant], available at sight upon demand at our counters, at [location] for an amount of US$ _____ [amount spelled out and xx/100 U.S. Dollars] against presentation one of the following documents:

1- Statement signed by a person purported to be an authorized representative of Beneficiary stating that: "[name of Applicant] ("Applicant") is in default under the Power Purchase Agreement between Beneficiary and Applicant dated _____ or under any transaction contemplated thereby (whether by failure to perform or pay any obligation thereunder or by occurrence of a "default", "event of default" or similar term as defined in such agreement, any other agreement between Beneficiary and Applicant, or otherwise). The amount due to Beneficiary is U.S. $_____."

or

2- Statement signed by a person purported to be an authorized representative of Beneficiary stating that: "[name of Applicant] ("Applicant") has forfeited all or part of its ***[For Agreements with Delivery Terms greater than two years:*** CPUC Approval Security or] Development Period Security as set forth and defined in the Power Purchase Agreement between Beneficiary and Applicant dated _____. The amount due to Beneficiary, whether or not a default has occurred, is U.S. $_____."

or

3- Statement signed by a person purported to be an authorized representative of Beneficiary stating that: "as of the close of business on [insert date, which is less than 60 days prior to the expiration date of the Letter of Credit] you have provided

written notice to us indicating your election not to permit extension of this Letter of Credit beyond its current expiry date. The amount due to Beneficiary, whether or not a default has occurred, is U.S. $_____."

Special Conditions:

- All costs and banking charges pertaining to this Letter of Credit are for the account of Applicant.

- Partial and multiple drawings are permitted.

- Fax of Document 1 or 2 or 3 above is acceptable. Notwithstanding anything to the contrary herein, any drawing hereunder may be requested by transmitting the requisite documents as described above to us by facsimile at _____ or such other number as specified from time to time by us. The facsimile transmittal shall be deemed delivered when received. It is understood that drawings made by facsimile transmittal are deemed to be the operative instrument without the need of originally signed documents.

This Letter of Credit expires on _____ at our counters.

We hereby engage with Beneficiary that upon presentation of a document as specified under and in compliance with the terms of this Letter of Credit, this Letter of Credit will be duly honored in the amount stated in Document 1 or 2 above. If a document is so presented by 1:00 pm on any New York banking day, we will honor the same in full in immediately available New York funds on that day and, if so presented after 1:00 pm on a New York banking day, we will honor the same in full in immediately available New York funds by noon on the following New York banking day.

It is a condition of this Letter of Credit that it shall be deemed automatically extended without an amendment for a one year period beginning on the present expiry date hereof and upon each anniversary of such date, unless at least ninety (90) days prior to any such expiry date we have sent you written notice by regular and registered mail or courier service that we elect not to permit this Letter of Credit to be so extended beyond, and will expire on its then current expiry date. No presentation made under this Letter of Credit after such expiry date will be honored.

We agree that if this Letter of Credit would otherwise expire during, or within 30 days after, an interruption of our business caused by an act of god, riot, civil commotion, insurrection, act of terrorism, war or any other cause beyond our control or by any strike or lockout, then this Letter of Credit shall expire on the 30th day following the day on which we resume our business after the cause of such interruption has been removed or eliminated and any drawing on this Letter of Credit which could properly have been made but for such interruption shall be permitted during such extended period.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce, Publication No. 600 ("UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall

govern. Matters not covered by the UCP shall be governed and construed in accordance with the laws of the State of California.

[Name of Bank]

_____

Authorized Signature(s)

Exhibit D

FORM OF GUARANTY

GUARANTY

In consideration of San Diego Gas & Electric Company ("Company") entering into a power purchase agreement with [NAME OF COUNTERPARTY] (hereinafter referred to as "Applicant"), [NAME OF GUARANTOR], a [TYPE OF LEGAL ENTITY i.e. California corporation], (hereinafter referred to as "Guarantor") agrees with Company as follows:

1. The term "Obligations" shall mean all obligations, liabilities and indebtedness of any kind whatsoever arising in connection with _____ or arising in connection with or under any security agreement or other agreement between the Company and Applicant. The amount of Obligations existing from time to time shall be calculated after giving effect to all contractual netting arrangements between Applicant and the Company.

2. Guarantor unconditionally and irrevocably guarantees to Company the full, prompt and faithful payment and performance when due of each and all of the Obligations.

3. This is a continuing guaranty relating to the Obligations. Guarantor acknowledges that there is a continuing consideration to Guarantor for this Guaranty and therefore Guarantor waives and relinquishes the right to revoke or terminate this Guaranty as provided in California Civil Code Section 2815.

4. Any of the Obligations may be amended, modified, waived, or increased (whether or not beyond any dollar limitation hereunder), further agreements may be entered into between Company and Applicant, Company may provide additional goods or services or credit to Applicant or increase or decrease the dollar value of such goods, services or credit, and further obligations (including, without limitation, the provision or pledging of security to Company for any obligation), indebtedness and liabilities may be entered into or incurred from time to time by Applicant and without further authorization from or notice to Guarantor and no such action shall terminate, release, impair, reduce, discharge, diminish or in any way affect any of the obligations of Guarantor hereunder or any security furnished by Guarantor or give Guarantor any recourse or defense against Company. Company need not inquire into the power of Applicant or the authority of its officers, directors, partners or agents acting or purporting to act in its behalf.

5. With respect to all Obligations, this is a guaranty of payment and performance and not of collection, and Guarantor waives and agrees not to assert or take advantage of:

(a) any right to require Company to proceed against Applicant or any other person or to resort to, proceed against or exhaust any security held by it at any time or to pursue any other remedy in its power before proceeding against any Guarantor;

(b) demand, presentment, protest and notice of any kind including, without limiting the generality of the foregoing, notice of nonperformance, protest, dishonor and acceptance of this Guaranty, notice under Section 9611 of the California Commercial Code, and

notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of Applicant, Company, a guarantor under this or any other instrument, or creditor of Applicant or any other person whomsoever, in connection with any of the Obligations or any collateral for any of the Obligations or in connection with any of the Obligations; and

(c) any suretyship defenses and suretyship rights of every nature otherwise available under California law and the laws of any other state or jurisdiction, including, without limitation, all defenses and rights arising under Sections 2787 through 2855 of the California Civil Code (the "Suretyship Provisions") and any successor provisions to those Sections. Without limiting the generality of the foregoing, Guarantor acknowledges his, her or its understanding that the Suretyship Provisions provide various partial or complete defenses to the recovery by Company from Guarantor and/or grant Guarantor rights the enforcement of which could reduce or eliminate entirely Guarantor's liability hereunder to Company. Among the defenses and rights contained in the Suretyship Provisions are the following: (1) Section 2809 of the Civil Code, which provides, in part, that the obligation of a surety must not be either larger in amount or in other respects more burdensome than that of the principal; (2) Section 2810 of the Civil Code, which provides, in part, that a surety is not liable if for any reason other than the mere personal disability of the principal there is no liability upon the part of the principal at the time of execution of the contract, or the liability of the principal thereafter ceases; (3) Section 2819 of the Civil Code, which provides, in part, that a surety is exonerated if the creditor alters the original obligation of the principal without the consent of the surety; (4) Section 2845 of the Civil Code, which provides, in part, that a surety is exonerated to the extent that the creditor fails to proceed against the principal, or to pursue any other remedy in the creditor's power which the surety cannot pursue and which would lighten the surety's burden; (5) Section 2846 of the Civil Code, which provides that a surety may compel his principal to perform the obligation when due; (6) Section 2847 of the Civil Code, which provides, in part, that if a surety satisfies the principal obligation, or any part thereof, the principal is obligated to reimburse the surety for the amounts paid by the surety; (7) Section 2848 of the Civil Code, which provides, in part, that a surety, upon satisfaction of the obligation of the principal is entitled to enforce remedies which the creditor then has against the principal; (8) Section 2849 of the Civil Code, which provides, in part, that a surety is entitled to the benefit of security held by the creditor for the performance of the principal obligation held by the creditor; (9) Section 2850 of the Civil Code, which provides, in part, that whenever the property of a surety is hypothecated with property of the principal, the surety is entitled to have the property of the principal first applied to the discharge of the obligation; and (10) Section 2822 of the Civil Code, which provides, in part, for a right to have the principal designate the portion of any obligation to be satisfied by the surety in the event that the principal provides partial satisfaction of such obligation.

6. All existing and future indebtedness of Applicant to Guarantor ("Intercompany Obligations") is subordinated to all Obligations hereby guaranteed. All of Guarantor's right, title and interest in and to the Intercompany Obligations and rights to receive any payments of the Intercompany Obligations are hereby granted and assigned to Company as continuing security for the Obligations hereby guaranteed, and, in the event of any default in the payment of any of the Obligations when due and until the Obligations guaranteed hereby have been paid in full (a) at the Company's request, Applicant shall forthwith pay to the Company all or any part of such Intercompany Obligations and any capital which Guarantor is entitled to withdraw until all of the

Obligations guaranteed hereby have been paid in full, and (b) Guarantor shall pay to Company immediately any payments of such Intercompany Obligations received by Guarantor.

7. Guarantor agrees to pay all attorneys' fees (including without limitation, reasonably allocated fees of in-house counsel) and all other costs and expenses which may be incurred by Company in the enforcement of this Guaranty against Guarantor.

8. This Guaranty is not assignable by Guarantor without Company's consent. This Guaranty shall inure to the benefit of Company and its successors and assigns, including the assignees of any Obligations, and bind the heirs, executors, administrators, successors and permitted (if any) assigns of Guarantor. This Guaranty is assignable by Company with respect to all or any portion of the Obligations, and when so assigned Guarantor shall be liable to the assignees under this Guaranty without in any manner affecting the liability of Guarantor hereunder with respect to any Obligations retained by Company.

9. This Guaranty shall be governed by and construed in accordance with the laws of the State of California, without reference to its choice of law provisions. Guarantor hereby irrevocably and unconditionally agrees that any legal action or proceeding against Guarantor or any of Guarantor's property with respect to this Guaranty may be brought in the courts of the State of California in the County of San Diego or the courts of the United States in the County of San Diego, as Company may elect, and by executing and delivering this Guaranty Guarantor hereby submits to and accepts with regard to any such action or proceeding for himself, herself or itself and in respect of his, her or its property, generally, irrevocably and unconditionally, the jurisdiction of the above mentioned courts. Guarantor hereby irrevocably appoints the Secretary of State of the State of California as his, her or its agent for service of process in any suit or proceeding if the Guarantor is located outside the State of California at the time of service or cannot reasonably be located by Company. The foregoing, however, shall not limit the right of Company as it may elect to bring any legal action or proceeding or to obtain execution of judgment in any other appropriate jurisdiction including but not limited to any other jurisdiction in which Guarantor or his, her or its property is located.

10. Except as provided in any other written agreement now or at any time hereafter in force between Company and Guarantor, this Guaranty shall constitute the entire agreement of Guarantor with Company with respect to the subject matter hereof and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Company unless expressed herein.

11. All notices, demands, requests and other communications required or permitted hereunder shall be in writing and shall be given personally, by certified or registered mail, postage prepaid, return receipt requested, or by reliable overnight courier to the address of the Company set forth below (or to such new address as Company may designate hereafter in a notice to Guarantor) in the case of a communication to the Company and to the address appearing next to Guarantor's signature on this Guaranty (or to such new address as Guarantor may designate hereafter in a notice to Company) in the case of a communication to Guarantor. Any notice served personally shall be deemed delivered upon receipt, and any notice served by certified or registered mail or by reliable overnight courier shall be deemed delivered on the date

of receipt as shown on the addressee's registry or certification of receipt or on the date receipt is refused as shown on the records or manifest of the U.S. Postal Service or such courier.

San Diego Gas & Electric Company
555 W. Fifth Street
Attn: Major Markets 18A3, Credit Manager
Los Angeles, CA 90013
Fax No.: (213) 244-8316

12. Until all of the Obligations guaranteed hereby have been satisfied in full, Guarantor shall have no right of subrogation or reimbursement from the Applicant which Guarantor may have as a result of any payment by Guarantor under this Guaranty, and waives any right to enforce any remedy which Company now has or may hereafter have against the Applicant as a result of such payment by Guarantor under this Guaranty and waives any right under section 2849 of the California Civil Code and any other benefit of or right to participate in any security now or hereafter held by Company.

13. All amounts payable by Guarantor hereunder shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever unless and to the extent that Guarantor shall be prohibited by law from doing so, in which case Guarantor shall pay to Company such additional amount as shall be necessary to ensure that Company receives the full amount it would have received if no such deduction or withholding had been made.

14. If any portion of this Guaranty is held to be unenforceable by a court of competent jurisdiction, the remainder of this Guaranty shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Guarantor has executed this Guaranty on [MONTH AND DAY], [YEAR].

GUARANTOR:
[NAME OF GUARANTOR]

_____
Signature

_____
Title

_____
Printed Name of Person Signing for
Guarantor

_____
Guarantor's Address

_____
City, State, Zip

_____
Guarantor's Phone No.

Exhibit E

COMMERCIAL OPERATION CERTIFICATE

The undersigned, _____ ("EPC Contractor"), _____ ("[_____] Supplier"), _____ ("Licensed Professional Engineer") and [_____] ("Owner") make the following certifications to San Diego Gas & Electric Company ("SDG&E"), dated as of _____. All capitalized terms not otherwise defined herein shall have the meaning given to them in the Power Purchase Agreement dated _____ between Owner and SDG&E (the "Agreement").

[Major Generation Equipment] Supplier hereby certifies that:

1. The [_____] comprising the Project have been erected and installed at the project site and have been commissioned as required under the Supply and Installation Agreement ("[_____] Supply Agreement") dated as of _____, by and between [_____] Supplier and Owner and each such [_____] has passed the performance testing required to be performed pursuant to the [_____] Supply Agreement.

2. The Warranty Period under the Warranty Agreement ("Warranty Agreement") dated as of _____, by and between [_____] Supplier and Owner has commenced.

EPC Contractor hereby certifies that:

All requirements necessary to achieve [Commercial Operation/Substantial Completion] as set forth in the agreement between the EPC Contractor and Owner dated _____ ("EPC Contract") have been completed and the Project has successfully passed all performance tests at a level that demonstrates satisfaction of at least the [minimum performance guarantees].

Owner hereby certifies that:

1. Except for punch list items that would not materially affect the performance, reliability or safe operation of the Project, the Project has been completed in accordance with all applicable specifications and is ready for continuous commercial operation in compliance with all applicable laws and governmental approvals. The Project has successfully passed all performance tests at a level that demonstrates satisfaction of at least the [insert minimum performance guarantees], and complete test reports have been submitted to Buyer.

2. The Operation and Maintenance Agreement (O&M Agreement), by and between Owner and _____ dated as of _____ has commenced.

3. Owner has a valid leasehold or real property interest in the Project Site for a term of at least [___] years from the Commercial Operation date.

4. The interconnection facilities have been completed in accordance with applicable specifications, tariffs, laws and governmental approvals to enable power generated by the Project to be received at the Delivery Point.

5. Owner has obtained all governmental approvals necessary for the continuous commercial operation of the Project and the Project is in compliance with all such governmental approvals and all other applicable laws.

Licensed Professional Engineer certifies that:

1. We have read the Agreement, the [_____] Supply Contract, and the EPC Contract and we understand the requirements for Commercial Operation under the Agreement, the specifications and performance testing requirements under the [_____] Supply Contract, and the requirements for [Commercial Operation/Substantial Completion] under the EPC Contract.

2. We have reviewed the material and data made available to us by the Owner, the [_____] Supplier, and the EPC Contractor for the Project.

3. To the extent practical, we have reviewed the engineering, procurement, construction and performance testing for the Project and in the course of this review we have not discovered any material errors or omissions in the work performed to date.

4. We have reviewed the certificates of Owner, [_____] Supplier, and EPC Contractor above, and find the representations provided to be correct in all material respects.

5. We have reviewed all Governmental Approvals and permits identified by the Owner as being required for the construction and operation of the Project and are of the opinion that the Project as completed is in compliance in all material respects with the environmental and technical requirements contained therein.

6. Based on our review of the aforementioned information and of information provided to us by others which we have not independently verified, we are of the opinion that, as of, Commercial Operation has occurred as defined in the Agreement.

Executed this ___ day of ___, 200_

[_____] SUPPLIER
[*Name of [_____] Supplier*]
a _____ corporation

By:_____
Name:
Title:

EPC CONTRACTOR
[*Name of EPC Contractor*]
a _____ corporation

By:_____
Name:
Title:

OWNER
[*Name of Owner*]
a _____ limited liability company

By:_____
Name:
Title:

LICENSED PROFESSIONAL ENGINEER:
[*Name of* Licensed Professional Engineer]
a _____

By:_____
Name:
Title:

ACCEPTED BY SAN DIEGO GAS & ELECTRIC COMPANY

By: _____
Name:_____
Title:_____
Date:_____

Exhibit F

FORM OF QUARTERLY PROGRESS REPORT

Quarterly Progress Report
of
[_____]

("Seller")

provided to
San Diego Gas & Electric Company

[Date]

Table of Contents

[Insert Table of Contents]

1.0 Instructions.

All capitalized terms used in this report shall have the meanings set forth below and any capitalized terms used in this report which are not defined below shall have the meanings ascribed thereto in the Power Purchase Agreement by and between _____ ("Seller") and San Diego Gas & Electric Company dated _____ __, ____ (the "Agreement").

Seller shall review the status of each significant element of the Project schedule and Seller shall 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 Project or the Project schedule, and with respect to any such matters, shall state the actions which Seller intends to take to ensure that Conditions Precedent and 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 or regulation, 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 Project, attaining any Condition or Milestone, or obtaining any contemplated agreements with other parties which are necessary for attaining any Condition or Milestone or which otherwise reasonably could be expected to materially threaten Seller's ability to attain any Condition or 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 Project, attainment of any Condition or Milestone or materially threaten any contemplated agreements with other parties which are necessary for attaining any Condition or Milestone or could otherwise reasonably be expected to materially threaten Seller's ability to attain any Condition or 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 Condition or 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 Quarterly Report and any material change in the Seller's proposed actions to remedy or overcome such matter or issue.

Seller shall complete, certify, and deliver this form Quarter Quarterly Progress Report to [_____], together with all attachments and exhibits, with [3] copies of the Report delivered to [_____] and [_____].

2.0 Executive Summary.

2.1 Major activities to be performed for each aspect of the Project during the current calendar quarter.

Please provide a brief summary of the Major[2] activities to be performed for each of the following aspects of the Project during the current calendar quarter:

2.1.1 Design

2.1.2 Engineering

2.1.3 Major Equipment procurement

2.1.4 Construction

2.1.5 Milestone report

2.1.6 Permitting (See Section 3.0)

2.2 Major activities scheduled to be performed in the previous calendar quarter but not completed as scheduled.

Please provide a brief summary of the Major activities which were scheduled to be performed in the previous calendar quarter and their status, including those activities that were not completed as scheduled:

2.2.1 Design

2.2.2 Engineering

2.2.3 Major Equipment procurement

2.2.4 Construction

2.2.5 Milestone report

2.2.6 Permitting

[2] For Purposes of this Report, "Major" shall mean any activity, event, or occurrence which may have a material adverse impact on the construction of the Facility or completion of the Project on a timely basis if such activity, event, or occurrence occurs or if such activity, event, or occurrence fails to occur as anticipated or scheduled, which material adverse impact includes, but is not limited to, Seller's inability to achieve a Milestone Date.

3.0 Permitting.

The following describes each of the major Governmental Approvals required for the construction of the Project and the status of each:

3.1 State and/or federal Governmental Approvals.

Please describe each of the Major state and/or federal Governmental Approval (including the Permit to Construct issued by the San Diego County Air Pollution Control District) to be obtained by Seller (or EPC Contractor) and the status of each.

DESCRIPTION	STATUS

3.2 Local and/or county Governmental Approvals.

Please describe each of the Major local and/or county Governmental Approvals to be obtained by Seller and the status of each.

DESCRIPTION	STATUS

3.3 Permitting activities which occurred during the previous calendar quarter.

Please list all permitting activities which occurred during the previous calendar quarter.

3.4 Permitting activities occurring during the current calendar quarter.

Please list all permitting activities which are expected to occur during the current calendar quarter.

3.5 Permitting Notices received from EPC Contractor.

Please attach to this Quarterly Progress Report copies of any notices related to permitting activities received from EPC Contractor during the previous calendar quarter.

4.0 Design Activities.

4.1 Table of design schedule to be followed by Seller and its subcontractors.

The following table lists the design schedule to be followed by Seller and its subcontractors.

ACTIVITY	CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

4.2 Design activities to be performed during the current calendar quarter.

Please explain in detail the design activities which are expected to be performed during the current calendar quarter.

4.3 Table of design activities completed during the previous calendar quarter.

Please explain in detail the design activities which were completed during the previous calendar quarter.

5.0 Engineering Activities.

5.1 Table of engineering schedule to be followed by Seller and its subcontractors.

The following table lists the engineering schedule to be followed by Seller and its subcontractors:

ACTIVITY	CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

5.2 Engineering activities to be performed during the current calendar quarter.

Please explain in detail the engineering activities which are expected to be performed during the current calendar quarter.

5.3 Engineering activities completed during the previous calendar month.

Please explain in detail the engineering activities which were completed during the previous calendar quarter.

5.4 Three-month look-ahead engineering schedule.

Please provide a three-month look ahead engineering schedule.

6.0 Major Equipment Procurement.

6.1 Table of major equipment to be procured by Seller and its subcontractors.

The following table lists major equipment to be procured by Seller and its subcontractors:

EQUIPMENT DESCRIPTION	MANUFACTURER	MODEL	CONTRACTED DELIVERY DATE	ACTUAL DELIVERY DATE	PROJECTED INSTALLATION DATE	ACTUAL INSTALLATION DATE

6.2 Major Equipment procurement activities to be performed during the current calendar quarter.

Please explain in detail the major equipment procurement activities which are expected to be performed during the current calendar quarter.

6.3 Major Equipment procurement activities completed during the previous calendar quarter.

Please explain in detail the major equipment procurement activities which were completed during the previous calendar quarter.

7.0 Construction Activities.

7.1 Table of construction activities to be performed by Seller and its subcontractors.

The following tables lists construction activities to be performed by Seller and its subcontractors:

ACTIVITY	CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE
Civil Progress			
Structural Progress			
[Steam] Generator Progress			
Piping Progress			
IC and Electrical Progress			
Subcontractor Progress			

7.2 Construction activities to be performed during the current calendar quarter.

Please explain in detail the construction activities which are expected to be performed during the current calendar quarter.

7.3 Construction activities completed during the previous calendar quarter.

Please explain in detail the construction activities which are expected to be performed during the previous calendar quarter.

7.4 EPC Contractor Monthly Progress Report.

Please attach a copy of the Monthly Progress Reports received during the previous calendar quarter from the EPC Contractor pursuant to the EPC Contract, certified by the EPC Contractor as being true and correct as of the date issued.

7.5 Three-month look-ahead construction schedule.

Please provide a three-month look ahead construction schedule.

8.0 Milestones.

8.1 Milestone schedule.

Please state the status and progress of each Milestone and identify any completed Milestone(s) for the previous calendar quarter.

8.2 Remedial Action Plan (applicable if Seller fails to achieve Milestone by the Milestone Date).

Please explain in detail each of the following aspects of Seller's remedial action plan:

8.2.1 Missed Milestone

8.2.2 Plans to achieve missed Milestone

8.2.3 Plans to achieve subsequent Milestone

8.2.4 Delays in engineering schedule

Please explain in detail any delays beyond the scheduled Milestone Dates stated in Section 5.1, any impact from the delays on the engineering schedule, and Seller's plans to remedy such impact.

8.2.5 Delays in Major Equipment procurement

Please explain in detail any delays beyond the contracted delivery date and/or the projected installation date stated in Section 6.1, any impact from the delays on Major Equipment procurement schedule, and Seller's plans to remedy such impact.

8.2.6 Delays in construction schedule

Please explain in detail any delays beyond the scheduled completion dates stated in Section 7.1, any impact from the delays on the construction schedule, and Seller's plans to remedy such impact.

9.0 Safety and Health Reports

9.1 Please list all accidents from the previous calendar quarter:

9.2 Any work stoppage from the previous calendar quarter:

9.3 Work stoppage impact on construction of the Project:

I, _____, on behalf of and as an authorized representative of, do hereby certify that any and all information contained in the attached Seller's Quarterly Progress Report is true and accurate, and reflects, to the best of my knowledge, the current status of the construction of the Project as of the date specified below.

By:_____

Name:_____

Title:_____

Date:_____

RPS Project Development Status Report

Project Name
Date

Date of Latest Construction Progress Report from Counterparty:	
Project Owner/Counterparty:	
Technology:	
Capacity (MW):	Annual Energy (GWh/year):
On-Line Date:	Term/Duration (years):
Construction Start Date:	Point of Delivery:
Location:	

Status At-A-Glance

The below to be filled in w/ either: Completed, Acceptable, Unknown, or Concern. See Section B for a description of milestones. When the answer is "Concern" the milestone should be flagged with a notation number where additional detail is provided in Section A.

Milestones	Status	Initial Completion Date	Projected Completion Date
Fuel/Resource Supply:			
Financing:			
Corporate Financing			
Project Financing			
Site Control (100%):			
Permitting:			
Engineering:			
Major Equipment Procurement:			
Construction:			
Startup Testing and Commissioning:			
Transmission:			

Transmission - Detail (see Section C)
Dependent Transmission Upgrade(s):
Scheduled Completion:
Point of Interconnection:
Early Interconnection:
Gen-Tie Length:
Gen-Tie Voltage:
ISO Queue Position:
Feasibility Study (FS):
System Impact Study (SIS):
Facilities Study (FAS):
Remedial Action Plan:
Additional Comments:
Date of Preparation:

Exhibit G

OUTAGE NOTIFICATION FORM

OUTAGE NOTIFICATION FORM

This form may be used to comply with CAISO's outage notification requirements for both planned and forced outages. Report outages as soon as possible by submitting form via email to TSched@SempraUtilities.com or via fax at (858) 650-6191.

Request Type:

New Scheduled Maintenance Outage

Previous Notification (if applicable)

Date Sent: mm/dd/yyyy
Time Sent: hh:mm

Generator Name:
Location Code:
Address:

Contact Name:
Phone Number:
Email:

Alternate Name:
Alternate Number:
Email:

(For times, use 24hr format)

Today's Date: mm/dd/yyyy
Current Time: hh:mm

Outage Start Date: mm/dd/yyyy
Outage Start Time: hh:mm

Outage End Date: mm/dd/yyyy
Outage End Time: hh:mm

Outage Duration:
MW Available During Outage:
MW Unavailable During Outage:
RMR Unit? Yes/No

System (Select One)

- (●) Boiler — Codes 0010-1999
- ( ) Generator — Codes 4500-4899
- ( ) Regulatory, Safety, Environmental — Codes 9504-9720
- ( ) Balance of Plant — Codes 3110-3999
- ( ) Pollution Control Equipment — Codes 8000-8835
- ( ) Others — Codes 9900-9999
- ( ) Steam Turbine — Codes 4000-4499
- ( ) External — Codes 9000-9040

Cause Code Ranges / Affected Component

(Select One)

Cause Code / Component Problem

(Select One)

Comments

EEI AGREEMENT
REC CONFIRMATION
BETWEEN
[_____]
AND
SAN DIEGO GAS & ELECTRIC COMPANY

This REC Confirmation ("Confirmation") confirms the renewable energy credit transaction ("Transaction") between [ ] ("Seller") and San Diego Gas & Electric Company ("Buyer"), each individually a "Party" and together the "Parties", effective as of [ ], 2011 (the "Confirmation Effective Date"). This Transaction is governed by the EEI Master Power Purchase & Sale Agreement effective as of 4/25/00 (attached hereto as Exhibit A with [TO BE NEGOTIATED: all elections, including credit, confidentiality, and government entity language.](the "EEI Agreement"). The EEI Agreement and this Confirmation shall be collectively referred to herein as the "Agreement." Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the EEI Agreement or in the RPS (as defined below).

ARTICLE 1
COMMERCIAL TERMS

Seller: _____		**Buyer:** San Diego Gas & Electric Company
Contact Information:	**Name:**("Seller")	**Name:** San Diego Gas & Electric Company ("Buyer")
	All Notices: Attn: Contract Administration Phone: _____ Facsimile: _____ Duns: _____ Federal Tax ID Number: _____	**All Notices:** San Diego Gas & Electric Company Street: 8315 Century Park Court City: San Diego, CA Zip: 92123 Attn: Electric & Fuel Procurement Contract Administration Phone: (858) 650-6176 Facsimile: (858) 650-6190 Duns: 006911457 Federal Tax ID Number: 95-1184800
	Invoices: _____ _____ _____ Attn: Phone: _____ Facsimile: _____	**Invoices:** San Diego Gas & Electric Company 8315 Century Park Ct. San Diego, California 92123-1593 Attn: Energy Accounting Manager Phone: (858) 650-6177 Facsimile: (858) 650-6190
	Scheduling: _____ _____ _____ Attn: Phone: _____ Facsimile: _____	**Scheduling:** San Diego Gas & Electric Company 8315 Century Park Ct. San Diego, California 92123-1593 Attn: Transaction Scheduling Manager Phone: (858) 650-6160 Facsimile: (858) 650-6191

	Payments: _____ _____ _____ Attn: Phone: _____ Facsimile: _____	**Payments:** San Diego Gas & Electric Company PO Box 25110 Santa Ana, CA 92799-5110 Attn: Mail Payments Phone: (619) 696-4521 Facsimile: (619) 696-4899
	Wire Transfer: BNK: _____ ABA: _____ ACCT: _____ Confirmation: _____ FAX: _____	**Wire Transfer:** BNK: Union Bank of California for: San Diego Gas & Electric Company ABA: Routing # 122000496 ACCT: #4430000352 Confirmation: SDG&E, Major Markets FAX:(213) 244-8316
	Credit and Collections: _____ _____ _____ Attn: Phone: _____ Facsimile: _____ **Defaults:** With additional Notices of an Event of Default or Potential Event of Default to: _____ _____ _____ Attn: Phone: _____ Facsimile:	**Credit and Collections:** San Diego Gas & Electric Company, Major Markets 555 W. Fifth Street, ML 10E3 Los Angeles, CA 90013-1011 Attn.: Major Markets, Credit and Collections Manager Fax No.: (213) 244-8316 Phone: (213) 244-4343 **Defaults:** With additional Notices of an Event of Default or Potential Event of Default to: San Diego Gas & Electric Company 8330 Century Park Ct. San Diego, California 92123 Attn: General Counsel Phone: (858) 650-6141 Facsimile: (858) 650-6106
Product:	All California RPS-eligible RECs associated with the Contract Quantity and Green Attributes from the Project for the applicable Product Vintage. The obligation of Seller to deliver the Product exclusively to Buyer, for each of the applicable Product Vintage years, is as follows: **Obligation:** (***Check One***): □ Resource Contingent □ Firm	
Contract Quantity:	[[ ] MWh REC per month for all months of the Vintage specified herein.] [All RECs associated with [the entire output of the Project/[__%] of the output from the project] for all months of the Vintage specified herein.]	
Contract Price:	[$[ ]/MWh REC]	

	mm/yy	mm/yy	mm/yy	mm/yy	Total
# RECs					

<table>
<tr><td>Product Vintage:</td><td>_____</td></tr>
<tr><td>Project:</td><td>
Name of Facility:
Location:
EIA Number:
CEC ID:
WREGIS ID:
Certification Date:
On-line Date:

[For Pooled Facilities (for use only with Firm Product): All Product sold hereunder shall be from one or more of the [type of generation] facilities listed below:
<table>
<tr><td></td><td>Name of Facility: [ ]</td><td>Name of Facility: [ ]</td></tr>
<tr><td>Location:</td><td></td><td></td></tr>
<tr><td>EIA Number:</td><td></td><td></td></tr>
<tr><td>CEC ID:</td><td></td><td></td></tr>
<tr><td>WREGIS ID:</td><td></td><td></td></tr>
<tr><td>Certification Date:</td><td></td><td></td></tr>
<tr><td>On-line Date:</td><td></td><td></td></tr>
</table>
(collectively, the “Pooled Facilities”)

The Parties acknowledge and agree that the Project consists of the Pooled Facilities and Seller is permitted to utilize the Pooled Facilities in order to satisfy its obligations hereunder.

The Parties further acknowledge and agree that, with respect to Section 3.1(a) of this Confirmation, Product shall solely be limited to the actual Product generated and delivered by the Pooled Facilities used to satisfy the Contract Quantity, and that Buyer is not entitled to any additional Product produced by the Pooled Facilities in the Project above and beyond the Contract Quantity.

Each of the Pooled Facilities shall have been certified by the CEC as an RPS-eligible resource and Seller shall have obtained LORS Certification for each of the Pooled Facilities.]
</td></tr>
<tr><td>Renewable Energy Source:</td><td>_____</td></tr>
<tr><td>Term:</td><td>The Term of this Transaction shall commence upon the Confirmation Effective Date and shall continue until the later of (i) the expiration of the Delivery Period and (ii) the satisfaction of all obligations of the Parties under this Agreement.</td></tr>
<tr><td>Delivery Period:</td><td>The Delivery Period of this Transaction shall commence on [ ], 20[ ] and shall continue until [delivery by Seller to Buyer of the Product has been completed/[ ], 20[ ]].</td></tr>
<tr><td>Delivery Point:</td><td>Buyer’s WREGIS account: SDG&E Account ID: 39</td></tr>
</table>

Conditions:	The commencement of the Delivery Period shall be contingent upon satisfaction of the condition (the "Condition") that the Buyer obtain CPUC Approval of this Confirmation and the requested relief contained in the related advice letter filing. Both Parties shall take all reasonable action to satisfy this Condition. Either Party has the right to terminate this Agreement on notice, which will be effective five (5) Business Days after such notice is given, if the Condition has not been satisfied or waived by Buyer in its sole discretion within [ ] days after Buyer files its request for CPUC Approval and a notice of termination is given on or before the [ ] day after Buyer files the request for CPUC Approval. In the event of a termination under this section, neither Party shall be liable for any Termination Payment and Article 5 of the EEI Agreement shall not apply.

ARTICLE 2
DEFINITIONS

"Accepted Electrical Practices" means (a) those practices, methods, applicable codes, and acts engaged in or approved by a significant portion of the electric power industry during the relevant time period, or (b) in the absence of such practices, methods, applicable codes, and acts, any of the practices, methods, and acts which, in exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at reasonable cost consistent with good business practices, reliability, safety, and expedition. Acceptable Electrical Practices are not intended to be limited to the optimum practices, methods, or acts to the exclusion of other, but rather refers to a spectrum of practices, methods, and acts generally accepted, or approved by a significant portion of the electric power industry in the relevant region, during the relevant time period, as described in the immediately preceding sentence.

"CPUC" means the California Public Utilities Commission or its regulatory successor.

"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 of Renewable Energy Credits that 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, 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.

"Delivered" or "Delivery" or "Deliver" means the transfer from Seller to Buyer of the Contract Quantity of the Product in accordance with the California RPS Program, including its regulations and procedures, necessary for recognition by WREGIS of the transfer to Buyer, or Seller's delivery to Buyer of a WREGIS Certificate.

"Delivery Date" means the date or dates on which the Product is Delivered pursuant to this Confirmation.

"Delivery Term" means "Delivery Period".

"Firm" means Seller has agreed to sell and Deliver, and Buyer has agreed to buy and receive the Contract Quantity of the Product during the Delivery Period consistent with the terms of this Confirmation without excuse for non-Delivery by Seller except for Force Majeure, and as such, if Seller fails to Deliver the Product for any reason other than for Force Majeure, then Seller shall be the non-performing Party as set forth in Section 4.1 of the EEI Agreement and Buyer shall be the performing Party and shall be entitled to receive from Seller an amount determined pursuant to Section 4.1 of the EEI Agreement.

"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_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants;

(2) Any avoided emissions of carbon dioxide (CO_2), methane (CH_4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;[1]

(3) The reporting rights to these avoided emissions, such as Green Tag Reporting Rights.

Green Tag Reporting Rights are the right of a Green Tag Buyer 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 Buyer'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.

"LORS Certification" means certification by the CEC of an electric generation facility not located within the state of California that such facility meets California's environmental quality laws, ordinances, regulations, and standards as set forth in the CEC's RPS Eligibility Guidebook.

"Renewable Energy Credit" or "REC" has the meaning set forth in California Public Utilities Code Section 399.12(f) and CPUC Decision 10-03-021, as modified by CPUC Decision 11-01-025 and as may be

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

amended from time to time or as further defined or supplemented by law.

"Renewable Energy Facility" means an electric generation unit or other facility or installation that produces electric energy using a Renewable Energy Source.

"Renewable Energy Source" means an energy source that is not fossil carbon-based, non-renewable or radioactive, and may include solar, wind, biomass, geothermal, landfill gas or wave, tidal and thermal ocean technologies.

"Reporting Year" means a twelve-month compliance period specified under WREGIS.

"Resource Contingent" means that Seller is obligated to Deliver the Product to the extent that the applicable Renewable Energy Source supports energy production by the applicable Renewable Energy Facility, subject to Force Majeure, curtailment ordered directly or indirectly from the CAISO, and the planned or forced outage of the Renewable Energy Facility (which is not the result of Seller's negligence or willful misconduct), [***Insert the following provision if SDG&E is not purchasing 100% of the output:*** and further subject to Seller's obligation to allocate the production among all of its purchasers of Product from the Renewable Energy Facility during the Vintage [as follows: [insert].] If Seller otherwise fails to Deliver the Product, then Seller shall be the non-performing Party as set forth in Section 4,1 of the EEI Agreement and Buyer shall be the performing Party and shall be entitled to receive from Seller an amount determined pursuant to Section 4.1 of the EEI Agreement.

"RPS" means the California Renewables Portfolio Standard Program as codified at California Public Utilities Code Section 399.11 *et seq.*, and any decisions by the CPUC related thereto.

"Vintage" means the calendar year, Reporting Year or other period specified by the Parties or WREGIS in which the Product is created or first valid for use under the RPS.

"WREGIS" means the Western Renewable Energy Generation Information System or its successor organization recognized under applicable laws for the registration or recordation of Delivery, ownership or transfer of RECs.

"WREGIS Certificate" means **"**Certificate**"** as defined by WREGIS in the WREGIS Operating Rules.

"WREGIS Operating Rules" means the operating rules and requirements adopted by WREGIS.

ARTICLE 3
CONVEYANCE OF RENEWABLE ATTRIBUTES

3.1 Seller's Conveyance of Contract Quantity of the Product and Green Attributes

(a) 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.

(b) For each month of the Delivery Period, Seller shall deliver and convey the Contract Quantity of the Product and the Green Attributes pursuant to this Article 3 within five (5) Business Days after the end of the month in which the WREGIS Certificates for such Contract Quantity of the Product and the Green Attributes are created by properly transferring such WREGIS Certificates, in accordance with WREGIS Operating Rules, equivalent to Contract Quantity of the Product and the quantity of such Green Attributes, to Buyer into Buyer's WREGIS account such that all right, title and interest in and to such WREGIS Certificates shall transfer from Seller to Buyer.

3.2 WREGIS Registration

During the Term, Seller, at its own cost and expense, shall maintain its registration of the Project with WREGIS and shall use commercially reasonable efforts to ensure that the Contract Quantity of the Product and all Green Attributes transferred to Buyer under this Confirmation count towards Buyer's RPS requirements. The Project shall be certified by the CEC as an RPS-eligible resource and the Contract

Quantity of the Product and all Green Attributes transferred by Seller hereunder shall be designated California RPS-compliant with WREGIS. Seller shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of the Contract Quantity of the Product and the Green Attributes to Buyer in accordance with WREGIS reporting protocols and WREGIS Operating Rules.

3.3 Cooperation on Delivery; Review of Records; and Audit Rights

(a) Upon either Party's receipt of notice from WREGIS that the transfer of any portion of the Product pursuant to this Confirmation will not be recognized, that Party will immediately so notify the other Party, providing a copy of such notice, and both Parties will cooperate in taking such actions as are necessary and commercially reasonable to cause such transfer to be recognized and the Delivery Obligation to be met. Each Party agrees to provide copies of its records to the extent reasonably necessary for WREGIS to perform the functions necessary pursuant to this Confirmation and to verify the accuracy of any fact, statement, charge or computation made pursuant hereto if requested by the other Party. If any fact, statement, charge or computation contained any inaccuracy, the necessary adjustments and any resulting payments will be made within 30 calendar days after the notification date, and the payments will bear interest at the Interest Rate from the date the overpayment or underpayment was made until paid.

(b) If Seller is not the owner or operator of the Project, Seller will cooperate with Buyer in any efforts to review the records of the original seller of such Product.

The obligations set forth in this Section shall terminate with respect to this Transaction on the later of 30 days following the last banking date under WREGIS for the Vintage of the Product Delivered, or the third anniversary of the Delivery Date.

(c) In addition to any audit rights that Buyer may have under the EEI Agreement, Seller shall, along with the initial invoice sent to Buyer by Seller under this Confirmation for any calendar year during the Term and at other times as may be requested by Buyer, provide documentation, including, but not limited to, meter data as recorded by a meter approved by the CAISO, sufficient to demonstrate that the Product has been conveyed and delivered, subject to the terms of this Confirmation, to Buyer. [***NOTE: CAISO meters may not be required for certain projects.]***

(d) Seller shall, at its own cost and expense, instruct WREGIS to provide Buyer with a WREGIS produced report of the generation activity from the Project following each month that the Project generates energy that is being used to Deliver the Product. Such information shall be limited to the amount of electric energy generated by the Project during the Term, and shall not include any information or reference to the transfer of WREGIS Certificates from Seller's account to any other entity.

ARTICLE 4
CPUC FILING AND APPROVAL

Buyer shall file with the CPUC the appropriate request for CPUC Approval of this Confirmation. Buyer shall expeditiously seek CPUC Approval, including promptly responding to any requests for information related to the request for CPUC Approval. Seller shall use commercially reasonable efforts to support Buyer in obtaining CPUC Approval. Buyer has no obligation to seek rehearing or to appeal a CPUC decision which fails to approve this Confirmation or which contains findings required for CPUC Approval with conditions or modifications unacceptable to either Party.

ARTICLE 5
CREDIT AND COLLATERAL

5.1 General Provisions

[Both Parties agree that Sections 8.1(b) and 8.2(b) of the EEI Agreement shall not apply to this Confirmation. All implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived.][**Credit terms will follow the policy outlined in Section 12 of the RFO.]**

5.2 Seller Collateral Requirements

[Credit terms will follow the policy outlined in Section 12 of the RFO.]

ARTICLE 6
REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Seller's Representation, Warranties, and Covenants

(a) 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.

(b) 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.

For the avoidance of doubt, the term "contract" as used in the immediately preceding paragraph means this Agreement.

(c) In addition to the foregoing, Seller warrants, represents and covenants, as of the Confirmation Effective Date and throughout the Term that:

(i) Seller has the contractual rights to sell all right, title, and interest in the Product agreed to be delivered hereunder;

(ii) Seller has not sold the Product to be delivered under this Confirmation to any other person or entity;

(iii) at the time of Delivery, all rights, title, and interest in the Product to be delivered under this Confirmation are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever; and

(iv) 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.

6.2 Seller's Representation, Warranties, and Covenants Related to the Project

Seller warrants, represents and covenants that:

(a) Seller will inspect, maintain, repair and operate the Project in accordance with applicable industry standards, the Project's permit requirements, and Accepted Electrical Practices; and

(b) Seller will abide by all applicable laws in operating the Project.

ARTICLE 7
PAYMENT

For purposes of Article 6 of the EEI Agreement, Seller shall invoice Buyer for the payment amount calculated as: (a) the Contract Price multiplied by (b) the Contract Quantity of the applicable Product specified herein. Buyer shall remit payment for the full amount on the thirtieth day of the calendar month following the month in which Buyer has verified the transfer and Delivery of the Product.

ARTICLE 8
AMENDMENTS TO EEI AGREEMENT

8.1 Force Majeure

Notwithstanding Section 3.3 of the EEI Agreement to the contrary, Buyer and Seller agree that any failure by Seller to deliver the Product pursuant to this Confirmation due to any Force Majeure shall be deemed to be a failure by Seller to perform such delivery obligation if such failure continues for a period of [ninety (90) days] or more after the time such delivery was due to be made. Otherwise, the terms of Section 3.3 of the EEI Agreement shall apply to this Confirmation. Force Majeure may include the failure or disruption in Deliveries by WREGIS that is not the fault of the Party asserting the Force Majeure.".

8.2 Governing Law/Waiver of Jury Trial/Venue

For purposes of this Confirmation, Section 10.6, Governing Law, of the EEI Agreement is amended by replacing the Section in its entirety with the following:

> "GOVERNING LAW/WAIVER OF JURY TRIAL/VENUE. 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. IN THE EVENT OF ANY LITIGATION TO ENFORCE OR INTERPRET ANY TERMS OF THIS AGREEMENT, THE PARTIES AGREE THAT SUCH ACTION WILL BE BROUGHT IN THE SUPERIOR COURT OF THE COUNTY OF SAN DIEGO, CALIFORNIA (OR, IF THE FEDERAL COURTS HAVE EXCLUSIVE JURISDICTION OVER THE SUBJECT MATTER OF THE DISPUTE, IN THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA), AND THE PARTIES HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS."

8.3 Confidentiality Section 10.11, Confidentiality, of the EEI Agreement is amended by deleting Section 10.11 in its entirety and inserting the following:

> "10.11(a) Neither Party shall disclose the non-public terms or conditions of this Agreement or any transaction hereunder to a third party, other than (i) the Party's Affiliates and its and their officers, directors, employees, lenders, counsel, accountants or

advisors who have a need to know such information and have agreed to keep such terms confidential, (ii) for disclosure to the 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) disclosure of terms specified in and pursuant to Section 10.11(b) 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 Federal Energy Regulatory Commission. In connection with requests made pursuant to clause (v) of this Section 10.11(a) ("Disclosure Order") each Party shall, to the extent practicable, use reasonable efforts to prevent or limit such disclosure. After using such reasonable efforts, the Disclosing Party shall not be: (i) prohibited from complying with a Disclosure Order or (ii) liable to the other Party for monetary or other damages incurred in connection with the disclosure of the confidential information. Except as provided in the preceding sentence, the Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

10.11(b) RPS Confidentiality. Notwithstanding Section 10.11(a) of this Agreement, at any time on or after the date on which the Buyer makes its filing seeking CPUC Approval of this Agreement, either Party shall be permitted to disclose the following terms with respect to this Agreement: Party names, resource type, Delivery Period, Project location, Contract Quantity, and Delivery Point."

ARTICLE 9
GENERAL PROVISIONS

9.1 Prevailing Wage

To the extent applicable, Seller shall comply with the prevailing wage requirements of Public Utilities Code Section 339.14, subdivision (h).

9.2 Facility Identification [If Project consists of Pooled Facilities]

Within five (5) Business Days after the end of each month during the Delivery Period, Seller shall (a) identify the facility(s) from the Pooled Facility that the Product was delivered from for that month; (b) provide estimates of the quantity of Product that will be provided in the next month and the facility(s) from which it will be provided.

ARTICLE 10
TERMINATION

Notwithstanding anything to the contrary in the EEI Agreement, including Section 7.1, the Parties shall determine the Termination Payment for this Transaction in accordance with Section 5 of the EEI Agreement. Furthermore, with respect to this Transaction only, the following language is to be added at the end of Section 5.2:

> "If Buyer is the Non-Defaulting party and Buyer reasonably expects to incur penalties or fines from the CPUC, the California ISO or any other governmental entity for failure to meet RPS requirements due to Seller's Event of Default, then Buyer may, in good faith, estimate the amount of those penalties or fines and include this estimate in its determination of the Termination Payment, subject to accounting to Seller when those penalties or fines are finally ascertained. The rights and obligations with respect to determining and paying any Termination Payment and

any dispute resolution with respect thereto, shall survive termination of this Transaction and shall continue until after those penalties or fines are finally ascertained."

ARTICLE 11
ADDITIONAL EVENTS OF DEFAULT

It shall constitute an Event of Default as to Seller under Section 5.1 of the EEI Agreement if:

(a) Seller sells, assigns, or otherwise transfers, or commits to sell, assign, or otherwise transfer, the Product, or any portion thereof, or any benefits derived therefrom, to any party other than the Buyer; or

(b) Seller or the Project owner fails to maintain CEC Certification or LORS Certification, as applicable, for the Project from the CEC.

ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE:

By: _____	**By:** _____
Name: _____	**Name:** _____
Title: _____	**Title:** _____

Exhibit A

[attach EEI]

PUBLIC VERSION

CREDIT APPLICATION

General Information

Legal Company Name

_____

Doing Business As (DBA)

_____

Street Address City State Zip Code

_____

Federal Tax ID #

_____

Organized & existing under the laws of: (State)_____ Year Incorporated/Established_____

Primary Contacts:

Credit Issues Contact:

Name_____Title_____Phone _____FAX_____E-Mail_____

Business Issues Contact:

Name_____Title_____Phone _____FAX_____E-Mail_____

Service Type:

_____

_____

_____

Estimated Volumes of Service Requested per month:

_____

_____

_____

Please provide the following information with this application:

- ***Most recent three (3) fiscal years', CPA-audited, financial statements including notes to the financial statements.***
- ***The most recent interim financial statements.***
- ***A list of corporate affiliates, including addresses and relationship to your company/entity (Corporate Organization Chart).***
- ***Most recent three (3) fiscal years', CPA-audited, financial statements of the ultimate parent company.***

General Certification

The undersigned declares that the statements set forth herein are true and complete. The undersigned on behalf of Applicant hereby authorizes Utility to obtain verification from any source named herein as to the accuracy of the information provided and to obtain credit information regarding Applicant as part of its approval process.

The undersigned on behalf of Applicant hereby releases, discharges, exonerates and covenants not to sue any person, company or governmental organization providing information to Utility in connection with its approval process, any recipient of such information conducting a review of such information in connection with this application, including Utility or its representatives, and its officers, agents, employees and independent contractors, from any and all liability of every nature and kind arising from or in connection with the furnishing, receipt and review of such information.

Official Signature:_____

(Must by signed by an officer of the Applicant)

Typed Name:_____Title:_____Dated:_____

SAN DIEGO GAS & ELECTRIC COMPANY

APPENDIX C
EVALUATION METHODOLOGY
(LCBF PROCESS)

SDG&E's RPS RFO Evaluation Methodology

Below is the assessment methodology and process to be taken by SDG&E and the Independent Evaluator ("IE") to ensure that the bid selection process is transparent and does not favor any technology or counterparty, and is aligned with SDG&E's compliance requirements. Although SDG&E has worked diligently with its IE to develop this methodology, this document may require adjustment before issuing of the RFO in order to account for potential market, regulatory, and/or business context changes.

1. Receive all bids prior to the closing date (2/6/13) at Noon Pacific Standard Time

    a. Upon being submitted to SDG&E's RFO email folder, all bids are concurrently emailed to the IE.

    b. By Noon on the day after closing, the RFO email will accept bids that, because of heavy traffic by the deadline, could not be uploaded. The IE makes the call of "no more bids."

2. After the day after closing, organize bid data:

    a. All bids are assembled into a folder taxonomy designed by the IE.

    b. All bids are saved into the folder taxonomy prepared in Step 3.a. The IE and SDG&E will compare folder structures and file sizes to ensure the bid population of the IE is identical to the bid population to be analyzed by the SDG&E RFO team. To the extent the folders do not match, a reconciliation effort begins until folders match.

    c. The relevant data of all bids is exported into a database for analysis.

3. Initial Bid Assessment

    a. For bundled product purchase offers, convert post-TOD adjusted Bid prices into the Net Market Value prices as follows:

    b. The post TOD-adjusted (or flat) prices of offers will be converted into Net Market Values by subtracting the Energy Benefit and Capacity Benefit from each Offer Price. For unbundled REC offers, the REC price will be directly assigned as the Net Market Value to be compared against the Net Market Values of all other bids.

    c. A snapshot of the key statistics of the bids is produced for presentation to the PRG. These statistics will not include prices; at this stage of the process, bids have not been checked for conformance vis-à-vis the RFO requirements.

    d. SDG&E and IE will jointly prepare the relevant data needed for the SDG&E Transmission Planning team to calculate Congestion Costs. This process will group together, on a no-name basis, the relevant data of bids (mainly anticipated

generation and energy delivery profile) by interconnection points. The IE will then forward this information to SDG&E's Transmission Planning team.

e. Transmission Planning will run studies to determine hourly congestion costs associated with each of the proposed offer groups and provide results to SDG&E's evaluation team and IE.

f. Determine Transmission Cost Adder: For offers for new projects or projects proposing to increase the size of existing facilities, SDG&E performs an initial analysis of costs for transmission network upgrades or additions using the relevant transmission network upgrade cost studies submitted with the bids. Offers without transmission upgrade cost studies will be rejected as non-conforming.

g. Determine Deliverability Value: SDG&E will use the following process to establish the value of achieving full capacity deliverability status ("FCDS").

1. Determine Baseload MPR

SDG&E will determine the baseload MPR applicable to each project based on the project's start date and contract term. SDG&E will use the most recent MPR value available in this evaluation process. 2011 MPR values can be found in CPUC Resolution E-4442 at http://docs.cpuc.ca.gov/WORD_PDF/FINAL_RESOLUTION/154753.PDF.

2. Establish Energy Only and FCDS Payment Streams Using MPR as Base Price

Step 1: SDG&E will establish the FCDS TOD adjusted payment streams for each year of the project's term by multiplying the applicable MPR by the total MWhs to be delivered in each TOD Period by the applicable FCDS TOD Factor. For example:

FCDS Payment Stream = (MPR) x (Annual MWhs delivered in each TOD Period) x (applicable FCDS TOD Factor)

FCDS TOD Factors and Periods[1]

TOD Period	Period Days and Hours	FCDS Time-of-day Factor
Winter On-Peak	Nov 1 - Jun 30	1.089

[1] Note that SDG&E intends to file for approval of updated TOD factors and periods (FCDS and energy only) in 2013 and may consider with CPUC guidance how or whether such revised factors may impact this RFO.

	Weekdays 1 pm to 9 pm PST (HE 14 to HE 21)	
Winter Semi-Peak	Nov 1 - Jun 30 Weekdays 6 am to 1 pm PST (HE 7 to HE 13) Weekdays 9 pm to 10 pm PST (HE 22)	0.947
Winter Off-Peak	Nov 1 - Jun 30 All Weekend Hours NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.679
Summer On-Peak	Jul 1 - Oct 31 Weekdays 11 am to 7 pm PST (HE 12 to HE 19)	2.501
Summer Semi-Peak	Jul 1 - Oct 31 Weekdays 6 am to 11 am PST (HE 7 to HE 11) Weekdays 7 pm to 10 pm PST (HE 20 to HE 22)	1.342
Summer Off-Peak	Jul 1 - Oct 31 All Weekend Hours, NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.801

Step 2: SDG&E will establish the Energy Only Payment Stream by multiplying the applicable MPR by the total MWhs to be delivered in each TOD Period by the applicable Energy Only TOD Factor. For example:

Energy Only Payment Stream = (MPR) x (Annual MWhs delivered in each TOD Period) x (applicable Energy Only TOD Factor)

Energy Only TOD Factors and Periods

TOD Period	Period Days and Hours	Energy Only Time-of-day Factor

Winter On-Peak	Nov 1 - Jun 30 Weekdays 1 pm to 9 pm PST (HE 14 to HE 21)	1.192
Winter Semi-Peak	Nov 1 - Jun 30 Weekdays 6 am to 1 pm PST (HE 7 to HE 13) Weekdays 9 pm to 10 pm PST (HE 22)	1.078
Winter Off-Peak	Nov 1 - Jun 30 All Weekend Hours NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.774
Summer On-Peak	Jul 1 - Oct 31 Weekdays 11 am to 7 pm PST (HE 12 to HE 19)	1.531
Summer Semi-Peak	Jul 1 - Oct 31 Weekdays 6 am to 11 am PST (HE 7 to HE 11) Weekdays 7 pm to 10 pm PST (HE 20 to HE 22)	1.181
Summer Off-Peak	Jul 1 - Oct 31 All Weekend Hours, NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.900

3. Establish Present Value of Energy Only and FCDS Payment Streams

Step 1: Determine the Total FCDS Payment Stream for the project by calculating the sum of the FCDS Payment Streams for each TOD Period for each year of the project's term. Then calculate a present value of the total. For example:

Total FCDS Payment Stream = (Year 1 FCDS Payment Stream) + (Year 2 FCDS Payment Stream) + (Year 3 Payment Stream) + (continue through project term)

PV of Total FCDS Payment Stream =
(Year 1 FCDS Payment Stream) + (Year 2 FCDS Payment Stream) divided by (1.084) + (Year 3 FCDS Payment Stream) divided by (1.084^2) + (continue through project term)

Step 2: Determine the Total Energy Only Payment Stream for the project by calculating the sum of the Energy Only Payment Streams for each TOD Period for each year of the project's term. Then calculate a present value of the total. For example:

Total Energy Only Payment Stream = (Year 1 Energy Only Payment Stream) + (Year 2 Energy Only Payment Stream) + (Year 3 Energy Only Payment Stream) + (continue through project term)

PV of Total Energy Only Payment Stream = (Year 1 Energy Only Payment Stream) + (Year 2 Energy Only Payment Stream) divided by (1.084) + (Year 3 Energy Only Payment Stream) divided by (1.084^2)+ (continue through project term)

4. Establish FCDS Payment Premium for Each TOD Period

In order to determine the additional payments required for FCDS projects ("FCDS Payment Premium"), SDG&E will calculate the difference between the PV of Total FCDS Payment Stream and PV of Energy Only Payment Stream for each TOD Period. For example:

FCDS Payment Premium for Summer On Peak TOD Period = (PV of Total FCDS Payment Stream for Summer On Peak TOD Period) – (PV of Total Energy Only Payment Stream for Summer On Peak TOD Period). Repeat this step for each TOD Period.

Note: if the result of this calculation is less than zero, the FCDS Payment Premium for that TOD Period will be zero.

5. Establish Total FCDS Payment Premium

SDG&E will establish a Total FCDS Payment Premium by calculating the sum of the FCDS Payment Premiums for each TOD Period. For example:

Total FCDS Payment Premium = (Summer On Peak FCDS Payment Premium) + (Summer Semi-Peak FCDS Payment Premium) + (Summer Off Peak FCDS Payment Premium) + (Winter On Peak FCDS Payment Premium) + (Winter Semi-Peak FCDS Payment Premium) + (Winter Off Peak FCDS Payment Premium)

6. Establish Deliverability Value

SDG&E will use the following steps to calculate the Deliverability Value for each project based on the Total FCDS Payment Premium:

Step 1: Divide the Total FCDS Payment Premium by the PV of the total deliveries for the project over the term.

Deliverability Value = (Total FCDS Payment Premium) / (PV of total MWhs over project term)

7. Determine Energy Benefit and Capacity Benefit:

As part of the Net Market Value methodology, the Net Market Value shall be the sum of the cost factors described above (Levelized Contract Cost, Transmission Adder, Congestion Adder, and Deliverability Value) less the Energy Benefit and Capacity Benefit provided by the project.

The Capacity Benefit for projects that are interconnected to the SDG&E local area, the Sunrise Powerlink, or the Southwest Powerlink west of the Imperial Valley Substation shall be set equal to 100% of the Deliverability Value, as computed in the Deliverability Value calculation in the previous section. Projects that are interconnected to other parts of the California ISO or other California Balancing Authorities shall receive a Capacity Benefit equal to 60% of the Deliverability Value. Projects with energy-only interconnections, or that do not interconnect with a California Balancing Authority will receive zero Capacity Benefit.

The Energy Benefit shall be computed as the project-specific MPR value (as computed using the methodology used in the AMF Calculator as issued by the California Public Utilities Commission for the project) less 100% of the Deliverability Value as described previously.

The sum of the Capacity Benefit and the Energy Benefit shall not exceed the project-specific MPR as computed using the methodology used in the AMF Calculator as issued by the California Public Utilities Commission for the project.

4. Develop DRAFT Short List:

The draft Short-list is a first-pass ranking that lets SDG&E determine which offers are most attractive based on a Preliminary Net Market Value ("NMV") price, which equals:

- **For bundled products**: the sum of the Levelized Contract Cost and Deliverability Value, less the Energy and Capacity Benefits (in $/MWh).
- **For unbundled RECs**: the unbundled REC price measured in $/MWh.

The "Preliminary NMV" price does not include the congestion adder (all bids are assigned a zero congestion adder at this stage) or Transmission Cost Adder. At this point, bids have not yet been screened to determine whether they comply with RFO requirements.

a. Run query to group bids based on RPS compliance and SDG&E's identified need as follows:

- For Category 1 offers, COD must be between December 1, 2016 and December 31, 2019.
- For Category 2 offers and Category 3 offers from facilities located outside of California, COD must be between January 1, 2018 and December 31, 2019.
- For Category 3 offers from facilities with their first point of interconnection to a California Balancing Authority, RECs must be generated between December 1, 2013 and December 31, 2019.

- For Category 3 offers from facilities with their first point of interconnection outside of a California balancing authority, RECs must be generated between January 1, 2018 and December 31, 2019.

Offers with deliveries outside these windows will be considered non-conforming, unless SDG&E's need assessment has changed materially between the time of issuance of this 2012 RPS Plan and the determination of the shortlist.

b. Determine RPS Compliance Period 3 Renewable Net Short ("RNS")

SDG&E's RNS is calculated as described in its 2012 RPS Plan.

c. Rank all the Compliance Period 3 Bids by preliminary LCBF price until one-third of 150% of SDG&E's CP3 RNS is fulfilled.

SDG&E will shortlist one third of 150% of its CP3 RNS in order to provide an additional volume of potential projects that will be available if higher ranked projects do not materialize. SDG&E will divide its shortlist into 3 tiers, as discussed in Section 7 below.

SDG&E will shortlist one third of 150% of its CP3 RNS in order to provide a list of projects that will be available if need assessment changes or higher ranked projects do not materialize[2]. After establishing these preliminary Shortlists, if SDG&E finds itself short of its Sunrise Powerlink ("SPL") pledge, which is not the case today, SDG&E will consider SPL-eligible projects and add them to the shortlists to re-fill the pledge.

5. Final Short -Lists:

a. All offers in the preliminary Shortlists are screened for conformance[3]. To the extent offers are not conforming, SDG&E will likely discard (given the high number of anticipated offers) or attempt to make it conforming via discussions with the counterparty provided that the non-conformance is minor.

b. Adding Transmission Cost Charges. SDG&E and the IE will add the relevant Transmission Cost Charges to the Bids once they are determined from the transmission cost studies submitted with the Bids and confirmed by both SDG&E and the IE after mutual agreement.

c. Adding Congestion Charges. SDG&E and the IE will add the relevant Congestion Charges to the Bids once obtained from SDG&E Transmission.

[2] The Compliance Period 3 need is divided by three because SDG&E expects to launch three yearly RFOs over the next few years to reach RPS compliance in 2020.
[3] Conformance check will start earlier if possible.

d. Qualitative Factors: SDG&E may differentiate offers of similar cost[4] by reviewing qualitative factors including: (in no particular order of preference)

- Project Viability[5]
- Local reliability
- Benefits to low income or minority communities
- Resource diversity
- Environmental stewardship
- Rate Impacts
- DBE factor

e. SDG&E and the IE will then develop the preliminary Final Short-Lists that includes congestion costs and transmission cost study results. Qualitative factors, including project viability, regional economic development, or Diverse Business Enterprise factors, will be used as a tie-breaker.

f. The preliminary Final Shortlist is prepared and shared with the PRG during next viable meeting.

g. SDG&E will consider PRG feedback before notifying bidders of whether they have been selected for the Final Shortlist.

[4] The term "similar cost" is used to indicate expected indifference by the PRG and CPUC as to the cost of one offer or another. The PRG will have access to SDG&E's evaluation and the quantitative and qualitative components of those offers prior to SDG&E's recommendation filing to the CPUC.

[5] SDG&E considers project viability as a qualitative factor and relies on the Energy Division's Project Viability Calculator. For projects that SDG&E rejects due to low viability scores, SDG&E rescores the projects to affirm the bidder did not unfairly score itself too low. For projects that SDG&E shortlists, SDG&E rescores the project to affirm that the bidder did not unfairly score itself too high. Projects below a certain viability threshold will not be considered for the shortlist.

RPS SHORTLIST CALCULATION
(CP1 through CP3)

The table below provides an assessment of SDG&E's RFO need as of the date that these RFO documents are filed. This assessment is subject to change based on the performance of SDG&E's existing RPS portfolio or other factors impact RPS need.

For more details on SDG&E's need assessment, please refer to SDG&E's 2012 RPS Plan document.

Compliance Period	RPS Target (GWh)	TIER 1 SHORTLIST Nominal Need (equal to Residual Net Short with no risk adjustment after applied bank)	TIER 2 SHORTLIST Risk Adjusted Need (equal to Risk-Adjusted Net Short after applied bank)	TIER 3 SHORTLIST Contingent Need (equal to one-third of 150% of Risk-Adjusted Net Short, without banking)
1	[redacted]	None	None	N/A
2	[redacted]	None	None	None
3	23,255	None	None	845

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APPENDIX D
IMPORTANT PLAN CHANGES FROM 2011 TO 2012

IMPORTANT PLAN CHANGES BETWEEN 2012 RPS PROCUREMENT PLAN AND 2011 RPS PROCUREMENT PLAN

ELEMENT	2011 RPS PLAN	2012 RPS PLAN	EXPLANATION / JUSTIFICATION	LOCATION WITHIN THE 2012 PLAN OF THE CHANGES
Structure of Plan	Document was organized to include sections on Program Overview and Metrics, Work plan to Achieve RPS Goals, and other section on specific issues.	Document organized in compliance with the structure outlined by the Commission.	SDG&E followed the structure outlined by the Commission in *Assigned Commissioner's Ruling Identifying Issues and Schedule of Review for 2012 Renewables Portfolio Standard Procurement Plans Pursuant to Public Utilities Code Sections 399.11 et. seq. and Requesting Comments on New Proposals*, filed May 5, 2011.	2012 RPS Plan
RPS Program Changes	References changes in RPS law (SB 2 (1X)).	References specific RPS implementation rules required by Commission decisions, including D.11-12-052 and D. 11-12-020.	To conform with Commission decisions implementing RPS law.	Changes made to the 2012 RPS Plan and RFO Documents
Sunrise/Imperial Valley Remedial Measures	Included Imperial Valley bidders Conference and Project Development Period Security waiver.	Does not include Imperial Valley bidders Conference and Project Development Period Security waiver.	SDG&E is currently in compliance with its pledge (referenced in D. 18-12-058) to maintain a certain level of deliveries from projects in the Imperial Valley region.	Changes made to the 2012 RPS Plan and RFO Documents
Procurement Need Assessment	Based on status of portfolio and RPS obligations as of 2011 RPS Plan filing date.	Based on status of portfolio and RPS obligations as of November, 29 2012. Eliminated sensitivity analysis for CP1 and CP2 that was included in subsequent versions of the 2012 RPS Plan as it has been determined the SDG&E does not have a need during these periods. Additionally, the analysis of the impact of Cabazon/Whitewater RECs on banking was no longer necessary and was removed because these contracts were approved. Banking positions are	To reflect the constantly changing portfolio status and SDG&E's current need assessment methodology.	2012 RPS Plan

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		accounted for in the RNS table, which was updated.		
Unbundled RECS	SDG&E solicited TRECs recognized by D.10-03-021. *et.sec*.	SDG&E will solicit unbundled RECs that meet content category requirements set for the in PUC Section 399.16(b)(3).	To reflect updated Commission guidance on the purchase of unbundled RECs.	Changes made to the 2012 RPS Plan and RFO Documents
Category 2 Products	Not solicited.	SDG&E will solicit firmed and shaped products that meet content category requirements set for the in PUC Section 399.16(b)(2).	To reflect the constantly changing portfolio status and SDG&E's current need.	2012 RFO Documents
Credit Requirements	Provides credit requirements for short term (2 years or less) and long term deals (longer than 2 years).	Provides increased credit amounts and adds an additional "CPUC Approval Security" for long term deals.	To accommodate increased market exposure for contracts signed in 2012 that will not begin deliveries until potentially 2016 or 2017.	2012 RFO Documents and Model PPA
CPUC Content Category Approval	Term not included.	Added term in prior 2012 Plan filings, and subsequently removed all references to term in PPA.	To conform the PPA to D.12-11-016.	Various sections throughout Model PPA
Price reduction for Network Upgrade Costs in excess of cap	Term not included.	Added to section 4.1.	To conform the PPA to D.12-11-016.	Section 4.1 of the model PPA
TOD Factors for energy-only projects	Not included.	Added to section 4.1.	To conform the PPA to D.12-11-016.	Section 4.1 of the model PPA
Condition Precedent for Deliverability Status	Term not included.	Added term.	To clarify that the condition precedent for Electrical Interconnection includes consideration of deliverability status.	Model PPA Section 2.3(b)
Termination for failure to satisfy or waive conditions precedent	Conditions precedent deemed satisfied if deadline passes and notice of termination not provided.	Contract automatically terminates if deadline passes and no termination notice is provided.	Increased focus on potential termination options.	Model PPA Section 2.4(b)
Delivery Point	Does not specify delivery point for financial settlement purposes.	Clarifies that the delivery point for financial settlement purposes is the applicable PNode.	Clarification of financial settlement process.	Model PPA Section 3.1(d)

Curtailment Provision in Model PPA	Included Curtailment Provision.	Provides additional detail regarding when SDG&E can curtail the project.	To provide clarification.	Model PPA Section 3.4(b)
Request for information regarding use of DBEs	Term not included.	Added term.	To gather data on utilization of DBEs during project construction for potential reporting purposes.	Project Description Form, RFO Document, Bid Forms, LCBF Methodology and Model PPA Section 3.9(a)(viii)
Force Majeure	Included Force Majeure provision.	Added additional language to Force Majeure provision.	To clarify when Buyer may terminate based on a Force Majeure.	Model PPA Section 5.8
REC Agreement	Not provided.	Model REC Agreement Provided.	To accommodate potential bids for Category 3 unbundled REC products.	Model REC Agreement
LCBF Methodology	LCBF Ranking Price = Above MPR Costs as determined by AMF Calculator + Transmission Upgrade Cost Adder + Congestion Cost + Deliverability Adder Integration Cost Adder (if approved by CPUC)	LCBF Ranking Price = Energy Benefit (equal to project-specific MPR) plus Capacity Benefit (difference between energy-only and full capacity TOD-adjusted MPRs, modified) less Levelized Contract Cost less Transmission Upgrade Cost Adder less Congestion Cost less Deliverability Value	Method changed to accommodate Commission's Net Market Value methodology. Deliverability Adder now split into two components; Deliverability Value (which can reduced to 60% of its full value for system RA, and zero for energy-only projects) and Capacity Benefit (which shall be equal to 100% of Deliverability Value for local RA projects and 60% of Deliverability Value for system RA projects). Energy Benefit will be set equal to the project-specific MPR less 100% of Deliverability Value. Integration Adder remains zero as per D.12-11-016 and is not included.	Changes made to the Evaluation Methodology (LCBF Process Document)
Pricing Forms	Sought information about capacity build out schedule, did not include space to indicate DBE (Diverse Business Enterprise) status, did not include functions for index pricing.	Index pricing removed from pricing forms; calculated figures for deliverability, capacity benefit, energy benefit, levelized costs and security amounts added TOD Factors for energy-only and full deliverability added.	Indexed offers not eligible in 2012 RFO (no CP1 offers to be accepted). Calculations for deliverability, capacity benefit, energy benefit and levelized costs added to increase transparency for bidders. Security amounts added for bidder convenience. TOD Factors added for energy-only and full deliverability bids.	Pricing Form
RPS Bid Solicitation Protocols – CAISO GIP	Requirement not included.	Included requirement.	To conform with D.12-11-016.	Changes made to the Evaluation Methodology (LCBF Process

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Phase I Study required to bid				Document), Bid Forms, and RFO Documents
PPA Execution must be within 12 months of the shortlist submittal date	Requirement not included.	Included requirement.	To conform with D.12-11-016.	Changes made to the RFO Documents
Bid Preferences	Bundled products with CODs in the 2011-2015 timeframe and contract duration between 4 and 30 years, and TREC Products to be negotiated on a case-by-case basis.	Category 1 with a term of 20 years or less and CODs in December 2016 at the earliest, with preference for 2018 and 2019. Category 2 with a term of 20 years or less, with 2018 or 2019 CODs. Unbundled RECs that will be generated in December of 2013 with preference for those generated in 2015 and later.	To conform with D.12-11-016.	Changes made to Plan and RFO documents
Energy Only and Full Capacity Deliverability Status Time of Day Factors	Not included in RFO document.	Included in RFO document.	To conform with D.12-11-016.	Changes made to RFO document

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APPENDIX E
REDLINED VERSIONS OF
2012 RPS PLAN DOCUMENTS TO THE
2011 RPS PLAN DOCUMENTS

ATTACHMENT 1

SAN DIEGO GAS & ELECTRIC COMPANY
2012 RPS PROCUREMENT PLAN

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SDG&E 2012 RPS PROCUREMENT PLAN

I. ASSESSMENT OF RPS PORTFOLIO SUPPLIES AND DEMAND - § 399.13(A)(5)(A)

A. Overview

SDG&E's 2012 RPS Procurement Plan ("RPS Plan") describes how SDG&E will determine its procurement needs and how it will manage its RPS portfolio to ensure that it meets RPS compliance targets in a cost effective manner. The RPS Plan is designed to procure Least Cost Best Fit ("LCBF") renewable eligible resources so that SDG&E can serve its customers achieving the following levels of deliveries by Compliance Period ("CP"): (a) with an average of 20% of retail sales between January 1, 2011 and December 31, 2013, inclusive[1] ("CP1") (b) with 25% of retail sales by December 31, 2016, with reasonable progress made in 2014 and 2015[2] ("CP2"); (c) with 33% of retail sales by December 31, 2020, with reasonable progress made in 2017, 2018 and 2019[3] ("CP3"); and (d) with 33% of retail sales in each year beyond 2020[4] ("Post 2020 CP"). In order to determine how much energy to procure to meet these needs, SDG&E will follow the Need Determination Methodology described below. SDG&E will implement a work plan to fulfill its need, including soliciting additional multi-product and multi-term contracts through RPS solicitations, considering bilateral proposals, utilizing banked procurement, selling surplus generation when appropriate, and pursuing utility ~~tax equity~~ investment opportunities and/or utility ownership when economical and prudent.

B. Need Determination Methodology

SDG&E makes procurement decisions based on how its risk-adjusted RPS position forecast (referred to herein as its "RPS position") compares to RPS compliance requirements, the result of which is its probability-weighted procurement need or Renewable Net Short ("RNS"). In order to calculate its RPS Position, SDG&E assigns a probability of success, following a qualitative and quantitative

[1] Compliance towards Compliance Period 1 goals shall be measured in accordance with D.11-12-020, Ordering Paragraph ("OP") 1.
[2] Compliance towards Compliance Period 2 goals shall be measured in accordance with D.11-12-020, OP 2.
[3] Compliance towards Compliance Period 3 goals shall be measured in accordance with D.11-12-020, OP 3.
[4] Compliance towards Post 2020 Compliance Period goals shall be measured in accordance with D.11-12-020, OP 4.

assessment, to the expected deliveries for each project in its portfolio[5] and then adds the risk-adjusted expected deliveries across all projects in its entire RPS portfolio. Probabilities are used because renewable projects and their deliveries are exposed to multiple risks and the flexible compliance mechanisms that allowed for borrowing from future procurement have been eliminated by recent legislation.[6] These risks include approval risks (for example, Commission approval and the timing of it), development risks (for example, permitting, financing, or transmission inter-connection), ~~delivering~~delivery risks (for example, generation fluctuations given the variant-intermittent nature of some renewable resources, or operational challenges), or other risks (for example, under-development transmission infrastructure common to a group of projects).

In general, if SDG&E's RPS Position is less than the RPS requirements, SDG&E will likely procure additional resources. If the RPS Position is greater than the RPS requirements, SDG&E will consider opportunities to bank or sell surplus generation. In addition, in order to optimize the relative value of renewable energy across compliance periods, SDG&E also considers short-term contracts when, for example, it is short[7] in the most immediate CP but long in the subsequent CP. SDG&E will also consider procurement strategies that will maximize the product category limitations in order to optimize ratepayer value across compliance periods. SDG&E strives to have a well-diversified RPS portfolio so that its RPS compliance, particularly in the most immediate compliance period, is not unduly exposed to any given risk (for example, to a given technology, region, counterparty, etc.). SDG&E's RPS portfolio management strategy involves identifying needs and risks and managing them as well as possible in a cost effective way.

The following sections explain SDG&E's methodology for determining its RNS. First, the process to compute the RPS Position is explained. Then, needs by compliance periods are inferred by comparing RPS requirements to the RPS Positions~~-~~.

[5] For purposes of determining its RPS Position, SDG&E considers its portfolio to include all executed contracts until contract expiration (*e.g.* it does not assume expiring contracts will be renewed and excludes contracts under-negotiation unless indicated otherwise) and ~~tax equity~~investment and UOG projects where relevant progress has been made~~ (for example, Shu'luuk)~~.

[6] Senate Bill (SB) 2 (1X)

[7] Throughout this document, the word "short" is used when the RPS Position is lower than the relevant RPS requirements and "long" when the RPS Position is higher than relevant RPS requirements.

1. **The Assessment of Probability of Success for Various Project Types as a Key Component of Calculating RNS**

SDG&E must assess the probability of success of the following main types of projects: (a) delivering; (b) approved but not yet delivering; and (c) not yet approved.[8] SDG&E evaluates the probability of success for each project in its portfolio on a monthly basis in order to calculate its RNS, which is the basis for its procurement needs. To do this, SDG&E conducts a monthly review with an interdisciplinary team and uses the most up-to-date qualitative and quantitative information to assign a probability of success to each individual project. SDG&E's most up-to-date assessment is set forth in Section V below. SDG&E applies the following methodology to analyze each project type:

a. *Assessment of the Performance of Delivering Projects*

Projects that have already achieved commercial operation and begun delivering energy provide the most stable source of RPS energy when forecasting RPS procurement needs. These projects have overcome development hurdles and receive a steady stream of income from their Power Purchase Agreement ("PPA"). However, it is crucial to consider the potential fluctuations in deliveries that these projects can experience and the impact that such fluctuations could have on SDG&E's need to procure additional resources to meet RPS goals. As discussed further in Section IV below, deliveries from these projects can be impacted by resource availability, regulatory changes, economic environment, operational performance, and evolving technologies. These types of fluctuations can be significant. For example, deliveries from a selection of SDG&E's wind portfolio differed by approximately 275 GWhs between 2010 and 2011, which equates to nearly 2% of SDG&E's 2010 retail sales. In order to ensure RPS compliance, SDG&E must account for these types of fluctuations, (and recognize the swings in production could be positive). The monitoring of performance of delivering contracts and the assessment of probabilities focuses on (a) understanding the historical profile of generation of each project and how it has differed year on year and relative to forecasts, and (b) the operational track record of any given generation. If the fluctuations in generation have been high and/or the operational track record has been poor, SDG&E assigns a lower than 100% probability, which typically

[8] See the Renewable Net Short Calculation in Section V below.

ranges from 90-95% across the portfolio. Adjusting forecasts when necessary is a crucial component of SDG&E's need assessment methodology.

b. Assessment of the Development Progress of CPUC Approved Projects That Have Not Yet Begun Delivering

Another important aspect of SDG&E's need assessment methodology is evaluating the development status of projects that the CPUC has approved, but have not begun delivering energy. These projects are typically much more risky than projects that have begun delivering because of the potential barriers that can arise during the development process to prevent a project from being built. Permitting, interconnection, financing and other development issues are discussed further in Section III below. SDG&E currently estimates that projects in development will have approximately a ~~60~~70% success rate on average,[9] making the monitoring of development status the most critical aspect of SDG&E's need assessment methodology. SDG&E must account for development risks when determining its procurement needs. As with delivering contracts, SDG&E meets internally on a monthly basis to assign a probability of success to each of its developing projects. SDG&E's current ~~is~~ assessment is provided in the Renewable Net Short Calculation in Section V below.

c. Assessment of the Approval Queue for Projects that SDG&E Has Submitted to the CPUC, But Have Not Yet Been Approved

SDG&E meets at least monthly with Energy Division staff to discuss the likely approval timetable of projects that SDG&E has submitted to the CPUC for approval. The discussion focuses on when the Energy Division expects the Commission to act on such contracts and any potential timing constraints that might necessitate expedited Commission action or additional information needed. Since the Commission has indicated that it can take action on only one contract per business meeting,[10] SDG&E works collaboratively with the Commission to develop a work plan that results in timely approval. It is possible, however, that the shortage of Energy Division staff or other procedural challenges can result in approval delays that can impact a

[9] See section 6.5 for a list of SDG&E's risk assessment for each individual project.
[10] E-mail from Julie Fitch, former Energy Division Director, dated December 18, 2009.
~~10~~

project's ability to come online. SDG&E must monitor this process closely to determine what, if any, impact it may have on the timing of expected deliveries.

2. Assess Other Portfolio Risk Factors

Once SDG&E has determined the probability of success for each of the contracts in its portfolio, SDG&E must also consider broader risk factors that can impact multiple projects or its entire portfolio, including: (a) fluctuations in retail sales; (b) the progress of key transmission upgrades/infrastructure; (c) contract termination (d) banking rules; (e) potential deficit from the prior RPS regime; and (f) the market for resale of surplus procurement. SDG&E evaluates the impact that each of these factors has on its portfolio on a monthly basis. SDG&E describes its methodology for analyzing these risk factors below.

a. Impact of Retail Sales Fluctuations

Since RPS compliance is based on a GWh target that is calculated using a percentage of retail sales, it is important to monitor fluctuations in forecasted retail sales. Up until July of 2012, SDG&E used a retail sales forecast based on the California Energy Demand 2010-2020 Staff Revised Forecast Second Edition[11]. At present, in accordance with the Commission's guidance,[12] SDG&E uses a forecast based upon the methodology determined in the 2010 LTPP bundled plans. The Commission explains that the 2010 LTPP decision[13] allows utilities to "use their own forecasts for bundled retail sales for the first five years and use the LTPP standardized planning assumptions thereafter[14]". Since SDG&E's current retail sales forecast is lower than the forecast used in its initial 2012 RPS Plan filing[15], SDG&E's current RNS is also lower. SDG&E

[11] Kavalec, Chris and Tom Gorin, 2009. California Energy Demand 2010-2020, Staff Revised Forecast – Second Edition. California Energy Commission. CEC-200-2009-012-SF-REV. SDG&E adjusted the actual RPS forecast in April 2010 to align the RPS forecast with a rate case forecast, resulting in forecast loads approximately 1% lower than the bundled retail sales presented for SDG&E in the original CEC forecast. This adjustment had an immaterial impact to SDG&E's RPS need assessment.

[12] Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extended the Date for Filing Updates to 2012 Procurement Plans dated August 2, 2012.

[13] D. 12-01-033 (Decision Approving Modified Bundled Procurement Plans dated January 12, 2012).

[14] Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extended the Date for Filing Updates to 2012 Procurement Plans dated August 2, 2012.

[15] San Diego Gas & Electric Company (U 902 E) 2012 Draft Renewable Procurement Plan, dated May 23, 2012.

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monitors its retail sales forecasts on a monthly basis in order to identify potential fluctuations and their impact to its RPS requirements.

b. Impact of Solar Panel Degradation

Contracts with solar PV developers incorporate a degradation factor which is used to forecast the project's performance over time as the panels age and become less efficient. As part of its RPS position calculation (both nominally[16] and probability weighted), SDG&E incorporates this contractual degradation factor in its probability weighted delivery. However, actual degradation can be higher or lower than the contractual degradation assumed. Over the next ~~2~~two years, as most of the larger ~~Solar~~solar PPAs come online, SDG&E will add the monitoring of this variable as part of its RPS portfolio management practices.

c. Impact of Key Transmission Upgrades and/or Infrastructure

Transmission has long been recognized as a barrier to achieving RPS goals. SDG&E monitors the status of key transmission upgrades, such as the Eco and DREW Substations, on which multiple SDG&E RPS projects depend, in order to assess the potential impact of their delay or failure. Absent the deliveries that rely on these ~~three~~ key upgrades, SDG&E's need would increase materially, as shown in Table ~~2~~1 in Section V below. The analysis presented ~~bv~~by SDG&E herein assumes that these transmission upgrades will be completed according to the current schedule. SDG&E continues, however, to monitor the progress of these transmission upgrades in order to assess potential delays and the corresponding potential need for incremental purchases.

d. Impact of Contract Renewal

SDG&E began signing RPS contracts in 2003, most of which had terms of 20 years. Some of these contracts are expected to deliver through 2023, and will impact SDG&E's procurement needs for the post 2020 Compliance Period. Some contracts for renewable energy procurement, however, were signed before the institution of the RPS program. Some of these contracts are scheduled to terminate during Compliance Period 2 and Compliance Period 3. As part of its RPS

[16] Nominal RPS position refers to a position estimated assuming that deliveries from contracts will occur as expected 100% of the time.

position calculation, and in accordance with Commission direction[17], SDG&E does not assume that these projects will be renewed. Owners of these projects will be asked to bid such projects into future RFOs to compete with other options that SDG&E has at that time. SDG&E believes that ratepayers will benefit from this additional supply being submitted into competitive solicitations.

e. Impact of Contract Termination

As part of its contract administration process, SDG&E actively monitors upcoming contractual conditions precedent that developers must meet (or ~~waived~~waive) in order for the contract to continue to be viable. When SDG&E is the beneficiary of a condition precedent that may not be or has not been met, SDG&E will consider terminating the contract.

f. Impact of Banking Rules

RPS rules allow SDG&E to bank excess procurement from one compliance period for use in another, with exceptions for short term contracts and products that meet requirements for § 399.16(b)(3) products ("Category 3").[18] In accordance with Commission direction[19], SDG&E assumes for purposes of calculating its RNS that eligible excess procurement[20] will be utilized in future compliance periods[21]. ~~SDG&E's excess procurement position will be impacted by whether the Commission permits SDG&E to include generation from its Cabazon and Whitewater Green Attributes Purchase and Sales Agreements ("GAPSAs") in its excess procurement bank. SDG&E has explained that these agreements meet the requirements for contracts to "count in full" towards RPS requirements, and that such grandfathered contracts~~

[17] Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extended the Date for Filing Updates to 2012 Procurement Plans dated August 2, 2012

[18] Public Utilities Code § 399.13(a)(4)(B). All statutory references herein are to the Public Utilities Code unless otherwise noted.

[19] Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extended the Date for Filing Updates to 2012 Procurement Plans dated August 2, 2012

[20] Rules regarding excess procurement are set forth in D.12-06-038 (Decision Setting Compliance Rules for the Renewables Portfolio Standard Program dated June 27, 2012).

[21] Note that SDG&E may ~~also~~ manage excess procurement by selling such products when doing so would benefit ratepayers, or by utilizing a retired REC for RPS compliance in future compliance periods.

~~should count towards its excess procurement bank.[22] The Commission has directed that grandfathered contracts do count towards excess procurement, but it has not yet provided direction on whether the GAPSAs qualify as grandfathered contracts. The Commission's direction on this issue will determine whether SDG&E is able to carry forward a potential excess procurement bank in CP1.[23] In CP 2, SDG&E expects that it will be able to bank potential excess procurement (into CP3) under all of the scenarios that have been contemplated by the Commission.~~

g. Impact of the Deficit From 2010 RPS Program

Based on the Commission's recent decision on RPS compliance rules,[24] SDG&E must carry forward a deficit from the former RPS regime, which required that retail sellers achieve 20% by 2010. Although SDG&E met these goals based on prior flexible compliance rules,[25] the decision indicates that SDG&E must carry forward a deficit into CP1. SDG&E has incorporated this deficit in its need assessment for CP1 based on the methodology provided by the decision. SDG&E's calculation of this deficit is provided at Table ~~3~~2 in Section V below.

h. Impact of the Resale Market

SDG&E will closely monitor opportunities to sell excess procurement. SDG&E will assess the market when the opportunities arise to determine whether banking such excess procurement for use in a future compliance period or trying to sell it in the market is more advantageous for SDG&E ratepayers. If SDG&E believes that the current market price is high and expects that it will be able to fulfill any future needs with more economic options, it may choose to sell excess procurement instead of banking[26] it.

i. Impact of Rim Rock Settlement

~~[22] *San Diego Gas & Electric Company Opening Comments on July 15, 2011 Ruling Requesting Comments on New Procurement Targets and Certain Compliance Requirements for the Renewable Portfolio Standard Program*, filed August 30, 2011 in R.11-05-005.~~

~~[23] See the RPS Banking Analysis table in Section V below~~

[24] *Decision Setting Compliance Rules for the Renewable Portfolio Standard Program*, *supra*, note 20.

[25] SDG&E's August 2011 RPS Compliance Filing dated August 1, 2011.

[26] Note that banking a REC may either mean that the REC is held in SDG&E's active WREGIS sub-account to be used later in its 36 month active lifespan, or it can mean that the REC is retired before its 36 month active lifespan ends and is then held in SDG&E's retirement account for use in future compliance periods.

In July of 2011, the Commission approved a settlement agreement between SDG&E, NaturEner Rim Rock Wind Energy, LLC, the Division of Ratepayer Advocates ("DRA") and The Utility Reform Network ("TURN") (together, the "Settling Parties") to make a tax equity investment in the Rim Rock wind project located in Montana.[27] As part of the settlement agreement, SDG&E – subject to Rim Rock becoming operational and SDG&E making a tax equity investment in the project – agreed not to procure any incremental RECs from projects that are neither directly connected nor dynamically scheduled to a California-based Balancing Area Authority ("CBA") if such purchase would cause SDG&E to meet more than 25% of its RPS requirements with such RECs through December 31, 2017. Since SDG&E has already procured this type of out-of-state generation up to the 25% limit established by the settlement, SDG&E is currently precluded from purchasing RECs from out-of-state projects that are not dynamically scheduled to a CBA, through the end of 2017. If Rim Rock does not become commercially operational or SDG&E does not make its tax equity investment in Rim Rock, this restriction will be removed and SDG&E will consider additional REC purchases in the period between 2012 and 2017.

3. Determine RNS for Each Compliance Period

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After probabilities are assigned to each project, SDG&E's RNS is calculated by multiplying the forward contractual delivery profiles (including degradation) of each project by each project's probability and then adding those generation profiles across the portfolio.[28] The discussion below describes SDG&E's current forecasted RNS for each compliance period based on its assessment as of ~~August~~November, 2012. More detail on SDG&E's needs in each compliance period is provided in Section V below.

a. Compliance Period 1 Procurement Needs

SDG&E intends to meet CP1 goals by maintaining a 20% on average procurement level in 2011, 2012, and 2013 ~~on average~~. Based on deliveries from SDG&E's current portfolio of executed contracts, before and after applying any risk adjustment, SDG&E would be able to meet CP1 requirements without additional procurement. ~~Based on the risk adjusted portfolio in CP1, in~~

[27] *See* D.11-07-002.

[28] As explained above, SDG&E's practice is to exclude contracts under-negotiation and to not assume renewal for an expiring contract.

~~order~~SDG&E intends to ~~meet the 20% requirement, SDG&E may have~~try to ~~conduct a relatively small unbundled REC purchase (in accordance with the~~ sell excess RPS products~~Rim Rock settlement discussed in (I)(B)(2)(i) above) to offset the deficit carried into CP1. Going forward, if relative to the current risk adjusted position, delivering projects underperform, developing projects fail or are delayed or if CPUC approvals are delayed (or not obtained), SDG&E will make additional purchases focusing on short term contracts (emphasis on in-state unbundled RECs[29]). The rationale for focusing on either unbundled RECs or short-term bundled contracts is minimizing ratepayer cost in light of SDG&E's position in CP2. Lastly, if the generation~~ from the ~~relatively large volume of SDG&E projects anticipated to begin delivering in 2013 materially surpasses the current probability assessed profile and the Commission does not grant grandfathered status to the Shell GAPSAs, SDG&E may become a seller in~~ mid-to-late 2013 period both bilaterally and potentially through a competitive solicitation (Request for Proposals ("RFP")) in Q1 2013.

b. Compliance Period 2 Procurement Needs

Based on current projections, SDG&E expects that it will meet Compliance Period 2 RPS goals with generation from contracts that have been executed together with the deliveries of ~~tax equity~~investment and UOG initiatives where relevant progress has been made.[30] SDG&E intends to manage potential over-procurement by banking it for future compliance needs, terminating contracts where conditions precedent are not met, and/or selling such excess procurement.

c. Compliance Period 3 Procurement Needs

Based on SDG&E's current probability weighted RPS position forecast, the company may need to conduct new renewable eligible purchases for mid to late CP3 (from either new greenfield projects, renewal upon expiration of existing contracts, or other available existing facilities) to meet its CP3 RPS requirement, 33% by 2020. The level of new purchases will be a function of portfolio performance and subject to the level of banking, if any, related to potential excess procurement in CP2 into CP3. SDG&E intends to fill this remaining need with viable low-cost

[29] ~~The strategy will be different if multiple large projects fail and SDG&E must replace large portions of its portfolio.~~

[30] Includes Shu'luuk Wind and the Solar Energy Program.

opportunities from solicitations in 2012, 2013 and 2014, as applicable, and with potential ~~tax equity~~ investments.

4. Utility ~~Tax Equity~~ Investment and Utility Ownership Opportunities

SDG&E participation as a tax equity investor in renewable projects enhances project viability (through securing of financing) and decreases costs for ratepayers (given SDG&E's cost of capital relative to renewable financing market). Tax equity investments by utilities and other non-traditional investors are particularly important in the future in light of the phase out of the Cash Grant.[31] Without the Cash Grant, developers without a sizable balance sheet rely on tax equity investors to monetize renewable incentives such as the Investment Tax Credit.

SDG&E's experience with tax equity investment has been favorable. The Rim Rock project (discussed above) was approved by the CPUC and the Federal Energy Regulatory Commission ("FERC") and has an expected online date in Q4 2012.[32] SDG&E's Shu'luuk project is currently under ~~negotiation~~consideration for ~~an expected~~a preferred online date in ~~2014.~~late CP2, subject to the Federal Production Tax Credit ("PTC") extension. SDG&E intends to submit this project for Commission approval ~~in 2012~~when and if there is certainty of PTC extension. Anticipated deliveries from these projects have been incorporated into SDG&E's forecasted RPS procurement need based on the probability of success that SDG&E assigned to them according to the process described above. SDG&E is also considering additional ~~tax equity~~ investment opportunities in two to three projects where: (a) its involvement might enhance viability of a project with an existing contract; and/or (b) where a promising cost competitive project ~~with an online date just prior to the start of CP3~~ may have a positive socioeconomic impact, potentially involving a Diverse Business Enterprise.

SDG&E also continues to make progress on its Solar Energy Project,[33] pursuant to which SDG&E will build 26 MWs of utility-owned solar photovoltaic projects. SDG&E held a request for proposals in the fall of 2011 and ~~is currently negotiating~~has executed contracts for a total of

[31] The American Recovery and Reinvestment Act of 2009 (H.R. 1), enacted in February 2009, created a renewable energy grant program that is administered by the U.S. Department of Treasury. This cash grant may be taken in lieu of the federal business energy investment tax credit ("ITC").
[32] D.11-07-002.
[33] Approved by D.08-07-017.

17 MW with shortlisted contractors. SDG&E expects construction on these projects to begin in 2014. Anticipated deliveries from these projects have been incorporated into SDG&E's RPS procurement need forecast. ~~Additional UOG opportunities are not anticipated at this time, but may be considered if economic and prudent.~~SDG&E anticipates soliciting the remainder of the 26 MW in 2013.

II. POTENTIAL COMPLIANCE DELAYS- § 399.13(A)(5)(B)

The market for renewable energy is dynamic; multiple factors can impact project development and SDG&E's attainment of its RPS goals. The following discussion covers the major issues affecting both renewable project developers and SDG&E. It begins with the transmission, permitting, and financing hurdles faced during project development, and continues through the challenges experienced as a project matures – viability, debt equivalence, accounting issues, and regulatory uncertainty.

A. Transmission & Permitting

1. Interconnection Facility Delays

The timely approval, permitting, and completion of interconnection facilities are crucial to the successful development of SDG&E's renewable portfolio. Currently, the key transmission facilities that impact SDG&E's portfolio are: the ECO sub-station and the DREW switchyard. Unsuccessful development of these facilities will materially impact SDG&E's renewable portfolio.

Existing transmission constraints between the Imperial Valley and the San Diego load center have been largely resolved with the construction of the Sunrise Powerlink. However, the addition of the Sunrise Powerlink and the signing of multiple PPAs in the Imperial Valley region do not, by themselves, guarantee the successful construction and interconnection of renewable generation facilities. SDG&E and developers are now focused on building the interconnection and network facilities necessary to interconnect and deliver this renewable energy to the transmission system, and they are facing significant permitting challenges. An example of these interconnection facilities is the proposed 230 kV "DREW" switchyard in Imperial Valley that will act as a collector switchyard for multiple renewable projects to connect to the transmission system with one line, reducing environmental impacts. However, as with any new construction of transmission infrastructure, there are environmental, permitting issues, and other challenges (mainly uncooperative land owners, and/or opposition from nearby residents) that can impede timely progress. Permitting has proven particularly difficult where land owners or permitting authorities have their own commercial interests that may compete with those of the renewable developers. ~~Additionally, as is the case with the proposed ECO substation, which is designed to improve grid reliability for Eastern San Diego and also serve as a hub to connect and deliver renewable projects to San Diego~~Additionally, regulatory approvals are still pending causing uncertainty developers whose projects rely on this upgrade.

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2. Interconnection Study Process

The California Independent System Operator's ("CAISO") process for determining required upgrades for renewable projects can cause significant delay and expense. SDG&E protects ratepayers by establishing transmission upgrade cost limits and including conditions ~~precedents~~precedent in the PPA whereby if the upgrade costs are higher than the thresholds established in the PPA, the contract can be terminated. In the past, developers have had to wait years for study results and in some cases have been faced with extremely high upgrade costs that make their projects unviable. Recent changes in the CAISO's approach for identifying network upgrades that provide interconnecting renewable generators with fully deliverable status appear to be reducing transmission funding hurdles for new generators. However, the process is still under development and SDG&E expects that this area will continue to be potential challenge.

3. Bureau of Land Management ("BLM") Delays

Uncertainty surrounding the availability and timely issuance of Right-of-Way Grants from the BLM creates development risks for project development. The BLM process established to secure land rights has proven to be time-consuming ~~-~~ creating uncertainty, scheduling challenges and corresponding problems with project elements such as financing, permitting, engineering, procurement and construction ("EPC") contracts and supplier contracts.

B. Project Finance, Tax Equity Financing, and Government Incentives

Financing is key for the successful development of renewable projects. Two areas of financing are of primary importance: (i) project financing relied upon to construct the project; and (ii) tax equity financing relied upon to monetize tax benefits such as the Production or Investment Tax Credits. Project Financing has traditionally been provided by financial institutions and costs and availability is a function of the overall health of the financial system. Tax equity financing has also traditionally been provided by banks or large corporations. In order to successfully finance, renewable projects generally need to: (i) complete permitting, (ii) have a long-term fixed price

PPA from a credit-worthy offtaker, and (iii) have a bankable (or proven) technology. With the phase out of the Cash Grant and current turmoil in financial markets, non-traditional investors are key to the success of the renewable energy industry. Non-traditional investors include a wider institutional investor reached by projects issuing a security, or utilities and other corporations with tax appetite as tax equity investors.

The extension of the ~~Federal Production Tax Credits (“~~PTCs~~”)~~ expiring in 2012 and the Federal Investment Tax Credits (“ITCs”) expiring in 2016 will be critical to the sustained success of renewable energy in the United States. The PTCs and ITCs currently represent about 33% of the economic value of renewable projects and without them, the relative competitiveness of renewable energy relative to fossil fuels, will be severely impacted.

C. Solar Panel Risk and Project Viability

SDG&E may be subject to industry and technology risks when selecting solar power projects to meet its RPS goals. For example, the industry is undergoing significant consolidation and attrition of market participants. Numerous manufacturers are experiencing severe financial difficulties or have gone bankrupt in response to intense competition and the significant declines in market prices. The risk to SDG&E is that the viability of some low-cost projects may depend on specific manufacturers that might go out of business, forcing the developer to seek other sources. Or, more significantly, the price of panels may increase before the purchase is final and greatly reduce the viability of the project. More industry shakeout is anticipated but prices are expected to stabilize, or increase, once the excess supply is absorbed by the market.

SDG&E also faces technology risks. The company tries to manage technology risks through diversification. For example, photovoltaic panel materials and manufacturing processes vary significantly. There are proven technologies with long operational and performance histories, but there are also newer technologies that have not yet been proven over the typical 20 year contract term. Final technology choices are made by project developers. The risk to the company is that a solar facility may fail to perform as intended due to panel failure or degradation, causing it to fall short of the minimum power delivery requirements. In this case

the developer is subject to penalties but, if the failure is too great, the developer may abandon the project. Filing claims under solar panel warranties might be complicated further if the manufacturer is located overseas or is out of business. Such a catastrophic project failure with limited ability to cure through warranty claims could leave a significant short term deficit in the annual RPS goals.

D. Debt Equivalence & Accounting

Two other issues may challenge SDG&E's ability to achieve its RPS goals. The first involves debt equivalence. As SDG&E executes an increasing number of PPAs, the cumulative debt equivalence of all these agreements may greatly affect SDG&E's credit profile and, consequently, its financial standing. Rating agencies include long-term fixed financial obligations, such as power purchase agreements, in their credit risk analysis. These obligations are treated as additional debt during their financial ratio assessment. S&P views the following three ratios, Funds From Operations ("FFO") to Debt, FFO to Interest Expense, and Debt to Capitalization, as the critical components of a utility's credit profile. Debt equivalence negatively impacts all three ratios. Unless mitigated, a PPA would negatively impact SDG&E's credit profile by degrading credit ratios.

The second issue relates to Accounting Standards Codification (ASC) 810 Consolidation, which includes the subject of Consolidation of Variable Interest Entities previously referred to as "FIN 46(R)". Application of ASC 810 as it pertains to Consolidation of Variable Interest Entities (VIEs) could also impact SDG&E's ability to sign new contracts. As part of SDG&E's overall internal review and approval process for new PPAs, SDG&E conducts a review of whether each such PPA will be subject to consolidation under ASC 810. Under ASC 810, no renewable PPA has been deemed subject to such consolidation, however, ASC 810 requires SDG&E to perform an evergreen assessment for those contracts which are considered VIEs. For this reason, SDG&E believes that it is required to assess quarterly each contract or category of contracts to ensure continued compliance with ASC 810, to determine whether or not SDG&E must consolidate a Seller's financial information with SDG&E's own quarterly financial reports to the Securities and Exchange Commission. In particular, wind, solar, geothermal and bio-gas

renewable Sellers could be impacted.

Application of ASC 810 could challenge SDG&E's ability to achieve its RPS goals, and add further costs, and risk to execution of new renewable contracts. If SDG&E determines that consolidation is required, a Seller must open its books to SDG&E and submit financial information, on a quarterly and monthly basis, as specified in SDG&E's contract language for the duration of any agreement.

All PPAs are affected by either debt equivalence or ASC 810 requirements. The Commission is well aware of the negative impact of debt equivalence on SDG&E's credit profile. AB 57 requires that the Commission adopt procurement plans that, among other objectives, enhance the creditworthiness of the utility. ASC 810 will affect SDG&E's reported financial data and may have a negative impact on SDG&E's balance sheet and/or credit profile. ASC 810 could impact SDG&E's capital structure on a consolidated basis and cause it to be misaligned with its authorized capital structure.

In order to rebalance to SDG&E's authorized capital structure, SDG&E would be required to infuse additional equity to offset the additional debt. Given that SDG&E will be executing contracts for 20% or more of its overall portfolio to meet its RPS goals, SDG&E anticipates that the Commission will address and mitigate the resulting overall impacts of debt equivalence and ASC 810 to SDG&E's capital structure in the context of SDG&E's recently-filed cost of capital application for test year 2013 filed on June 20, 2012.

E. RPS Cost Containment

The Commission is in the midst of implementing the changes to the RPS Program established by Senate Bill 2 (1X). As a result, full program details are not yet final which creates regulatory uncertainty. Two important outstanding items affecting procurement are RPS ~~cost containment~~Cost Containment and Compliance proceedings.

An Energy Division staff proposal regarding RPS cost containment is anticipated later this year,

with a proposed decision possibly being released in Q1 2013. The decision is expected to implement a cap on the amount of money that retail sellers can spend in an effort to meet RPS goals. Certainty surrounding this potential procurement limit will not be achieved until the final year of Compliance Period 1. This makes it difficult for IOU's to be proactive. It is unclear at this time what the limitation will be for SDG&E, how it will relate to the procurement dollars spent and contracts signed as of the date of the final decision, and how it will interact with the other requirements of the RPS program.

III. PROJECT DEVELOPMENT STATUS UPDATE - § 399.13(A)(5)(D)

As described further in Section I above, SDG&E regularly evaluates project development status to assess each project's ability to begin deliveries in a timely manner. SDG&E's portfolio of renewable energy resources currently under contract but not yet delivering generation are in various stages of development. It is anticipated that projects will enter commercial operation consistently from 2012 to 2015. Projects under development generally require numerous permitting approvals, generator interconnection, financing, and completion of construction before they can achieve commercial operation. Each of the above issues adds significant risk to the development of a project and can directly impact the success or failure of a project. SDG&E's experience is that achieving all of these milestones represents a significant challenge for developers. Although a developer's experience may improve a project's ability to achieve commercial operation, it does not insure that a project will be successful.

SDG&E saw increasing challenges among developers to secure financing after the United States entered the 2008 recession. Subsequently, as more projects were proposed in desert regions, permitting approvals took longer than developers expected due to increased scrutiny of environmental issues and permitting agency coordination efforts. Today, as many projects are obtaining agency permit approvals, there seems to be an increase in litigation challenging the CEQA/NEPA process potentially causing delays while claims are resolved. Throughout this period, the time to study and construct generator interconnection upgrades has grown much longer and significantly more expensive to the developer.

Each project bears significant development risk to resolve all issues necessary to meet commercial operation. SDG&E currently believes that a majority of projects can meet their

commercial operation dates either on schedule or within the prescribed cure period. However, SDG&E does have projects that are experiencing possible development issues that could affect their ability to meet commercial operation. SDG&E's need assessment methodology, described in Section I above, takes all of these risks into consideration.

IV. RISK ASSESSMENT - § 399.13(A)(5)(F)

SDG&E also evaluates the risk that delivering projects will underperform. In SDG&E's experience, renewable projects have relatively low risk of non-performance. By achieving commercial operation, developers have made significant investments into the projects and are receiving timely payments for energy delivered. Developers are subject to penalties if they do not meet contractual requirements to supply at least the minimum energy contemplated. However, over the past decade, SDG&E has observed some dynamic factors that may affect power production from delivering projects:

- Resource Availability: For example, a bad wind year can greatly impact a wind facility's performance. Although the contract requires damages for underperformance in an effort to protect ratepayers, a bad wind year can still have an impact on SDG&E's ability to meet its RPS goals, as described in Section I above.

- Regulatory Changes: For example, the expiration of subsidies, such as the Public Goods Charge or the Production Tax Credit, lowers the revenue stream for RPS developers, and can lead to non-production or lower production.

- Economic environment: Specifically, the interest rates and flexibility of financing arrangement entered into by developers can impact the project's success. Long term project financing arrangements with unfavorable terms can lead to project failure or lower production.

- Operational Performance: For example, a facility can experience unexpected mechanical failures that impact performance.

- Evolving technology: Facilities with older generation-technology that is no longer supported by the manufacturer can cause project failure or lower production. This problem is arising now for older RPS projects, and could repeat itself in 20 years when the projects being signed today begin to age.

SDG&E's assessment that current projects are at a low risk of non-performance is based on the above risk factors remaining relatively stable.

V. QUANTITATIVE INFORMATION- §§ 399.13(A)(5)(A), (B), (D), (F)

The following tables provide background data for SDG&E's need assessment as of ~~May~~November 2012.

Table 1-RPS Sensitivity Analysis: this table provides a summary of the impact of some of the key factors that can impact RPS performance.

[redacted]

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~~* 0.0% stands for 23.8% of retail sales in CP1~~
~~** 0.0% stands for 41.9% of retail sales in CP2~~

[redacted]

Table 2 ~~**– RPS Banking Analysis**: this table provides a detailed analysis of the impact that the determination of whether the Cabazon and Whitewater GAPSAs are considered compliant with the "count in full" requirements of 399.16(d) (*i.e.* are "grandfathered").~~

Scenario 1 - Cabazon/Whitewater GAPSAs are Grandfathered

	CP1	CP2 - Nominal	[redacted]	CP3 - Nominal	CP3-PW
Total RPS Deliveries (MWh)	12,318,519	23,184,345	[redacted]	31,451,135	22,638,025
Unbundled RECs* (MWh)	[redacted]	[redacted]	[redacted]	0	0
Short-term Contracts** (MWh)	[redacted]	[redacted]	[redacted]	0	0
Total RPS Bankable Deliveries (MWh)	[redacted]	[redacted]	[redacted]	31,451,135	22,638,025
RPS Target (MWh)	[redacted]	[redacted]	[redacted]	22,212,560	22,212,560
Above or Below Target	[redacted]	[redacted]	[redacted]	Above	Above
Bankable Energy (MWh)	[redacted]	[redacted]	[redacted]	9,238,575	425,465

Banking brought forward from Previous CP (MWh)	[redacted]
Bankable Energy + Previous CP Bank (MWh)	[redacted]

[redacted]

Scenario 2- Cabazon/Whitewater GAPSAs are Category 1

	CP1	CP2 - Nominal	[redacted]	CP3 - Nominal	CP3-PW
Total RPS Deliveries (MWh)	12,318,519	23,184,345	[redacted]	31,451,135	22,638,025
Unbundled RECs* (MWh)	[redacted]	[redacted]	[redacted]	0	0
Short-term Contracts** (MWh)	[redacted]	[redacted]	[redacted]	0	0
Total RPS Bankable Deliveries (MWh)	[redacted]	[redacted]	[redacted]	31,451,135	22,638,025
RPS Target (MWh)	[redacted]	[redacted]	[redacted]	22,212,560	22,212,560
Above or Below Target	[redacted]	[redacted]	[redacted]	Above	Above
Bankable Energy (MWh)	[redacted]	[redacted]	[redacted]	9,238,575	425,465

Banking brought forward from Previous CP (MWh)	[redacted]
Bankable Energy + Previous CP Bank (MWh)	[redacted]

[redacted]

~~Table 3~~ - Impact of Potential Deficit From Prior Compliance Regime:

RPS Procurement and Targets (MWh)	2003	2004	2005	2006	2007	2008	2009	2010
Bundled Retail Sales	15,043,865	15,811,591	16,001,516	16,846,888	17,056,023	17,409,884	16,993,872	16,282,682
Total RPS Eligible Procurement	549,856	677,852	825,302	899,520	880,777	1,047,441	1,784,441	1,940,129
Annual Procurement Target (APT)	296,073	446,511	604,627	764,642	933,111	1,103,671	1,277,770	3,256,536
Incremental Procurement Target (IPT)	N/A	150,439	158,116	160,015	168,469	170,560	174,099	1,978,766
Preliminary Procurement Surplus/(Deficit)	253,783	231,341	220,675	134,878	(52,334)	(56,231)	506,670	(1,316,408)

2010 Actual Procurement Percentage	2003	2004	2005	2006	2007	2008	2009	2010
Surplus Procurement Bank Balance as of Prior Year	0	253,783	485,124	705,798	840,677	788,342	732,112	1,238,782
Application of Banked Surplus Procurement to Current Year Deficit					(52,334)	(56,231)		(1,316,408)
Adjusted Current Year Annual Surplus Procurement	253,783	231,341	220,675	134,878	0	0	506,670	0
Cumulative Surplus/(Deficit) Procurement Bank Balance Carried into CP1	253,783	485,124	705,798	840,677	788,342	732,112	1,238,782	(77,625)

Renewable Net Short Calculation:

The tables below provide the data behind SDG&E's RPS Risk Adjusted Net Short Calculation as of ~~August~~November, 2012 and includes the outputs required by Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extended the Date for Filing Updates to 2012 Procurement Plans, dated August 2, 2012. A discussion of this analysis is provided in Section VI below.

PUBLIC VERSION

SDG&E Residual Net Short for RPS Procurement - ~~August 13~~November 29, 2012

Variable	Calculation	Item	Deficit from pre-2011 RPS	2011 Actuals	2012 Expected	2013 Forecast	CP1 2011-2013	2014 Forecast	2015 Forecast	2016 Forecast	CP2 2014-2016
T		Forecast Year	-	-		1	-	2	3	4	-
A		**Bundled Retail Sales Forecast**[1]								~~18,074~~ 200	
B		**RPS Procurement Quantity Requirement**		20.0%	20.0%	20.0%	20.0	21.7%	23.3%	25.0%	
C		**RPS Procurement Quantity Requirement**								~~4,519~~ 550	
D_a		*Risk-Adjusted Online Generation*[2]								~~1,532~~ 900	
D_b		*Risk-Adjusted Forecast Generation*[2]								~~3,644~~ 363	
D_c		*Pre-Approved Generic Generation*[2]						~~138~~ 132		~~483~~ 466	~~927~~ 907
D	$D_a + D_b +$	**Net RPS Position**~~[5]~~								~~5,827~~ 729	
E	D / A	Net RPS Position (% of Retail Sales)								~~32.2~~31.5%	
F	D - C	**GWh Gross Surplus (Deficit)**	(78)[6]							~~1,309~~ 179	
G		Banked RECs applied	-							-	
H	F + G	**Net Surplus (Deficit) after banked RECs**								~~1,309~~ 179	
I		All RECs from short-term contracts signed								-	
J		*Limit of Category 3 allowed under statute*								545	
K		*Long-term contract deliveries of Category 3*						-		-	
L	D - I - K	**RECs eligible for excess procurement**								~~5,827~~ 729	
M	L - C	**Excess Procurement for CP**								1,179	
N	Max ($M_{(T-1)}$,0) + M_T	**REC Bank Balance**	-							~~3,966~~ 972	
		Aggregated probability weighted GWh	-	-	-	-	-	-		-	
O_a		*High viability (>=85%)*								~~2,998~~ 3,962	
O_b		*Viable (70-85%)*	-							~~-~~407	
O_c		*High Risk (<70%)*	-							~~-~~1,360	
O	$O_a + O_b + O_c = O = D$	Total Risk-Adjusted Generation								~~5,827~~ 729	
P		Aggregate delivery failure rate - new	-							34.23%	
Q		Aggregate delivery failure rate - existing	-							~~8~~18.8%	
R	A x 1.5%	Voluntary Margin of Overprocurement								~~1,309~~ 179	
S		Voluntary Margin of Overprocurement								~~7.3~~6.5 ~~7.2%~~	

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U	C - O + R	Annual RPS Risk-adjusted Net Short		[redacted]			

~~SDG&E Residual Net Short for RPS Procurement - August 13, 2012~~

~~CP3~~

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PUBLIC VERSION

SDG&E Residual Net Short for RPS Procurement - November 29, 2012

CP3

Variable	Calculation	Item	2017 Forecast	2018 Forecast	2019 Forecast	**2020 Forecast**	**2017-2020**	2021 Forecast	2022 Forecast	2023 Forecast
T		Forecast Year	5	6	7	8	-	9	10	11
A		**Bundled Retail Sales Forecast[1]**	18,216	18,375	18,578	18,807	73,976	19,014	19,223	19,434
B		**RPS Procurement Quantity Requirement %**	27.0%	29.0%	31.0%	33.0%	-	33.0%	33.0%	33.0%
C		**RPS Procurement Quantity Requirement**	4,918	5,329	5,759	6,206	22,213	6,275	6,344	6,418
D_a		*Risk-Adjusted Online Generation[2]*	1,496	1,167	1,058	890	4,611	963	963	860
D_b		*Risk-Adjusted Forecast Generation[2]*	3,799	3,787	3,772	3,759	15,118	3,758	3,751	3,748
D_c		*Pre-Approved Generic Generation[2]*	545	545	545	546	2,181	546	546	546
D	$D_a + D_b + D_c$	**Net RPS Position**	5,840	5,500	5,375	5,195		5,266	5,260	5,150
E	D / A	Net RPS Position (% of Retail Sales)	32.130.8	29.930.0	28.96%	27.626.9	29.60%	27.726.2	27.425.5	26.524.8
F	D - C	**GWh Gross Surplus (Deficit)**	921	171						
G		Banked RECs applied	-	-	384	1,011	1,395	1,009	1,084	1,254
H	F + G	**Net Surplus (Deficit) after banked RECs applied**	921	171	0		1,092	0	0	
I		All RECs from short-term contracts signed after 6/1/10	-	-	-	-	-	-	-	-
J		*Limit of Category 3 allowed under statute*	349	347	346	345	1,387	344	344	343
K		*Long-term contract deliveries of Category 3 RECs above limit*	-	-	-	-	-	-	-	-
L	D - I - K	**RECs eligible for excess procurement**	5,840	5,500	5,375	5,195	21,910	5,178	5,172	5,076
M	L - C	**Excess Procurement for CP**	921	171						
N	Max $(M_{(T-1)},0) + M_T$	**REC Bank Balance**	4,888	5,059	4,675	3,664	3,664	2,655	1,571	317
		Aggregated probability weighted GWh data[3]	-	-	-	-	-	-	-	
O_a		*High viability (>=85%)*	3,021	2,689	2,576	2,569	-	2,570	2,473	2,176
O_b		*Viable (70-85%)*	909	907	904	738	-	721	717	714
O_c		*High Risk (<70%)*	1,910	1,904	1,895	1,888	-	1,887	1,886	1,886
O	$O_a + O_b + O_c = O = D$	Total Risk-Adjusted Generation	5,840	5,500	5,375	5,195	-	5,178	5,076	4,776
P		Aggregate delivery failure rate - new projects[4]	37.434.3	37.434.3	3734.3%	3734.3%	37.434.3	3734.3%	37.334.4	37.334.4
Q		Aggregate delivery failure rate - existing projects[4]	18.7.9%	7.58.4%	7.78.8%	9.5.2%	11.7.2%	5.09.6%	5.09.6%	5.010.1%
R	A x 1.5%	Voluntary Margin of Overprocurement	921	171	0 -	-	1,093	0	0	-
S		Voluntary Margin of Overprocurement (implied % of retail sales)	5.13.8%	1.0.9%	0.0%	0.0%	1.52%	0.0%	0.0%	0.0%
U	C - O + R	**Annual RPS Risk-adjusted Net Short (Long)**	0	-	384	1,011	1,395	1,097	1,268	1,636

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~~SDG&E Residual Net Short for RPS Procurement - August 13, 2012~~

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SDG&E Residual Net Short for RPS Procurement - November 29, 2012

Variable	Calculation	Item	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast
T		Forecast Year	12	13	14	15	16	17	18	19
A		**Bundled Retail Sales Forecast[1]**	**19,648**	**19,864**	**21,910**	**20,304**	**20,527**	**20,753**	**20,981**	**21,212**
B		**RPS Procurement Quantity Requirement %**	**33.0%**	**33.0%**	**33.0%**	**33.0%**	**33.0%**	**33.0%**	**33.0%**	**33.0%**
C		**RPS Procurement Quantity Requirement**	**6,484**	**6,555**	**6,627**	**6,700**	**6,774**	**6,848**	**6,924**	**7,000**
D_a		*Risk-Adjusted Online Generation[2]*	*543*	*232*	*40*	*38*	*38*	*38*	*38*	*14*
D_b		*Risk-Adjusted Forecast Generation[2]*	*3,739*	*3,733*	*3,727*	*3,721*	*3,715*	*3,709*	*3,703*	*3,697*
D_c		*Pre-Approved Generic Generation[2]*	*546*	*534*	*534*	*534*	*534*	*535*	*535*	*536*
D	$D_a + D_b + D_c$	**Net RPS Position**	**4,828**	**4,499**	**4,301**	**4,293**	**4,287**	**4,282**	**4,276**	**4,250**
E	D / A	Net RPS Position (% of Retail Sales)	24.623.2	22.621.1	21.420.1	21.119.9	20.919.6	20.619.4	20.419.1	20.018.0
F	D - C	**GWh Gross Surplus (Deficit)**								
G		Banked RECs applied	317	-	-	-	-	-	-	-
H	F + G	**Net Surplus (Deficit) after banked RECs applied**								
I		All RECs from short-term contracts signed after 6/1/10	-	-	-	-	-	-	-	-
J		*Limit of Category 3 allowed under statute*	*343*	*341*	*338*	*338*	*337*	*337*	*336*	*336*
K		*Long-term contract deliveries of Category 3 RECs above limit*	-	-	-	-	-	-	-	-
L	D - I - K	**RECs eligible for excess procurement**	**4,778**	**4,479**	**4,300**	**4,292**	**4,286**	**4,280**	**4,275**	**4,250**
M	L - C	**Excess Procurement for CP**								
N	Max $(M_{(T-1)},0) + M_T$	**REC Bank Balance**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
		Aggregated probability weighted GWh data[3]	-	-	-	-	-	-	-	-
O_a		*High viability (>=85%)*	*1,882*	*1,705*	*1,700*	*2,674*	*1,694*	*1,691*	*1,668*	*1,354*
O_b		*Viable (70-85%)*	*712*	*710*	*708*	*705*	*703*	*701*	*699*	*697*
O_c		*High Risk (<70%)*	*1,885*	*1,885*	*1,884*	*1,884*	*1,883*	*1,883*	*1,882*	*1,800*
O	$O_a + O_b + O_c = O = D$	Total Risk-Adjusted Generation	4,479	4,300	4,292	4,286	4,280	4,275	4,250	3,854
P		Aggregate delivery failure rate - new projects[4]	37.334.4	37.334.4	37.334.4	37.334.4	37.334.4	3734.4%	37.434.5	37.434.5
Q		Aggregate delivery failure rate - existing projects[4]	311.5%	20.2.5%	0.222.4%	0.222.5%	0.222.4%	0.222.4%	0.222.4%	0.122.6%
R	A x 1.5%	Voluntary Margin of Overprocurement	-	-	-	-	-	-	-	-
S		Voluntary Margin of Overprocurement (implied % of retail sales)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
U	C - O + R	**Annual RPS Risk-adjusted Net Short (Long)**	**2,005**	**2,256**	**2,336**	**2,414**	**2,494**	**2,574**		**3,149**

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Contracts Presently Delivering - ~~August 13~~November 29, 2012										Probability-Weighted Deliveries									
	Name	CP1 Prob-ability	CP2&3 Prob-ability	Technology	Date Signed	Term (yrs)	Start	Stop	Capacity (MW)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Shell	[redacted]		Wind	9/10/09	1.75	4/1/10	12/31/11	104.4	[redacted]									
2	Otay Landfill I			Biogas	5/1/09	10	5/1/09	4/30/19	1.5										
3	Otay Landfill II			Biogas	2/22/11	20	7/1/11	6/30/31	1.5										
4	San Marcos Landfill			Biogas	11/20/09	20	5/18/11	5/17/31	1.5										
5	Sycamore Landfill			Biogas	11/20/09	20	5/16/11	5/15/31	1.5										
6	Badger Filtration Plant			Conduit Hydro	2/28/85	30	7/1/87	6/30/17	1.485										
7	Bear Valley Hydro			Conduit Hydro	4/13/94	Evergreen	4/13/94	Evergreen	1.5										
8	Olivenhain Municipal			Conduit Hydro	~~9/16/87~~1	Evergreen	11/1/88	Evergreen	0.45										
9	San Francisco Peak Hydro Plant			Conduit Hydro	8/29/85	Evergreen	12/15/85	Evergreen	0.35										
10	MM San Diego - Miramar			Biogas	10/31/02	10	5/20/03	4/30/13	3										
11	MM San Diego - North City			Biogas	10/31/02	10	5/20/03	4/30/13	1										
12	GRS - Coyote Canyon			Biogas	10/31/02	10	1/1/03	12/31/12	6.057										
13	GRS - Sycamore			Biogas	10/31/02	10	3/30/04	3/30/14	2.5										
14	MM Prima Deshecha			Biogas	9/6/05	15	10/1/07	9/30/22	12.2										
15	Otay Lanfill 3			Biogas	8/31/05	10	3/8/07	3/7/17	3.375										
16	Blue Lake Power			Biomass	6/9/08	10	4/30/10	4/29/20	11										
17	City of San Diego MWD			Biogas	12/22/06	5	1/1/08	12/31/12	5										
18	Covanta Delano			Biomass	12/21/06	10	1/1/08	12/31/17	49										
19	Covanta Delano Option			Biomass	12/21/06	10	1/1/08	12/31/17	49										
~~19~~20	Kumeyaay			Wind	5/31/04	20	3/21/06	12/~~30~~31/35	50										
~~20~~21	Oasis Power Partners			Wind	10/30/02	15	12/31/04	12/30/19	60										
~~21~~22	Iberdrola Mt Wind			Wind	11/1/02	16	12/15/03	12/31/18	22.8										
~~22~~23	Iberdrola PWest			Wind	11/1/02	16	12/15/03	12/31/18	2.1										
~~23~~24	WTE Acquisition (FPL)			Wind	10/31/02	15	6/28/04	12/31/18	16.5										
~~24~~25	Glacier Wind 1			Wind	5/16/08	15	12/29/08	12/29/23	106.5										
~~25~~26	Glacier Wind 2			Wind	5/23/08	15	10/16/09	10/16/24	103.5										
~~26~~27	Coram			Wind	7/15/10	15	2/1/11	1/31/26	7.5										
~~27~~28	SDCWA - Rancho Penasquitos			Conduit Hydro	~~11/20/03~~	10	1/23/07	1/22/17	4.5										
~~28~~29	SDG&E Sustainable ~~Communities~~			Solar PV	5/30/10	30	5/4/09	5/4/39	0.54										
~~29~~30	Calpine - Geysers			Geothermal	2/26/10	4.833	3/1/10	12/31/14	25										
~~30~~31	Silicon Valley			Geothermal	6/30/11	1	7/1/11	6/~~30/12~~30	40										
~~31~~32	Calpine - Geysers			Geothermal	9/22/11	0.25	10/1/11	12/31/11	11.5										
~~32~~33	Edison			Various	9/22/11	2.3	10/1/11	12/31/13	193										

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33	Mesa	[redacted]		Wind	11/2/11	20	before	12/31/13	30	[redacted]												
35	Rim Rock	[redacted]		Wind	5/5/09	20	10/1/12	9/30/32	189	[redacted]												
36	Pacific Wind	[redacted]		Wind	10/14/05	20	8/31/12	8/30/32	140	[redacted]												
43	SDG&E SEP (UOG)	[redacted]		Solar PV	7/11/08	30	1/1/10	1/1/40	17	[redacted]												
53	RAM (To be added)	[redacted]		Solar PV	1/0/00	30			125	[redacted]												
63	FIT (To be added)	[redacted]		Various	1/0/00	20	6/1/12	5/31/32	3935.8	[redacted]												
74	Edison 2	[redacted]		Various	3/23/12	0.3	9/1/12	12/31/12	103	[redacted]												
84	Sierra Pacific Industries	[redacted]		Biomass	3/30/12	0			0	[redacted]												
94	Cabazon	[redacted]		Wind	7/3/121/0	2	1/1/12	12/31/13	0	[redacted]												
04	Whitewater	[redacted]		Wind	7/3/121/0	2	1/1/12	12/31/13	0	[redacted]												

Contracts Presently Delivering - August 13November 29, 2012

	Name	CP1 Prob-ability	CP2&3 Prob-ability	Technology	Date Signed	Term (yrs)	Start	Stop	Capacity (MW)	Probability-Weighted Deliveries										
										2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1	Shell	[redacted]		Wind	9/10/09	1.75	4/1/10	12/31/11	104.4	[redacted]										
2	Otay Landfill I	[redacted]		Biogas	5/1/09	10	5/1/09	4/30/19	1.5	[redacted]										
3	Otay Landfill II	[redacted]		Biogas	2/22/11	20	7/1/11	6/30/31	1.5	[redacted]										
4	San Marcos Landfill	[redacted]		Biogas	11/20/09	20	5/18/11	5/17/31	1.5	[redacted]										
5	Sycamore Landfill	[redacted]		Biogas	11/20/09	20	5/16/11	5/15/31	1.5	[redacted]										
6	Badger Filtration Plant	[redacted]		Conduit Hydro	2/28/85	30	7/1/87	6/30/17	1.485	[redacted]										
7	Bear Valley Hydro	[redacted]		Conduit Hydro	4/13/94	Evergreen	4/13/94	Evergreen	1.5	[redacted]										
8	Olivenhain Municipal	[redacted]		Conduit Hydro	9/16/871	Evergreen	11/1/88	Evergreen	0.45	[redacted]										
9	San Francisco Peak Hydro Plant	[redacted]		Conduit Hydro	8/29/85	Evergreen	12/15/85	Evergreen	0.35	[redacted]										
10	MM San Diego - Miramar	[redacted]		Biogas	10/31/02	10	5/20/03	4/30/13	3	[redacted]										
11	MM San Diego - North City	[redacted]		Biogas	10/31/02	10	5/20/03	4/30/13	1	[redacted]										
12	GRS - Coyote Canyon	[redacted]		Biogas	10/31/02	10	1/1/03	12/31/12	6.057	[redacted]										
13	GRS - Sycamore	[redacted]		Biogas	10/31/02	10	3/30/04	3/30/14	2.5	[redacted]										
14	MM Prima Deshecha	[redacted]		Biogas	9/6/05	15	10/1/07	9/30/22	12.2	[redacted]										
15	Otay Lanfill 3	[redacted]		Biogas	8/31/05	10	3/8/07	3/7/17	3.375	[redacted]										
16	Blue Lake Power	[redacted]		Biomass	6/9/08	10	4/30/10	4/29/20	11	[redacted]										
17	City of San Diego MWD	[redacted]		Biogas	12/22/06	5	1/1/08	12/31/12	5	[redacted]										
18	Covanta Delano	[redacted]		Biomass	12/21/06	10	1/1/08	12/31/17	49	[redacted]										
19	Covanta Delano Option	[redacted]		Biomass	12/21/06	10	1/1/08	12/31/17	49	[redacted]										
92	Kumeyaay	[redacted]		Wind	5/31/04	20	3/21/06	12/3031/	50	[redacted]										
02	Oasis Power Partners	[redacted]		Wind	10/30/02	15	12/31/04	12/30/19	60	[redacted]										
12	Iberdrola Mt Wind	[redacted]		Wind	11/1/02	16	12/15/03	12/31/18	22.8	[redacted]										
22	Iberdrola PWest	[redacted]		Wind	11/1/02	16	12/15/03	12/31/18	2.1	[redacted]										
32	WTE Acquisition (FPL)	[redacted]		Wind	10/31/02	15	6/28/04	12/31/18	16.5	[redacted]										
42	Glacier Wind 1	[redacted]		Wind	5/16/08	15	12/29/08	12/29/23	106.5	[redacted]										
52	Glacier Wind 2	[redacted]		Wind	5/23/08	15	10/16/09	10/16/24	103.5	[redacted]										
62	Coram	[redacted]		Wind	7/15/10	15	2/1/11	1/31/26	7.5	[redacted]										
72	SDCWA - Rancho Penasquitos	[redacted]		Conduit Hydro	11/20/03	10	1/23/07	1/22/17	4.5	[redacted]										
82	SDG&E Sustainable Communities	[redacted]		Solar PV	5/30/10	30	5/4/09	5/4/39	0.54	[redacted]										
93	Calpine - Geysers	[redacted]		Geothermal	2/26/10	4.833	3/1/10	12/31/14	25	[redacted]										
03	Silicon Valley	[redacted]		Geothermal	6/30/11	1	7/1/11	6/30/123	40	[redacted]										

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313	Calpine - Geysers	[redacted]	[redacted]	Geothermal	9/22/11	0.25	10/1/11	12/31/11	11.5	[redacted]
323	Edison	[redacted]	[redacted]	Various	9/22/11	2.3	10/1/11	12/31/13	193	[redacted]
333	Mesa	[redacted]	[redacted]	Wind	11/2/11	20	before	12/31/13	30	[redacted]
35	Rim Rock	[redacted]	[redacted]	Wind	5/5/09	20	10/1/12	9/30/32	189	[redacted]
36	Pacific Wind	[redacted]	[redacted]	Wind	10/14/05	20	8/31/12	8/30/32	140	[redacted]
343	SDG&E SEP (UOG)	[redacted]	[redacted]	Solar PV	7/11/08	30	1/1/10	1/1/40	17	[redacted]
353	RAM (To be added)	[redacted]	[redacted]	Solar PV		30			125	[redacted]
363	FIT (To be added)	[redacted]	[redacted]	Various		20	6/1/12	5/31/32	3935.8	[redacted]
374	Edison 2	[redacted]	[redacted]	Various	3/23/12	0.3	9/1/12	12/31/12	103	[redacted]
384 1	Sierra Pacific Industries	[redacted]	[redacted]	Biomass	3/30/12	0			0	[redacted]
394 2	Cabazon	[redacted]	[redacted]	Wind	7/3/12	2	1/1/12	12/31/13	0	[redacted]
404	Whitewater	[redacted]	[redacted]	Wind	7/3/12	2	1/1/12	12/31/13	0	[redacted]

Contracts Presently Developing - November 29, 2012

Probability-Weighted Deliveries

	Name	CP1 Prob-ability	CP2&3 Prob-ability	Technology	Date Signed	Term (yrs)	Start	Stop	Capacity (MW)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	Centinela	[redacted]	[redacted]	Solar PV	5/10/10	20	4/1/14	3/31/34	125	[redacted]									
2	Centinela 2	[redacted]	[redacted]	Solar PV	7/29/10	20	9/1/14	8/31/34	30	[redacted]									
3	Pattern	[redacted]	[redacted]	Wind	2/1/11	20	12/15/12	12/15/33	265	[redacted]									
4	Solargen2	[redacted]	[redacted]	Solar PV	6/24/11	25	9/30/12	9/29/37	150	[redacted]									
5	enXco Catalina	[redacted]	[redacted]	Solar PV	6/3/11	25	6/30/13	6/30/38	110	[redacted]									
6	Alta Mesa	[redacted]	[redacted]	Wind	12/17/09	20	3/1/12	2/28/32	40	[redacted]									
7	Arlington	[redacted]	[redacted]	Solar PV	6/3/11	25	12/20/13	12/19/38	127	[redacted]									
8	ESJ	[redacted]	[redacted]	Wind	10/8/29	20	8/31/13	12/31/33	150	[redacted]									
9	NRG Borrego	[redacted]	[redacted]	Solar PV	1/25/11	25	7/31/12	7/31/37	26	[redacted]									
10	Sol Orchard	[redacted]	[redacted]	Solar PV	4/11/11	25	12/31/12	12/30/37	24	[redacted]									
11	MMR Campo Verde	[redacted]	[redacted]	Solar PV	11/10/06	20	9/30/13	9/29/33	139	[redacted]									
12	Tenaska South	[redacted]	[redacted]	Solar PV	11/10/10	25	1/1/14	1/1/39	130	[redacted]									
13	Victor Mesa Linda B	[redacted]	[redacted]	Solar PV	3/30/12	20	10/31/13	10/31/33	5	[redacted]									
14	Western Antelope Dry Ranch	[redacted]	[redacted]	Solar PV	3/30/12	20	10/31/13	10/31/33	10	[redacted]									
15	Soitec TDS	[redacted]	[redacted]	Solar PV	5/17/11	25	12/31/14	12/30/39	45	[redacted]									
16	Soitec Rugged	[redacted]	[redacted]	Solar PV	5/17/11	25	12/31/14	12/30/39	80	[redacted]									
17	Campo (Shuu'luk)	[redacted]	[redacted]	Wind	1/0/00	25	10/1/14	9/30/39	160	[redacted]									
18	Tenaska West	[redacted]	[redacted]	Solar PV	3/8/11	25	1/1/16	12/31/40	140	[redacted]									
19	Soitec Desert Green	[redacted]	[redacted]	Solar PV	3/31/11	25	2/28/14	2/27/39	5	[redacted]									
20	Soitec Eastland	[redacted]	[redacted]	Solar PV	3/31/11	25	10/31/14	10/30/39	20	[redacted]									
21	Soitec Westland	[redacted]	[redacted]	Solar PV	3/31/11	25	2/28/14	2/27/39	5	[redacted]									
22	Manzana	[redacted]	[redacted]	Wind	2/14/12	20	12/31/12	6/30/32	100	[redacted]									
23	AES Mt Signal 1 Solar	[redacted]	[redacted]	Solar PV	2/10/12	25	5/31/13	6/29/38	200	[redacted]									
24	Lassen Lodge Hydro	[redacted]	[redacted]	Small Hydro	11/7/12	20	12/30/13	12/29/33	5	[redacted]									
25	SunEdison Cascade	[redacted]	[redacted]	Solar PV	11/7/12	20	11/30/14	11/29/34	18.5	[redacted]									
26	Pristine Sun Clearvista	[redacted]	[redacted]	Wind	11/7/12	20	2/28/13	2/27/33	10	[redacted]									
27	Otay Landfill V - CRE (FIT)	[redacted]	[redacted]	Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	[redacted]									
28	Otay Landfill VI - CRE (FIT)	[redacted]	[redacted]	Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	[redacted]									

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29	Otay Landfill VII - CRE (FIT)	[redacted]	Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	[redacted]
30	Mushroom Power - CRE (FIT)		Biomass	12/12/11	20	10/1/12	9/30/32	1.5	
31	BAP Power - CRE (FIT)		Solar PV	12/13/11	20	9/1/12	8/31/32	1.5	
32	Descanso Solar - CRE (FIT)		Solar PV	12/27/11	20	7/15/2012	7/14/2032	1.5	
33	Zodiac Power Solar A - CRE (FIT)		Solar PV	10/29/12	20	4/15/2013	4/15/2033	1.5	
34	Zodiac Solar E - CRE (FIT)		Solar PV	10/29/12	20	4/15/2013	4/15/2033	1	
35	Con Dios Solar 33 - CRE (FIT		Solar PV	11/2/12	20	6/1/2013	6/1/2033	1.5	

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Contracts Presently Developing - ~~August 13~~November 29, 2012										Probability-Weighted Deliveries									
	~~Name~~	~~CP1 Prob-ability~~	~~CP2&3 Prob-ability~~	~~Technology~~	~~Date Signed~~	~~Term (yrs)~~	~~Start~~	~~Stop~~	~~Capacity (MW)~~	~~2011~~	~~2012~~	~~2013~~	~~2014~~	~~2015~~	~~2016~~	~~2017~~	~~2018~~	~~2019~~	~~2020~~
~~1~~	~~Centinela~~	[redacted]		~~Solar PV~~	~~5/10/10~~	~~20~~	~~4/1/14~~	~~3/31/34~~	~~125~~	[redacted]									
~~2~~	~~Centinela 2~~			~~Solar PV~~	~~7/29/10~~	~~20~~	~~9/1/14~~	~~8/31/34~~	~~30~~										
~~3~~	~~Rim Rock~~			~~Wind~~	~~5/5/09~~	~~20~~	~~10/1/12~~	~~9/30/32~~	~~189~~										
~~4~~	~~Pattern~~			~~Wind~~	~~2/1/11~~	~~20~~	~~12/15/12~~	~~12/15/33~~	~~265~~										
~~5~~	~~Pacific Wind~~			~~Wind~~	~~10/14/05~~	~~20~~	~~8/31/12~~	~~8/30/32~~	~~140~~										
~~6~~	~~Solargen2~~			~~Solar PV~~	~~6/24/11~~	~~25~~	~~9/30/12~~	~~9/29/37~~	~~150~~										
~~7~~	~~enXco Catalina~~			~~Solar PV~~	~~6/3/11~~	~~25~~	~~6/30/13~~	~~6/30/38~~	~~110~~										
~~8~~	~~Alta Mesa~~			~~Wind~~	~~12/17/09~~	~~20~~	~~3/1/12~~	~~2/28/32~~	~~40~~										
~~9~~	~~Arlington~~			~~Solar PV~~	~~6/3/11~~	~~25~~	~~12/20/13~~	~~12/19/38~~	~~127~~										
~~10~~	~~ESJ~~			~~Wind~~	~~4/6/11~~	~~20~~	~~8/31/13~~	~~12/31/33~~	~~150~~										
~~11~~	~~NRG Borrego~~			~~Solar PV~~	~~1/25/11~~	~~25~~	~~7/31/12~~	~~7/31/37~~	~~26~~										
~~12~~	~~Sol Orchard~~			~~Solar PV~~	~~4/11/11~~	~~25~~	~~12/31/12~~	~~12/30/37~~	~~50~~										
~~13~~	~~MMR Campo Verde~~			~~Solar PV~~	~~11/10/06~~	~~20~~	~~9/30/13~~	~~9/29/33~~	~~139~~										
~~14~~	~~Tenaska South~~			~~Solar PV~~	~~11/10/10~~	~~25~~	~~1/1/14~~	~~1/1/39~~	~~130~~										
~~15~~	~~Victor Mesa Linda B~~			~~Solar PV~~		~~20~~	~~10/31/13~~	~~10/31/33~~	~~5~~										
~~16~~	~~Western Antelope Dry Ranch~~			~~Solar PV~~		~~20~~	~~10/31/13~~	~~10/31/33~~	~~10~~										
~~17~~	~~Soitec TDS~~			~~Solar PV~~	~~5/17/11~~	~~25~~	~~12/31/14~~	~~12/30/39~~	~~45~~										
~~18~~	~~Soitec Rugged~~			~~Solar PV~~	~~5/17/11~~	~~25~~	~~12/31/14~~	~~12/30/39~~	~~80~~										
~~19~~	~~Campo (Shuu'luk)~~			~~Wind~~		~~25~~	~~10/1/14~~	~~9/30/39~~	~~160~~										
~~20~~	~~Tenaska West~~			~~Solar PV~~	~~3/8/11~~	~~25~~	~~1/1/16~~	~~12/31/40~~	~~140~~										
~~21~~	~~Soitec Desert Green~~			~~Solar PV~~	~~3/31/11~~	~~25~~	~~2/28/14~~	~~2/27/39~~	~~5~~										
~~22~~	~~Soitec Eastland~~			~~Solar PV~~	~~3/31/11~~	~~25~~	~~10/31/14~~	~~10/30/39~~	~~20~~										
~~23~~	~~Soitec Westland~~			~~Solar PV~~	~~3/31/11~~	~~25~~	~~2/28/14~~	~~2/27/39~~	~~5~~										
~~24~~	~~Manzana~~			~~Wind~~	~~2/14/12~~	~~20~~	~~10/31/12~~	~~6/30/32~~	~~100~~										
~~25~~	~~AES Mt Signal 1 Solar~~			~~Solar PV~~	~~2/10/12~~	~~25~~	~~5/31/13~~	~~6/29/38~~	~~200~~										
~~26~~	~~Otay Landfill V - CRE (FIT)~~			~~Landfill gas~~	~~12/27/11~~	~~20~~	~~6/27/13~~	~~6/26/33~~	~~1.5~~										
~~27~~	~~Otay Landfill VI - CRE (FIT)~~			~~Landfill gas~~	~~12/27/11~~	~~20~~	~~6/27/13~~	~~6/26/33~~	~~1.5~~										
~~28~~	~~Otay Landfill VII - CRE (FIT)~~			~~Landfill gas~~	~~12/27/11~~	~~20~~	~~6/27/13~~	~~6/26/33~~	~~1.5~~										
~~29~~	~~Mushroom Power - CRE (FIT)~~			~~Biomass~~	~~12/12/11~~	~~20~~	~~10/1/12~~	~~9/30/32~~	~~1.5~~										

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~~30~~	~~BAP Power - CRE (FIT)~~	[redacted]		~~Solar PV~~	~~12/13/11~~	~~20~~	~~9/1/12~~	~~8/31/32~~	~~1.5~~	[redacted]
~~31~~	~~Descanso Solar - CRE (FIT)~~	[redacted]		~~Solar PV~~	~~12/27/11~~	~~20~~	~~7/15/13~~	~~7/14/33~~	~~1.5~~	[redacted]

~~Contracts Presently Developing - August 13, 2012~~										~~Probability-Weighted Deliveries~~										
	Name	CP1 Prob-ability	CP2&3 Prob-ability	Technology	Date Signed	Term (yrs)	Start	Stop	Capacity (MW)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1	Centinela	[redacted]		Solar PV	5/10/10	20	4/1/14	3/31/34	125	[redacted]										
2	Centinela 2			Solar PV	7/29/10	20	9/1/14	8/31/34	30											
~~3~~	~~Rim Rock~~			~~Wind~~	~~5/5/09~~	~~20~~	~~10/1/12~~	~~9/30/32~~	~~189~~											
~~4~~3	Pattern			Wind	2/1/11	20	12/15/12	12/15/33	265											
~~5~~	~~Pacific Wind~~			~~Wind~~	~~10/14/05~~	~~20~~	~~8/31/12~~	~~8/30/32~~	~~140~~											
~~6~~4	Solargen2			Solar PV	6/24/11	25	9/30/12	9/29/37	150											
~~7~~5	enXco Catalina			Solar PV	6/3/11	25	6/30/13	6/30/38	110											
~~8~~6	Alta Mesa			Wind	12/17/09	20	3/1/12	2/28/32	40											
~~9~~7	Arlington			Solar PV	6/3/11	25	12/20/13	12/19/38	127											
~~10~~8	ESJ			Wind	~~4/6/11~~10/8/2	20	8/31/13	12/31/33	150											
~~11~~9	NRG Borrego			Solar PV	1/25/11	25	7/31/12	7/31/37	26											
~~12~~10	Sol Orchard			Solar PV	4/11/11	25	12/31/12	12/30/37	~~50~~24											
~~13~~11	MMR Campo Verde			Solar PV	11/10/06	20	9/30/13	9/29/33	139											
~~14~~12	Tenaska South			Solar PV	11/10/10	25	1/1/14	1/1/39	130											
~~15~~13	Victor Mesa Linda B			Solar PV	3/30/12	20	10/31/13	10/31/33	5											
~~16~~14	Western Antelope Dry Ranch			Solar PV	3/30/12	20	10/31/13	10/31/33	10											
~~17~~15	Soitec TDS			Solar PV	5/17/11	25	12/31/14	12/30/39	45											
~~18~~16	Soitec Rugged			Solar PV	5/17/11	25	12/31/14	12/30/39	80											
~~19~~17	Campo (Shuu'luk)			Wind	1/0/00	25	10/1/14	9/30/39	160											
~~20~~18	Tenaska West			Solar PV	3/8/11	25	1/1/16	12/31/40	140											
~~21~~19	Soitec Desert Green			Solar PV	3/31/11	25	2/28/14	2/27/39	5											
~~22~~20	Soitec Eastland			Solar PV	3/31/11	25	10/31/14	10/30/39	20											
~~23~~21	Soitec Westland			Solar PV	3/31/11	25	2/28/14	2/27/39	5											
~~24~~22	Manzana			Wind	2/14/12	20	~~10~~12/31/12	6/30/32	100											
~~25~~23	AES Mt Signal 1 Solar			Solar PV	2/10/12	25	5/31/13	6/29/38	200											

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24	Lassen Lodge Hydro	[redacted]	Small Hydro	11/7/12	20	12/30/13	12/29/33	5	[redacted]
25	SunEdison Cascade		Solar PV	11/7/12	20	11/30/14	11/29/34	18.5	
26	Pristine Sun Clearvista		Wind	11/7/12	20	2/28/13	2/27/33	10	
~~26~~27	Otay Landfill V - CRE (FIT)		Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	
~~27~~28	Otay Landfill VI - CRE (FIT)		Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	
~~28~~29	Otay Landfill VII - CRE (FIT)		Landfill gas	12/27/11	20	6/27/13	6/26/33	1.5	
~~29~~30	Mushroom Power - CRE (FIT)		Biomass	12/12/11	20	10/1/12	9/30/32	1.5	
~~30~~31	BAP Power - CRE (FIT)		Solar PV	12/13/11	20	9/1/12	8/31/32	1.5	
~~31~~32	Descanso Solar - CRE (FIT)		Solar PV	12/27/11	20	7/15/~~13~~2013	7/14/~~33~~2033	1.5	
33	Zodiac Power Solar A - CRE (FIT)		Solar PV	10/29/12	20	4/15/2014	4/15/2034	1.5	
34	Zodiac Solar E - CRE (FIT)		Solar PV	10/29/12	20	4/15/2014	4/15/2034	1	
35	Con Dios Solar 33 - CRE (FIT		Solar PV	11/2/12	20	6/1/2013	6/1/2033	1.5	

VI. "MINIMUM MARGIN" OF PROCUREMENT- -§ 399.13(A)(4)(D)

SDG&E's RPS Risk Adjusted Net Short Calculation, as shown in Section V above, provides a "Minimum Margin of Procurement" that is intended to account for foreseeable project failures or delay. This calculation also includes an additional "Voluntary Margin of Over-Procurement", which is intended to ensure that SDG&E achieves its RPS requirements despite unforeseeable risks. Since both the RPS targets and RPS deliveries fluctuate constantly, it is nearly impossible to meet RPS targets with the exact number of MWhs required. SDG&E's Voluntary Margin of Over-Procurement is designed to ensure that it achieves its RPS goals with a "buffer" to account for unforeseen changes to either the RPS targets or deliveries. Because it is more difficult to predict retail sales and project performance in CP2 and CP3, SDG&E's Voluntary Margin of Over-Procurement is higher in those years. SDG&E's RNS calculation, including its Voluntary Margin of Over-Procurement, for each compliance period is described below.

A. Compliance Period 1

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SDG&E's Compliance Period 1 RNS is based on the following formula:

RPS Risk-adjusted Net Short = (Bundled Retail Sales Forecast x RPS Procurement Quantity Requirement + Voluntary Minimum Margin of Procurement) – (Online Generation + Risk-adjusted Forecast Generation + Pre-approved Generic Generation)

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Where:

- Bundled Retails Sales Forecast = the forecast developed in accordance with Section I(B)(2)(a) of SDG&E's 2012 RPS Plan
- RPS Procurement Quantity Requirement = Compliance Period 1 RPS percentage target plus the deficit that SDG&E is required to carry forward from the prior RPS regime as discussed in Section I(B)(2)(g) of SDG&E's 2012 RPS Plan.
- Voluntary Minimum Margin of Procurement = up to the current anticipated net long position for CP1
- Online Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have achieved commercial operation, as discussed in Section I(B)(1)(a) of SDG&E's 2012 RPS Plan
- Risk-adjusted Forecast Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have not yet achieved commercial operation, as discussed in Section I(B)(1)(b) of SDG&E's 2012 RPS Plan
- Pre-approved Generic Generation = unsubscribed volumes that SDG&E is required to procure under CPUC programs such as the Renewable Auction Mechanism and the Feed-in-Tariff

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B. Compliance Period 2

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SDG&E's Compliance Period 2 RNS is based on the following formula:

RPS Risk-adjusted Net Short = (Bundled Retail Sales Forecast x RPS Procurement Quantity Requirement+ Voluntary Minimum Margin of Procurement) – (Online Generation + Risk-adjusted Forecast Generation + Pre-approved Generic Generation)

Where:

- Bundled Retails Sales Forecast = the forecast developed in accordance with Section I(B)(2)(a) SDG&E's 2012 RPS Plan
- RPS Procurement Quantity Requirement = Compliance Period 2 RPS percentage target
- Voluntary Minimum Margin of Procurement = up to the current anticipated net long position for CP2
- Online Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have achieved commercial operation, as discussed in Section I(B)(1)(a) of SDG&E's 2012 RPS Plan
- Risk-adjusted Forecast Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have not yet achieved commercial operation, as discussed in Section I(B)(1)(b) of SDG&E's 2012 RPS Plan
- Pre-approved Generic Generation = unsubscribed volumes that SDG&E is required to procure under CPUC programs such as the Renewable Auction Mechanism and the Feed-in-Tariff

C. Compliance Period 3

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SDG&E's Compliance Period 3 RNS is based on the following formula:

RPS Risk-adjusted Net Short = (Bundled Retail Sales Forecast x RPS Procurement Quantity Requirement+ Voluntary Minimum Margin of Procurement) – (Online Generation + Risk-adjusted Forecast Generation + Pre-approved Generic Generation)

Where:

- Bundled Retails Sales Forecast = the forecast developed in accordance with Section I(B)(2)(a) SDG&E's 2012 RPS Plan
- RPS Procurement Quantity Requirement = Compliance Period 3 RPS percentage target
- Voluntary Minimum Margin of Procurement = up to the current anticipated net long position for CP3
- Online Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have achieved commercial operation, as discussed in Section I(B)(1)(a) of SDG&E's 2012 RPS Plan
- Risk-adjusted Forecast Generation = the generation that SDG&E expects will be delivered by its portfolio of RPS projects that have not yet achieved commercial operation, as discussed in Section I(B)(1)(b) of SDG&E's 2012 RPS Plan
- Pre-approved Generic Generation = unsubscribed volumes that SDG&E is required to procure under CPUC programs such as the Renewable Auction Mechanism and the Feed-in-Tariff

VII. BID SOLICITATION PROTOCOL, INCLUDING LCBF METHODOLOGIES - § 399.13(A)(5)(C) AND D.04-07-029

Attached are SDG&E's proposed bid solicitation protocol and related documents for a 2012 RPS solicitation (2012 RPS RFO).

- Appendix A: 2012 RPS Solicitation (RFO Document)
- Appendix B1: 2012 RFO Participation Summary
- Appendix B2: 2012 RFO Project Description Form
- Appendix B3: 2012 RFO Bundled Pricing Form
- Appendix B4: 2012 RFO REC Pricing Form
- Appendix B5: 2012 RFO Model PPA
- Appendix B6: 2012 RFO REC Agreement
- Appendix B7: 2012 RFO Credit Application
- Appendix B8: 2012 RFO Consent Form
- Appendix C: Evaluation Methodology (LCBF Process)

VIII. ESTIMATING TRANSMISSION COST FOR THE PURPOSE OF RPS PROCUREMENT AND BID EVALUATION - TRANSMISSION RANKING COST REPORT REQUIRED

SDG&E filed a draft TRCR on June 26, 2012.

IX. CONSIDERATION OF PRICE ADJUSTMENT MECHANISMS -§ 399.13(A)(5)(E)

SDG&E acknowledges that contracts with online dates occurring more than 24 months after the contract execution date can pose additional risk to ratepayers. SDG&E has incorporated price adjustment mechanisms in some of its current contracts that are intended to alleviate some of these risks, including the following:

- Price adjustment for delay in Guaranteed Commercial Operation Date ("GCOD"): A lower price for a late GCOD provides additional incentive for developers to come online as early as possible. However, this structure can create financing challenges if financing parties are not comfortable with the potentially lower price. It is also difficult to quantify an appropriate price adjustment amount and can lead to drawn out negotiations.
- Capped transmission upgrade costs: Placing a cap on the amount of transmission upgrade costs, which are ultimately borne by ratepayers, that a project can ~~bear~~incur is an

important way to limit ratepayer exposure to such costs. This type of cap is especially important for projects with CODs more than 24 months after the contract execution date because it is unlikely that such projects have received reliable transmission upgrade cost estimates at the time the contract is signed.

SDG&E also proposes a revised security provision that is intended to alleviate the risk of a long period between execution and construction. The Construction Period Security should escalate in proportion to the duration of time between contract execution and start of construction. For example:

- For Projects with a construction start date within 12 months of Execution of the agreement - 2X the annual estimated deliveries of energy (MWh) X $20
- For Projects with a construction start date within 24 months of Execution of the agreement - 2X the annual estimated deliveries of energy (MWh) X $30
- For Projects with a construction start date within 36 months of Execution of the agreement - 2X the annual estimated deliveries of energy (MWh) X $40

SDG&E believes that this security structure will help to protect ratepayers from the risk that developers have improperly assessed wind turbine or solar panel prices. The longer the developer must wait to buy turbines/panels, the more risk exists that the prices will go up and the developer will not be able to develop the project for the price offered. The additional security would help to protect against this increased market risk.

X. COST QUANTIFICATION TABLE

The following tables provide an annual summary of both actual and forecasted RPS procurement costs, by technology type, as of May 2012.

		Actual RPS-Eligible Procurement and Generation Costs								
1	**Technology Type**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
2	Biogas	6,201,139	8,541,291	8,915,866	8,087,169	6,685,347	9,388,536	10,067,817	11,383,663	10,699,119
3	Biomass	18,888,387	18,693,045	17,205,462	16,965,465	12,237,997	22,995,311	24,605,914	27,430,655	27,275,365
4	Geothermal	0	0	0	0	0	0	0	14,679,414	29,437,292
5	Small Hydro	0	0	0	0	994,116	1,210,445	1,035,376	1,036,066	776,149
6	Solar PV	0	0	0	0	0	0	0	0	8,411,735
7	Solar Thermal	0	0	0	0	0	0	0	0	0
8	Wind	22,750	5,980,963	14,097,259	19,779,696	22,968,510	22,131,340	60,255,477	54,744,756	66,266,623
9	UOG Small Hydro	0	0	0	0	0	0	0	0	0
10	UOG Solar	0	0	0	0	0	0	0	0	0
11	RECs (incl. any buy/sell-back	0	0	0	0	0	0	0	0	0
12	**Total CPUC-Approved RPS-Eligible Procurement and Generation Cost ($)** [Sum of Rows 2 through 11]	**25,112,276**	**33,215,299**	**40,218,587**	**44,832,330**	**42,885,970**	**55,725,632**	**95,964,584**	**109,274,554**	**142,866,283**
13	Bundled Retail Sales (kWh)	15,043,865,000	15,811,591,000	16,001,516,000	16,846,888,000	17,056,023,000	17,409,884,000	16,993,872,000	16,282,682,000	16,249,031,000
14	**Incremental Cost per kWh (cents/kWh)**	0.167	0.210	0.251	0.266	0.251	0.320	0.565	0.671	0.879

* Incremental Cost per kWh Impact is equal to Row 12 divided by Row 13, that is, it is defined as the identified costs (Row 12) divided by bundled retail sales (Row 13). While the item is labeled "Incremental Cost per kWh Impact", the value does not constitute a rate impact and should be interpreted as an estimate of a system average cost per kWh for RPS-eligible procurement and generation, not a renewable "premium". In other words, the amount shown captures the total cost of the renewable generation and not the additional cost incurred by receiving renewable energy instead of an equivalent amount of energy from conventional generation sources.

		Forecasted Future Expenditures on RPS-Eligible Procurement and Generation Costs								
1	**Executed But Not CPUC-Approved RPS-Eligible Contracts**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
2	Biogas	0	0	0	0	0	0	0	0	0
3	Biomass	0	0	0	0	0	0	0	0	0
4	Geothermal	22,800,000	0	0	0	0	0	0	0	0
5	Small Hydro	0	0	0	0	0	0	0	0	0
6	Solar PV	33,809,910	94,656,947	110,616,543	109,831,204	108,681,105	107,740,489	107,181,999	105,901,966	105,005,713
7	Solar Thermal	0	0	0	0	0	0	0	0	0
8	Wind	14,140,000	28,765,000	37,811,644	37,811,644	37,811,644	37,811,644	37,811,644	37,811,644	37,811,644
9	UOG Small Hydro	0	0	0	0	0	0	0	0	0
10	UOG Solar	0	0	0	0	0	0	0	0	0
11	RECs (incl. any buy/sell-back	280,500	0	0	0	0	0	0	0	0
12	**Total Executed But Not CPUC-Approved RPS-Eligible Procurement and Generation Cost ($)** [Sum of Rows 2 through 11]	**71,030,410**	**123,421,947**	**148,428,187**	**147,642,848**	**146,492,749**	**145,552,133**	**144,993,643**	**143,713,610**	**142,817,356**
13	Bundled Retail Sales (kWh)	[redacted]				18,595,626,000	18,873,220,000	19,154,172,000	19,454,994,000	19,759,758,000
14	**Incremental Cost per kWh (cents/kWh)**	[redacted]				0.788	0.771	0.757	0.739	0.723
15	**CPUC-Approved RPS-Eligible Contracts (Incl. RAM/FIT/PV Contracts)**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
16	Biogas	8,711,750	8,711,750	8,711,750	8,711,750	8,711,750	8,711,750	8,711,750	8,711,750	8,711,750
17	Biomass	27,864,321	27,864,321	27,864,321	27,864,321	27,864,321	27,864,321	27,864,321	27,864,321	27,864,321
18	Geothermal	52,128,755	52,128,755	24,217,020	0	0	0	0	0	0
19	Small Hydro	994,116	994,116	994,116	994,116	994,116	994,116	994,116	994,116	994,116
20	Solar PV	34,764,385	97,039,334	240,827,532	296,677,387	356,497,175	355,897,471	355,306,603	354,724,559	354,151,239
21	Solar Thermal	0	0	0	0	0	0	0	0	0
22	Wind	60,751,078	97,495,476	240,312,652	242,204,900	243,761,852	245,558,959	247,769,662	249,291,509	251,294,499
23	UOG Small Hydro	0	0	0	0	0	0	0	0	0
24	UOG Solar	0	0	0	0	0	0	0	0	0
25	RECs (incl. any buy/sell-back	0	0	0	0	0	0	0	0	0
26	**CPUC-Approved RPS-Eligible Procurement and Generation Cost ($)** [Sum of Rows 16 through 25]	**185,214,405**	**284,233,752**	**542,927,391**	**576,452,474**	**637,829,213**	**639,026,617**	**640,646,452**	**641,586,254**	**643,015,925**
27	Bundled Retail Sales (kWh)	[redacted]				18,595,626,000	18,873,220,000	19,154,172,000	19,454,994,000	19,759,758,000
28	**Incremental Cost per kWh (cents/kWh)**	[redacted]				3.430	3.386	3.345	3.298	3.254
29	**Total Cost per kWh (cents/kWh) (14+28)**	[redacted]				4.218	4.157	4.102	4.036	3.977

* Incremental Cost per kWh Impact is equal to a Total Cost (either Row 12 or 26) divided by Bundled Retail Sales (either Row 13 or 27). While the item is labeled "Incremental Cost per kWh Impact", the value does not constitute a rate impact and should be interpreted as an estimate of a system average cost per kWh for RPS-eligible procurement and generation, not a renewable "premium". In other words, the amount shown captures the total cost of the renewable generation and not the additional cost incurred by receiving renewable energy instead of an equivalent amount of energy from conventional generation sources.

XI. IMPORTANT CHANGES TO PLANS NOTED

See Appendix D: Important Plan Changes from 2012 RPS Plan to the 2011 RPS Plan

XII. REDLINED COPY OF PLANS REQUIRED

See Appendix E: Provides redlined version of each of the documents above to show all changes that have been made to the 2011 version of the RPS Plan.

~~XIII. STANDARDIZED VARIABLES IN LCBF MARKET VALUATION~~

~~The proposed Net Market Value calculation differs only slightly from SDG&E's current bid evaluation methodology and SDG&E is not opposed to incorporating the proposed method. The most important issue will be determining what value to use for the Capacity Value. SGD&E submits that the Market Price Referent is the most appropriate value to use.~~

~~A renewable energy resource is assigned a capacity value based upon the amount of new generating capacity that would otherwise have to be built to meet SDG&E's needs if the renewable energy resource were not built or would not otherwise displace the need to build new generation facilities. At present, SDG&E values this capacity through the Deliverability Value. This is calculated from the project-specific Market Price Referent with SDG&E's "all-in" TOD factors, less the project-specific Market Price Referent computed with SDG&E's "energy-only" TOD factors, with modifications to prevent negative capacity values in any given TOD period. This is done in order to maintain consistency with SDG&E's "all-in" TOD factors, which were designed to incorporate the effects of capacity value in TOD periods. The MPR itself is computed from the cost of a newly-built gas-fired power plant using publicly-available cost information. The Market Price Referent represents the levelized price, calculated using a cash flow modeling approach, at which the proxy CCGT revenues exactly equal the expected proxy CCGT costs on a net-present value (NPV) basis. The fixed and variable components of the MPR are calculated iteratively and then summed to produce an all-in MPR price. The MPR Model inputs include installed capital costs, fixed and variable operations and maintenance costs, natural gas fuel costs, cost of capital, and environmental permitting and compliance costs.~~

~~The main advantage of using the MPR Model over other production cost models or capacity valuation methods is that it is based upon cost and operating inputs that are publicly available, well documented, and familiar to both public and private participants. It relies upon forward costs of natural gas, CEC estimates of operating costs, and historically known plant construction costs updated with econometric indices. Furthermore, since it is based upon a conventional resource, and conventional resources are known to provide the maximum capacity benefits to a bulk power system, it is a reasonably good measurement of capacity value. As a generic model, however, it cannot address location-specific issues of individual generators. It also cannot be~~

~~used to compare the renewable resources to other renewable resources, as it is based upon a conventional resource.~~

~~A summary of the pros and cons of using the MPR model is set forth below.~~

~~**Pros**~~	~~**Cons**~~
~~Well known in the California and transparent to IOU's and CA Market participants~~	~~The MPR does not address portfolio fit, but rather non-location specific value.~~
~~Ensure the same approach among 3 IOUs~~	~~The MPR reflects the cost of a natural gas-fired facility, which is not directly comparable to the cost of a renewable resource~~
~~Continuity and transparency of the LCBF process~~	~~The complexity behind MPR derivation is more complex than the valuation methodology~~

~~XIV. PRELIMINARY INDEPENDENT EVALUATOR REPORT~~

~~The ACR solicits comments regarding the strengths and weaknesses of a proposal to require the portion of the Preliminary Independent Evaluator Report evaluating bid solicitation materials and LCBF methodology to be submitted as part of the proposed RPS Procurement Plan. SDG&E notes that it already collaborates with its Independent Evaluator regarding its RPS Procurement Plan and that the proposal to formalize what is currently a routine process is not necessary and will compromise efficiency. While this proposal may have potential benefits, the drawbacks of possible usage of the information by potential bidders for gaming purposes as well as the premature nature of the report outweigh these benefits. The IE should be able to recommend process improvements candidly and confidentially throughout the process and up to bid evaluation. A summary of the pros and cons of this proposal is set forth below.~~

~~Pros~~	~~Cons~~
~~• The IE can formally ensure that the LCBF criteria explanation will foster maximum participation while discouraging gaming.~~ ~~• By addressing the LCBF twice, the~~	~~• The optimal time for recommendations is after the evaluation is complete so that the full effect of the LCBF can be considered.~~ ~~• Requiring the IE to explain in great detail how the LCBF criteria are used in bid~~

~~CPUC will be able to see how well the evaluation reflected the set of bids received.~~	~~evaluation could be conducive to bid gaming.~~ • ~~The proposed process will be circular and administratively cumbersome. It requires the submittal of a finalized plan and associated documents to the IE for comment, after which it must again be revised, all within what it typically a very tight timeline.~~ • ~~It is much more efficient and timely to work with the IE throughout the process – as is standard practice – rather than to work independently and combine comments at the end.~~

~~XV. USE CAISO TRANSMISSION COST STUDY ESTIMATES IN LCBF EVALUATIONS~~

~~Phase II study estimates and estimates performed in feasibility and system impact studies in areas outside CAISO are considered the most accurate and complete set of information regarding project-specific costs. However, they rely upon a time-consuming study process where project bidders within the CAISO must apply for interconnection and frequently wait for two to three years for a final study. The limited and focused scope of the Phase II study is considered confidential information for the project developer. Also, the inability to use non-public transmission information limits the usability of these studies for general public discussion and makes them impractical for routine hypothetical cost estimates of projected future "generic" resources.~~

~~The TRCR method provides for a publicly available method of estimating transmission interconnection costs, but is of questionable value. The TRCR method is intended to provide a broad cluster-level overview of interconnection costs and does not provide estimates of costs for project-specific upgrades that are not anticipated within the TRCR study.~~

~~Another drawback of the TRCR system is that it does not provide estimates of distribution-level network upgrades (which are typically provided in project-specific SGIP/WDAT studies or Rule 21 interconnection studies). It also does not cover most areas outside of the CAISO that do not deliver to a CAISO delivery point. For such non-CAISO projects, there are no estimates of interconnection costs other than those studies performed by the non-CAISO transmission operator.~~

~~SDG&E has used a both sources of data in past RFOs, with study-level data being used where available and TRCR data being used where it was not. While SDG&E believes that this approach has produced fair results in the past, this method could unfairly bias the evaluation process in favor of projects with CAISO study data. Evaluating all projects using TRCR data would solve this potential problem, but could create a disadvantage for developers who have Phase II study results that estimate lower upgrade costs than the TRCR study shows. In addition, projects with Phase II studies are likely to have a viability advantage over projects which have not filed for interconnection or have not filed early enough to receive interconnection study results. SDG&E believes that a hybrid approach is the most sensible overall approach to the problem of transmission upgrade cost estimation in a competitive evaluation. SDG&E suggests that its initial evaluation be based solely on TRCR data. Once it has established a shortlist, however, SDG&E should be able to evaluate any additional transmission cost data that the developer provides, including Phase II studies, to ensure that it has selected the appropriate projects.~~

~~Projects with existing interconnections should not have any upgrade costs assigned, unless the project is a repower or expansion of existing facilities or otherwise requires modifications to an existing interconnection to meet new standards.~~

~~A summary of the pros and cons of this proposal is set forth below.~~

~~TRCR only~~	
~~Pro~~	~~Con~~

• ~~Public source of cost information – does not require confidentiality~~ • ~~Can be used for any project, whether inside or outside of queue process~~ • ~~Can be used for hypothetical transmission-connected projects~~	• ~~Cluster level cost data only, cannot be used for precise project-level cost estimates~~ • ~~Does not include costs for PTO interconnection or distribution-level upgrades~~ • ~~Not a legally binding cost estimate – may lead to unreasonable expectations in negotiating process~~ • ~~Can impair fair evaluation of projects with cost studies~~ • ~~Does not cover non-CAISO projects~~

~~CAISO/PTO studies only~~	
~~Pro~~	~~Con~~
• ~~Specific project-level determination of required upgrades and associated costs~~ • ~~Includes interconnection and distribution-level upgrade costs (through SGIP/WDAT) where applicable~~ • ~~Costs under interconnection agreements cannot exceed costs in studies under CAISO tariff (at present)~~	• ~~Long lead time – may require 2-3 years of waiting before available~~ • ~~Study results are provided to developer and are considered confidential~~ • ~~Impractical for hypothetical projects~~ • ~~Can impair fair evaluation of projects without cost studies~~

~~Hybrid approach~~	
~~Pro~~	~~Con~~
• ~~Provides most comprehensive set of information from which projects can be evaluated~~	• ~~Results of CAISO studies do not always correlate with TRCR due to differing study scope~~ • ~~Does not provide information on projects at distribution level which have not completed SGIP/WDAT or Rule 21 interconnection studies~~

~~XVI. CREATE TWO SHORTLISTS BASED ON STATUS OF TRANSMISSION STUDY~~

~~The ACR proposes that IOUs create Primary and Provisional shortlists. Projects on the Primary shortlist will have obtained CAISO GIP Phase II study results or equivalent, or executed Interconnection Agreements. The Provisional shortlist will contain projects that do not qualify as Primary. To encourage competition, it should be clarified that projects on the Primary shortlist should be permitted to lower their prices at any time. Additionally, timing must be considered in relation to pricing. If there are two projects with the same COD, but with different costs (higher on Primary list, and lower on Provisional list), IOUs should not be required to prematurely procure the more expensive Primary list project without knowing if the Provisional project is able to move to the Primary list. IOU's should also be able to begin working on PPAs with projects on the Primary shortlist regardless of the status of projects on the Provisional shortlist. A summary of the pros and cons of this approach is set forth below.~~

~~Pros~~	~~Cons~~
• ~~The Provisional "Wait List" will encourage competition.~~ • ~~The two lists will inform procurement decisions by providing a pre-approved~~	• ~~This proposal is unclear in regards to the relationship between pricing and timing between the two shortlists.~~ • ~~This proposal is unclear as to how~~

~~list of projects that are both viable and cost recoverable, and a pre-approved pipeline of projects that are able to move into this first category.~~ • ~~The two lists will offer insight into the procurement landscape by showing what types of projects are viable and available.~~	~~the status of projects on the Provisional shortlist may affect those on the Primary shortlist.~~

~~XVII. SHORTLISTS EXPIRE AFTER 12 MONTHS~~

~~The ACR proposes that shortlisted bids be executed within 12 months from the day that the IOU submits its final shortlist (consisting of both Primary and Provisional bids) to the Commission for approval. SDG&E is generally in favor of this approach. In order to discourage the incentive for either party to stall negotiations in order to let the clock expire, the Commission should emphasize that both parties are obligated to negotiate in good faith for the 12 month period. The 12 month limit should not apply to PPAs for projects in which the utility intends to invest. These PPAs are associated with larger transactions (equity contribution agreements) that typically take longer that one year to negotiate. If such a project is solicited through an RFO process, it should not be subject to this limitation. Since the prices for such PPAs are typically based on actual costs plus a negotiated rate of return, it is less likely that the longer negotiation period will result in a mismatch between the contract price and the market. Therefore, excluding these contracts from the 12 month limit should not increase the risk of such a mismatch. A summary of the pros and cons of this approach is set forth below.~~

~~Pros~~	~~Cons~~
• ~~Decreases risk that the market will change drastically between the time the project is shortlisted and when the contract is signed. At the end of 12 months, if the market has shifted so that the contract price is no longer competitive, the project would have to~~	• ~~Does not totally eliminate the risk that the market will change drastically between the time the project is shortlisted and when the contract is signed. For example, contracts that SDG&E initially evaluated in mid 2010 had to be re-evaluated in early 2011 when it became clear that solar~~

~~bid into the next RFO and compete against current market prices.~~ • ~~Provides clarity to the market. If the two-tiered shortlist approach is adopted, the 12 month cutoff provides more certainty to provisionally shortlisted bidders with whom SDG&E has not initiated negotiations. If SDG&E does not initiate negotiations within 12 months, the provisionally shortlisted bidders would be released from such shortlist and free to re-bid their projects.~~	~~panel prices had drastically declined. Could create a perverse incentive to stall negotiations. If the developer sees that market prices are trending upward, it might chose to stall in order to get out of the deal which is bound by the original bid price. Conversely, if the utility sees that market prices are trending down, it might feel obligated to discontinue negotiations in order to force the developer to bid the project into the next RFO at a lower price.~~

~~XVIII. TWO-YEAR PROCUREMENT AUTHORIZATION~~

~~SDG&E believes that a 2-year procurement authorization cycle would benefit the procurement process by allowing utilities to procure more efficiently. Instead of holding annual solicitations, even when the utility does not foresee a near term need, the utility could schedule its solicitations within the 2-year period in accordance with its projected need. As the utilities approach compliance with RPS goals, even based on probability weighted deliveries from existing projects, annual solicitations may no longer make sense. As discussion in Section VI above, utilities must procure additional resources above the compliance target based on probability weighted expectations of performance from existing contracts. When the utility has met this probability weighted need for a certain compliance period, the utility should not solicit additional projects that will deliver large volumes during such compliance period. Doing so would send inappropriate signals to the market and distract developers with the fruitless task of preparing a proposal for a project that has little to no chance of being selected. Instead, the Commission should authorize the utility to potentially hold RFO only every other year. In between RFOs, the utility would monitor the performance of its existing portfolio, progress of projects under development and other market conditions to determine whether it would need to use any of the following tools to make up for unanticipated procurement need: (a) procure Category 3 products to make up for small volumes; (b) utilize banked procurement when available; and/or (c) procure~~

~~additional category 1 or 2 products to make up larger volumes. SDG&E does not believe that the current procurement process moves fast enough to warrant required annual solicitations. The two year procurement authorization cycle is more appropriate as the utilities approach full compliance. A summary of the pros and cons of this approach is set forth below.~~

~~Pros~~	~~Cons~~
• ~~Provides flexibility to procure only when necessary. For example, as discussed in Section I above, SDG&E expects to be able to achieve RPS goals for CP2 with contracts that it has already executed, and is currently focused primarily on procurement of projects that will provide most of their generation in the third compliance period. Holding an RFO in 2012 to solicit projects that will begin deliveries in 2017 may not be ideal because SDG&E would likely be procuring projects that are at very early stages of development when it is difficult, if not impossible, to assess project viability.~~	• ~~Project failures, spikes in retail sales, transmission failures or other unanticipated market pressures could result in the need to procure additional resources in a year when the utility will not hold an RFO.~~ • ~~Could increase instances when bilateral procurement must be benchmarked to outdated solicitation data.~~ ~~Potential Solution:~~ • ~~Bilateral projects must contain pricing that is indexed to the price of the applicable generator technology (solar panels, wind turbines, etc). The price would be adjusted at COD based on the market index. This could result in a lower price or a higher price depending on the market at COD.~~ • ~~Other potential solutions are discussed in section 6.9 above.~~

~~XIX. UTILIZE THE COMMISSION'S RPS PROCUREMENT PROCESS TO MINIMIZE TRANSMISSION COSTS~~

~~The Commission has proposed a process to better align the RPS procurement process with the CAISO's transmission planning process. The basic proposal can be summarized in 4 steps:~~

~~Step 1: CAISO determines how much capacity is available in each study area~~

~~Step 2: IOUS develop shortlists~~

~~Step 3: IOUs submit draft shortlist to the Commission~~

~~Step 4: If too many projects are shortlisted in a certain study area, CPUC rations out capacity to best ranked projects among all IOUs and confirms results with CAISO~~

~~Step 5: Losing bids remain on shortlist but cannot be executed unless another project does not get executed within 12 months.~~

~~SDG&E is generally in favor of this proposal and is supportive of this effort to more efficiently allocate available transmission capacity. A summary of the pros and cons of this approach is set forth below, along with specific suggestions to improve this process.~~

~~##~~
~~##~~
~~##~~

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~~Summary of Proposal~~	~~Pros~~	~~Cons~~	~~SDG&E position~~
~~CAISO establishes available MWs in each study area based on RPS goals, and then subtracts this volume of capacity from signed PPAs. The balance is available for newly shortlisted projects.~~	• ~~This methodology is based on the CAISO's recent efforts to improve its transmission planning process ("TPP") by planning for upgrades necessary to achieve 33% rather than upgrades necessary to build all projects in the interconnection queue. The benefit is that projects will no longer receive study results that require upgrades based on the existence of projects that may never come only.~~	• ~~The CAISO's new process will shift the burden of paying for upgrade costs from developers to ratepayers. SDG&E proposes that other measures should be taken to ensure that this valuable capacity is allocated to the most viable and cost effective projects as developers will no longer bear the upfront risk of upgrade costs.~~	~~SDG&E agrees that viable projects should be analyzed as such – without the impact of conceptual projects sitting in the queue that will likely never come to fruition. However, SDG&E acknowledges that the resulting shift in risk from developers to ratepayers should be mitigated by a process that clearly prioritizes the most viable and cost effective projects.~~
~~IOUS develop shortlists and submit draft shortlist to the Commission~~	• ~~No changes from previous process.~~		
~~If too many projects are shortlisted in a certain study area, CPUC rations out capacity to best ranked projects among all IOUs and confirms results with CAISO~~	• ~~This process prevents IOUs from negotiating contracts with projects that cannot be supported by the upgrades that the CAISO has determined are necessary to achieve 33%.~~	• ~~This process depends on an accurate allocation by the CAISO of the upgrades that will be necessary to achieve 33%~~ • ~~It may be difficult to determine which project should be awarded the available capacity. The CPUC should consider more than just price. For example, if SCE and SDG&E both have projects shortlisted in the same study area and only one can be built, the Commission may chose SCE's project because it has a lower ranking price, but SDG&E may have fewer alternatives for securing its RPS compliance. SCE's project may be cheaper, but SDG&E may have a greater need for its more expensive project. If only one can be built, it should be the less expensive project, but the Commission must acknowledge that this process could create an~~	~~SDG&E supports a procedure to determine the most viable and valuable projects, but this proposal does present several issues of concern. The first is an accurate assessment by the CAISO and the application of this data by the CPUC. The CPUC should acknowledge that its rationing procedure may impair an IOU's ability to reach its RPS goals. It is also important to consider how the proposed timeline will affect project development. SDG&E currently notifies developers of shortlist selection within approximately 5 months of RFO issuance. It is unclear how significantly this timeframe would be altered by this proposed process, and if significant how renewable~~

		~~additional barrier to achieving RPS goals.~~ • ~~As proposed, the timeline includes multiple points where approval is required – this could cause uncertainty and impede project development. The following is an estimated timeline following the proposal steps, if accurate, a developer would wait approximately 9 months after RFO issuance to know if their project has been shortlisted:~~ ~~a. CAISO determines deliverability that can be supported by the grid without additional high-cost DNU, and deducts PPA's executed in each study area to determine full capacity deliverability remaining for consideration in annual RPS procurement process: Cluster results generally available at the end of each year, add 1 month to determine deliverability available by study area, assuming CAISO has information readily available (Example: Cluster study complete 12/31/12, Results to CPUC 1/31/13)~~ ~~b. IOUs initiate solicitation, and submit draft shortlist to CPUC: approximately 6 months for RFO and bid analysis (Example: Issue RFO 10/1/12, Submit draft shortlist 3/31/13)~~ ~~c. CPUC rations any projects exceeding threshold in an area: assume 1 month for CPUC analysis and results (Example: Shortlist received 3/31/13, Analysis complete 4/30/13)~~ ~~d. CPUC sends results to CAISO: assume 1 month for verification (Example: Received 4/30/13,~~	~~development would be affected.~~

		~~Validated 5/31/13)~~ ~~e. CPUC provides results to IOUs, IOUs finalize shortlists and submit to CPUC: assume 1 month to finalize and submit (Example: Results received 5/31/13, Shortlist issued 6/30/13)~~	
~~Losing bids remain on shortlist but cannot be executed unless another project does not get executed within 12 months~~	• ~~See comments to 7.4 and 7.5 above.~~		
~~Comments on Overall Proposal~~	• ~~Helps to eliminate exorbitantly high and inaccurate upgrade cost estimates that assume that more generation will come on line than what is needed to achieve RPS goals.~~	• ~~Difficult to determine which projects are most deserving of the available capacity.~~	• ~~This proposal will shift risk from developers to ratepayers. To make this an effective program addition, the proposal should be structured to safeguard ratepayer interests. To mitigate ratepayer risk, this process must ensure that developers have sufficient certainty to develop enough projects to create a robust and competitive market for RPS procurement. To this end, the shortlist process should facilitate project development by establishing a clear timeline (with dates) to provide developers with as much certainty as possible. The CPUC must also acknowledge the potential additional barrier the rationing process may create for IOU's in achieving their RPS goals.~~

PUBLIC VERSION

SAN DIEGO GAS AND ELECTRIC COMPANY
ELECTRIC AND GAS PROCUREMENT DEPARTMENT
8315 CENTURY PARK COURT, CP21D
SAN DIEGO, CA 92123

2012
REQUEST FOR OFFERS

ELIGIBLE RENEWABLE RESOURCES

ISSUED
~~4TH QUARTER~~DECEMBER 7, 2012

OFFERS DUE
~~+6 WEEKS AFTER ISSUED~~

FEBRUARY 6, 2013

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RFO WEBSITE

http://www.sdge.com/renewablerfo2012

EMAIL QUESTIONS/COMMENTS TO
renewablerfo@semprautilities.com

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1.0 SCOPE OF REQUEST

As required by the Decision Conditionally Accepting 2012 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Off-Year Supplement (D.12-11-016), San Diego Gas & Electric Company (“SDG&E”) is issuing this Request for Offers (“RFO”) to solicit offers from eligible renewable energy generators (“Respondents”). By responding, Respondents are bound by the terms of this RFO. SDG&E is seeking resources to expand its renewable portfolio as part of its SB2(1X) RPS Compliance effort. Resources offered must meet the California Renewables Portfolio Standard (“RPS”) eligibility criteria set forth by the California Energy Commission (“CEC”). (See Section 5.0 RPS Program Parameters for additional information.)

A. Procurement Needs

SDG&E is required to serve its customers in the following manner: (a) with an average of 20% of retail sales from renewable resources between January 1, 2011 and December 31, 2013, inclusive[1] (“Compliance Period 1”) (b) with 25% of retail sales from renewable resources by December 31, 2016, with reasonable progress made in 2014 and 2015[2] (“Compliance Period 2”); (c) with 33% of retail sales from renewable resources by December 31, 2020, with reasonable progress made in 2017, 2018 and 2019[3] (“Compliance Period 3”); and (d) with 33% of retail sales from renewable resources in each year beyond 2020[4] (“Post 2020 Compliance Period”).

SDG&E must meet these goals by procuring renewable resources that meet the requirements of the products outlined in Public Utilities Code 399.16(b). A summary of each product type is provided below:

Category 1 (Public Utilities Code 399.16(b)(1)(A-B)): Bundled Products

- Must have first point of interconnection (“POI”) with a California Balancing Authority (“CBA”); **or**
- Must have first POI with distribution facilities used to serve end users within a CBA; **or**
- Must be scheduled from the eligible renewable resource (“ERR”) into a CBA without substituting electricity from another source[5];**or**.
- Have an agreement to dynamically transfer electricity to a CBA;

Category 2 (Public Utilities Code 399.16(b)(2)[6]): Firmed and Shaped Products

[1] Compliance towards Compliance Period 1 goals shall be measured as required by D.11-12-020, Ordering Paragraph (“OP”) 1.

[2] Compliance towards Compliance Period 2 goals shall be measured as required by D.11-12-020, OP 2.

[3] Compliance towards Compliance Period 3 goals shall be measured as required by D.11-12-020, OP 3.

[4] Compliance towards Post 2020 Compliance Period goals shall be measured as required by D.11-12-020, OP 4.

[5] If using another source to provide real-time ancillary services required to maintain an hourly or sub-hourly import schedule into a CBA is permitted, but only the fraction generated by the ERR will count as Category 1.

- Firmed and shaped ERR products providing incremental electricity and scheduled into a CBA

Category 3 (Public Utilities Code 399.16(b)(3): Unbundled Renewable Energy Credits ("RECs")

- ERR products, or any fraction of the electricity generated, **including unbundled RECs**, that do not qualify under 399.16(b)(1-2)

The table below provides a high level overview of SDG&E's procurement needs for this RFO. SDG&E's need is defined in terms of the time frame within which deliveries are needed and the product categories with which SDG&E intends to meet such needs. A more detailed discussion of RFO eligibility requirements is provided at Section 7.0.

	~~Deliveries Between~~ CP 1: January 1, 2011- December 31, 2013	~~Deliveries Between~~ CP 2: January 1, 2014- December 31, 2016	~~Deliveries starting Between~~ CP 3: January 1, 2017- December 31, 2020
SDG&E Overall Procurement Need~~*~~[7]	None~~Projects of up to 100 MW. Guidance regarding energy needs to be given at bidders conference~~	None	~~Projects from 20 to 250 MW. Guidance regarding energy needs to be given at bidders conference.~~A Tier 3 contingent shortlist[8] of 845 GWh
Category 1	None~~Short term energy only products (term of 1 year or less)~~	None	Long-term energy only or fully deliverable products (term of 20 years or less and CODs ~~between Q4~~in December 2016 at the earliest, with preference for 2018 and ~~Q1 2017~~2019 CODs)
Category 2	None	None	Long-term energy only or fully deliverable products (term of 20 years or less, with 2018 or 2019 CODs)~~None~~
Category 3	~~Unbundled RECs from facilities located in California or Dynamically Scheduled~~ None	None	Unbundled RECs that will be generated in December of 2013 with preference for those generated in 2015 and later ~~None~~

~~* Note- SDG&E's 2012 RPS RFO GWh procurement needs for CP1 and CP3 are anticipated to be very vulnerable to the performance of SDG&E's RPS portfolio between the time this RFO is filed and issued.~~

~~6 At present, due to the composition of SDG&E's renewable portfolio and limits on category procurement imposed by the California Public Utilities Code and various settlements, SDG&E will not accept Category 2 offers. Any offer to SDG&E which conforms to the product description of Category 2 will be rejected as non-conforming in this RFO.~~

7 Note- SDG&E's 2012 RPS RFO GWh procurement needs for CP3 are dependent upon the performance of SDG&E's RPS portfolio in the first quarter of 2013.

8 Projects will be shortlisted on a Tier 3 "stand-by" basis as discussed in Section 9 below.

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~~Therefore, guidance regarding specific procurement needs for each Compliance Period will be provided at the Bidders Conference based on the Need Determination Methodology explained in SDG&E 2012 RPS Procurement Plan.~~

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Proposed products may be for Peaking, Baseload, Dispatchable (unit firm), As-available or unbundled RECs. Proposed resources may include capacity, energy, or unbundled RECs from:

1) Re-powering of existing facilities;
2) Incremental capacity upgrades of existing facilities;
3) New facilities;
4) New facilities that are scheduled to come online during the years specified in this RFO that have excess or uncontracted quantities of power for a short time frame;
5) Existing facilities with expiring contracts; or
6) Eligible resources currently under contract with SDG&E. SDG&E shall consider offers to extend terms of or expand contracted capacities for existing agreements.

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B. Transmission and Deliverability

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The generating facility and transmission interconnection must be designed and constructed in conformance with the CAISO's various reliability agreements, procedures, protocols, tariffs and standards. In order to submit proposals under this solicitation, Respondent's Project ~~should have participated in the 2012 Transmission Ranking Cost Report ("TRCR") study applicable to the specific utility's transmission grid to which the project will tie in. Responses from Respondents who have system impact studies (dated 2006 or later) approved by the California Independent System Operator (CAISO) are also acceptable and deemed in conformance with the RFO. SDG&E may consider offers without CAISO system impact studies or 2012 TRCR participation at its sole discretion on a case-by-case basis.~~must have the minimum of a completed CAISO Generator Interconnection Procedures ("GIP") Phase I or equivalent study for new facilities, and an existing interconnection agreement for the duration of the Power Purchase Agreements ("PPA") for existing facilities. See RFO Section 4.0 – "RFO Response Instructions" for additional information.

C. Power Purchase Agreements ~~and~~ ("PPA") ~~Unbundled REC Agreements~~

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Respondents offering bundled energy ~~(~~("Category 1~~)~~"), or firmed and shaped energy ("Category 2") products shall propose a power purchase agreement for energy and/or energy plus capacity attributes. ~~Respondents offering unbundled RECs (Category 3) products shall propose a REC agreement for unbundled RECs from an eligible renewable resource that can meet the criteria described herein. Any resultant agreement shall~~PPA pricing may be subject to ~~CPUC approval.~~reduction if the total cost of network upgrades required to make the project deliverable exceed a dollar cap determined by SDG&E. Respondents offering Category 1 or 2 products must be poised to sign an agreement in substantially the form of the Model Power Purchase Agreement ("Model PPA") (See Section 4.0 RFO Response Instructions~~.) The Model REC Agreement will be appropriate for Respondents offering Category 3 products.~~). Category 1 or 2 products may be either fully deliverable or energy only, and the Model PPA will include the relevant set of Time-of-Day

Factors ("TODs"), as set forth below. Any resultant agreement shall be subject to CPUC approval, and must be executed within twelve (12) months from the date upon which the shortlist was submitted to the CPUC. Additional resource criteria are described in Section 7.0 Resource Criteria.

TOD Period	Period Days and Hours	Energy Only Time of Day Factor	Full Capacity Deliverability Status Time-of-Day Factor
Winter On-Peak	Nov 1 – Jun 30 Weekdays 1 pm to 9 pm PST (HE 14 to HE 21)	1.192	1.089
Winter Semi-Peak	Nov 1 – Jun 30 Weekdays 6 am to 1 pm PST (HE 7 to HE 13) Weekdays 9 pm to 10 pm PST (HE 22)	1.078	0.947
Winter Off-Peak	Nov 1 – Jun 30 All Weekend Hours, NERC Holiday Hours, and Weekday Hours not already considered On-Peak or Semi-Peak	0.774	0.679
Summer On-Peak	Jul 1 – Oct 31 Weekdays 11 am to 7 pm PST (HE 12 to HE 19)	1.531	2.501
Summer Semi-Peak	Jul 1 – Oct 31 Weekdays 6 am to 11 am PST (HE 7 to HE 11) Weekdays 7 pm to 10 pm PST (HE 20 to HE 22)	1.181	1.342
Summer Off-Peak	Jul 1 – Oct 31 All Weekend Hours, NERC Holiday Hours, and Weekday Hours not already considered On-Peak or Semi-Peak	0.900	0.801

Unbundled REC Agreements

D.

Respondents offering unbundled RECs (Category 3) products shall offer unbundled RECs from an eligible renewable resource that can meet the criteria described herein and is registered in WREGIS. Seller of Category 3 products shall enter into an Edison Electric Institute ("EEI") Master Agreement with SDG&E if it has not done so already. The Model REC Agreement will be appropriate for Respondents offering Category 3 products (See Section 4.0 RFO Response Instructions). Any resultant agreement shall be subject to CPUC approval, and must be executed within twelve (12) months from the date upon which the shortlist was submitted to the CPUC. Additional resource criteria are described in Section 7.0 Resource Criteria.

~~D.~~E. Participation from Diverse Business Enterprises

SDG&E encourages Diverse Business Enterprises ("DBEs"), as defined in G.O. 156[9], to participate in the RPS program and in this RFO. Furthermore, SDG&E encourages developers to utilize DBEs during various stages of project development and construction. As a part of G.O. 156,

[9] See http://www.thesupplierclearinghouse.com/eligibility/default.asp for the definition of a DBE.

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SDG&E will require developers to identify and verify their DBE contractors/subcontractor spending if any.

Additional information on SDG&E's DBE program and utilizing DBEs can be found at:

http://www.sempra.com/about/supplier-diversity/
and
http://www.cpuc.ca.gov/puc/supplierdiversity/

Like other qualitative factors, in the event of a tie between two Offers, SDG&E will consider a Respondents status as a DBE and or a Respondent's plan to utilize the services of DBEs during project development.

SDG&E's DBE Program representatives will provide a presentation during the pre-bidding conference on ~~XX, 2012.~~January 11th). DBEs can request additional information by contacting SDG&E at vendorrelations@semprautilities.com.

2.0 RFO WEBSITE AND COMMUNICATIONS

The RFO and all subsequent revisions and documents are available for download from the RFO Website~~.~~ (http://www.sdge.com/procurement/2012RPSRFO). Potential Respondents are responsible for monitoring the RFO Website for subsequent updates, notices and postings.

The RFO website contains RFO forms and documents, RFO Schedule, and a Question and Answer forum. ~~**Those intending to bid must register first to receive a username/password prior to uploading electronic offers**. See instructions on the website to register. The DEADLINE TO REGISTER is indicated in Section 3.0 – "RFO Schedule".~~

All questions or other communications regarding this RFO must be submitted via email to renewablerfo@semprautilities.com by the DEADLINE TO SUBMIT QUESTIONS as specified in Section 3.0 RFO Schedule. SDG&E will not accept questions or comments in any other form.

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3.0 RFO SCHEDULE

The following schedule and deadlines apply to this RFO. SDG&E reserves the right to revise this schedule at ~~anytime~~any time and in SDG&E's sole discretion. Respondents are responsible for accessing the RFO Website for updated schedules and possible amendments to the RFO or the solicitation process.

NO.	ITEM	APPROX. DATE
1.	RFO Issued	~~4th Quarter 2012~~12/7/12
2.	Pre-Bidder's Conference in San Diego, California (including webinar)	~~+ 3 weeks~~1/11/13
3.	DEADLINE TO SUBMIT QUESTIONS Question submittal cut-off date. Answers to all questions will be posted on the website no later than ~~+ 5 weeks~~1 week following question submittal cutoff date	~~+ 4 weeks~~1/18/13
~~4~~5.	CLOSING DATE: Offers must be uploaded to and received by the RFO Website no later than NOON (Pacific Prevailing Time).~~DEADLINE TO REGISTER~~ ~~Those intending to bid must register to receive a username/password in order to upload electronic offers.~~	~~+ 5 weeks~~2/6/13
~~5~~6.	SDG&E notifies the CPUC (Executive Director) that the RFO has closed.~~CLOSING DATE:~~ ~~Offers must be uploaded to and received by the RFO Website no later than NOON (Pacific Prevailing Time).~~	~~+~~ 2/6 ~~weeks~~/13
~~6~~7.	SDG&E notifies ~~the CPUC (Executive Director) that the RFO has closed.~~short-listed Respondents	~~Three business days after closing date~~ 4/5/13
~~7~~8.	~~SDG&E notifies~~Letter due from short-listed Respondents indicating: a. Withdrawal from SDG&E's solicitation; OR b. Acceptance of short-listed standing, withdrawal of participating in any other solicitation and evidence of withdrawal notice to all other solicitors.	~~+ 22 weeks after RFO Issuance~~4/12/13
~~8~~9.	~~Letter due~~Due from short-listed Respondents ~~indicating:~~ ~~a. Withdrawal from SDG&E's solicitation; OR~~ ~~b.~~ accepting shortlist standing a Bid Acceptance ~~of short-listed standing, withdrawal of participating in any other solicitation~~Fee (see Section 12.0 Credit Terms and ~~evidence of withdrawal notice~~Conditions). In addition, interconnection documentation must be assigned to ~~all other solicitors~~the entity that will sign the PPA, if not already in the name of such entity.	~~+ 23 weeks after issuance~~4/15/13
~~9~~10.	~~Due from short-listed Respondents accepting shortlist standing a Development Period Security (see Section 12.0 Credit Terms and Conditions)~~SDG&E submits FINAL short list to Commission and PRG	~~+ 24 weeks after issuance~~4/17/13
~~10~~11.	SDG&E ~~submits FINAL short list~~issues appreciation notices to ~~Commission and PRG~~unsuccessful Respondents	~~+ 25 weeks after issuance~~5/10/13

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NO.	ITEM	APPROX. DATE
11 12.	SDG&E issues appreciation notices to unsuccessful RespondentsSDG&E files by Tier 2 advice letter (a) Evaluation Criteria and Selection Process Report and (b) Independent Evaluator's Report	+26 weeks after issuance5/17/13
12 13.	SDG&E commences with PPA negotiationsSDG&E submits LCBF report to CPUC; IE submits Preliminary IE Report to CPUC	+ 32 weeks after issuanceBy June 2013
13 14.	SDG&E's 2012 RPS RFO Shortlist ExpiresSDG&E commences with PPA negotiations	Up to 12 months after shortlisted respondents accepted their shortlisting position4/17/14
14 15.	SubmitsSDG&E submits Tier 3 Advice lettersLetters with PPAs to CPUC of proposed contracts-/PPAs for Commission approval	+4 weeks after contracts are negotiated and executedTBD

PRE-BID CONFERENCES

SDG&E will host one pre-bid conference on X, 2012January 11th) in San Diego, California. The conference will also be available via webinar for those who cannot attend in person. Though encouraged, participation in the pre-bid conference is NOT mandatory in order to submit an offer. Please monitor the RFO Website periodically. The venue and time will be posted as soon as arrangements are finalized.

Any party interested in attending this pre-bid conference and/or webinar should email the following information to renewablerfo@semprautilities.com. Please limit your participation to two representatives per organization.

- Company name
- Attendees' names, titles and contact information

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4.0 RFO RESPONSE INSTRUCTIONS

Respondents may submit one or more offers to this solicitation by submitting the forms listed below. Forms are available on the RFO Website. The failure to provide the listed information may result in the proposal being deemed non-conforming and may disqualify the proposal from further consideration.

Required Forms for Category 1 Offers:

1) **Participation Summary**
2) **Project Description Form** – Submit one per project[10].
3) **Pricing Form** – Respondents may submit ~~more than one~~up to three pricing ~~option~~options per project.
4) **Credit Application**
5) **Model PPA** – Required for offers that include energy deliveries. Respondents shall populate and redline the Model PPA.
6) **Project Viability Calculator** – Respondents must self assess the viability of the proposed project using the CPUC's Project Viability Calculator.
7) **Interconnection Documents** – Respondents must provide an electronic copy of the proposed project's completed CAISO GIP Phase I or equivalent study if the facility is new, or if the facility is existing, Respondent must provide the facility's interconnection agreement.[11]

Required Forms for Category 2 Offers:

1) **Participation Summary**
2) **Project Description Form** – Submit one per project[12].
3) **Pricing Form** – Respondents may submit up to three pricing options per project.
4) **Credit Application**
5) **Model PPA** – Required for offers that include energy deliveries. Respondents shall populate and redline the Model PPA.
6) **Project Viability Calculator** – Respondents must self assess the viability of the proposed project using the CPUC's Project Viability Calculator.
7) **Interconnection Documents** – Respondents must provide an electronic copy of the proposed project's completed CAISO GIP Phase I or equivalent study (System Impact Study or Facility Study from official North American Electric Reliability Corporation Transmission Operator) if the facility is new, or if the facility is existing, Respondent must provide the facility's interconnection agreement.[13]

[10] Please note this form MUST describe the substation at which the project interconnects

[11] Note that interconnection documents should be in the name of the entity that will sign the PPA. If not, Respondent must assign such documents to the entity that will sign the PPA by the time that Respondent accepts its position on the shortlist.

[12] Please note this form MUST describe the substation at which the project interconnects

[13] Note that interconnection documents should be in the name of the entity that will sign the PPA. If not, Respondent must assign such documents to the entity that will sign the PPA by the time that Respondent accepts its position on the shortlist.

8) **Firming and Shaping/Substitute Energy Agreement** – Respondent must provide evidence of the proposed project's firming and shaping agreement (either draft, or executed version if completed).

Required Forms for Category 3 Offers:

1) **Participation Summary**
2) **Project Description Form** – Submit one per project[14].
3) **REC Pricing Form** – Respondents may submit ~~more than one~~up to three pricing ~~option~~options per project.
4) **Model REC Agreement** – Required for offers for unbundled RECs only. Respondents shall populate and redline the Model REC Agreement.

The Participation Summary, Project Description Form, Credit Application, and redlines to the Model PPA and/or Model REC Agreement must be in Word or Word-compatible format (not in PDF). The Pricing Form and Project Viability Calculator must be in Excel or Excel-compatible format (not in PDF).

Submissions containing unsolicited materials, submissions in ZIP archives or other compressed formats, or submissions of individual bid documents in file formats other than the formats of the original bid forms, will be rejected. This RFO is an electronic only Solicitation; Respondents need not submit paper documents, nor e-binders~~ in addition to the electronic uploads on the RFO Closing Day~~.

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~~**Optional Forms:**~~

~~1) **Consent Form** – Respondents who did not participate in the TRCR but have a CAISO-approved System Impact Study (SIS) shall submit an electronic copy of the study along with the respondent's offer. SDG&E requests that respondents sign and return a Consent Form enabling the interconnecting utility's transmission personnel to share respondent's non-public transmission information with personnel in SDG&E's Electric and Gas Procurement Department to facilitate full evaluation of respondent's offer consistent with FERC Order 2004. Once received, SDG&E will post notice on its OASIS website of the respondent's consent along with a statement that SDG&E did not provide any preferences, either operational or rate-related, in exchange for the voluntary consent.~~

Any party interested in submitting an offer must ~~register to submit offers to the RFO on the RFO Website and upload the offer to the Website. To register, Respondents must fill out and~~ submit the offer via electronic mail (email~~ an RFO Registration Form (available from the RFO Website) to renewablerfo@semprautilities.com. **Bids submitted from parties**~~) to renewablerfo@semprautilities.com~~,~~ which ~~**have not registered with SDG&E may be rejected.**~~

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[14] Please note this form MUST describe the substation at which the project interconnects

~~A username/password combination will be issued allowing access to the offer upload link.~~is the RPS RFO inbox, and attach all required forms and bid materials to the email. All offers must be ~~uploaded to the RFO Website~~emailed to renewablerfo@semprautilities.com no later than 12:00 p.m. (i.e. Noon~~;~~), Pacific ~~Prevailing~~Standard Time, on the CLOSING DATE (see RFO Schedule). The Subject line of the email should be as follows: Bid Submission for SDG&E's 2012 RPS RFO. A reply email from the RPS RFO inbox will be sent to the email address submitting the offer to confirm receipt of the offer.

If Respondents encounter technical difficulties with ~~the uploading process~~emailing, they should provide evidence of such difficulties (e.g. a screen shot of the error message) and email the bid again to the RPS RFO inbox by 1:00 p.m., Pacific ~~Prevailing~~Standard Time, on the Closing Date. If the Respondent encounters further technical difficulties with ~~both~~ the ~~uploading process and the~~RPS RFO inbox, they should provide evidence of such difficulties (e.g. a screen shot of the error message or a sent email notice with a time stamp before 1:00 p.m. on the Closing Date~~.~~) and submit a hard copy and a CD of the bid package to SDG&E and the Independent Evaluator at the addresses below by close of business on the day following the Closing Date.

~~All bidders are advised to submit their bids well in advance to the closing date (see RFO Schedule). Simultaneous bids submissions by large number of bidders to the RFO upload site on the closing date can result in lost bids due to excessive network traffic and server timeouts. SDG&E will not be responsible for lost bids due to excessive network traffic.~~

San Diego Gas & Electric Company
Electric and Fuel Procurement Department
Attn: RPS RFO Response
8315 Century Park Court, CP21D
San Diego, CA 92123-1593

Jonathan Jacobs
PA Consulting Group
1700 Lincoln Street
Suite 4600
Denver, CO 80203

All offer materials submitted in accordance with the above Response Instructions shall be subject to the confidentiality provisions of Section 11 Confidentiality of this RFO.

SDG&E will review and may utilize all information, if any, submitted by a Respondent that is not specifically requested as a part of any forms. During all stages of the RFO process, SDG&E reserves the right to request additional information from individual Respondents or to request any Respondent to submit supplemental materials in fulfillment of the content requirements of this RFO or to meet additional information needs. SDG&E also reserves the unilateral right to waive any technical or format requirements contained in the RFO.

~~Respondents offering the same product from one resource to multiple solicitations are hereby advised that if SDG&E notifies Respondent that the offer is being short-listed, the Respondent, if~~

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~~wishing to remain shortlisted will be required to withdraw their offer from all other solicitations or risk being removed from the short list. Respondent's shall confirm such withdrawal by submitting to SDG&E a copy of the written correspondence sent to all other solicitations pertaining to such withdrawal.~~

~~ALL OFFERS SHALL BE VALID AND BINDING UPON THE RESPONDENT AFTER BEING SELECTED FOR THE SHORT LIST UNTIL CONTRACT EXECUTION.~~

~~SDG&E WILL NOT REIMBURSE RESPONDENTS FOR THEIR EXPENSES UNDER ANY CIRCUMSTANCES, REGARDLESS OF WHETHER THE RFO PROCESS PROCEEDS TO A SUCCESSFUL CONCLUSION OR IS ABANDONED BY SDG&E IN ITS SOLE DISCRETION.~~

5.0 RPS PROGRAM PARAMETERS

CALIFORNIA RPS PROGRAM

California's Renewable Portfolio Standard (RPS) Program was adopted in 2002 and is codified at Public Utility Code sec 399.11, *et seq.*[15] ~~in~~In adopting the RPS legislation, the Legislature specifically found and declared that increasing California's reliance on renewable energy resources promotes the purpose of and may accomplish each of the following:

- Increase the diversity, reliability, public health and environmental benefits of the energy mix
- Promote stable electricity prices
- Protect public health and improve environmental quality
- Stimulate sustainable economic development and create new employment opportunities
- Reduce reliance on imported fuels
- Ameliorate air quality problems
- Improve public health by reducing the burning of fossil fuels

Current law requires Investor Owned Utilities (IOU's) to procure renewable energy in the amount of 33% of retail sales by 2020[16]. Unlike the prior annual RPS program, the 33% regime sets increasing targets for three multi-year Compliance Periods ("CPs"). The targets are set at 20% by the end of CP1 (2011-2013), 25% at the end of CP2 (2014-2016), and 33% by the end of CP3 (2017-2020). The CPUC issued its first decision implementing the RPS Program, D.03-06-071 on June 19, 2003. This decision established certain basic RPS Program parameters. The CPUC has subsequently issued several additional RPS-related decisions in rulemaking proceeding R.04-04-026, and successor proceedings R.06-02-012, R.06-05-027, R.08-08-009 and R.11-05-005. SDG&E will comply with all CPUC decisions governing RPS procurement. These decisions are publicly available on the CPUC's website at http://www.cpuc.ca.gov/PUC/energy/Renewables/decisions.htm.

This RFO is being conducted in compliance with relevant statutory and regulatory directives. Requirements set forth within the law and all directives shall be incorporated herein by reference. A full text of the law and the above-mentioned CPUC decisions can be downloaded from the CPUC website. Respondents are encouraged to review all RPS-related, CPUC issued directives available on the same Internet websites and are responsible for understanding and abiding by all RPS provisions.

RPS ELIGIBILITY CRITERIA

Respondents successfully signing agreements with SDG&E must warrant that the resources being offered in response to this solicitation are certifiable as an "eligible renewable resource" by the California Energy Commission (CEC). Eligibility criteria are set forth by the CEC in its Renewable Portfolio Standard Eligibility Guidebook. The most recent revision to the CEC guidebook was adopted on ~~May 9th~~August 29th, 2012. It can be downloaded from the CEC's website at

[15] *See*, Senate Bill (SB) 1078 (Stats. 2002 Ch. 516), as amended by SB 107, (Stats. 2006, Ch. 464).

16 *See*, Senate Bill (SB) 2 (1x) (Simitian), stats. 2011, ch. 1

http://www.energy.ca.gov/renewables/documents/index.html.. Respondents are encouraged to review all RPS-related, CEC issued directives available on the same Internet website and are responsible for understanding and abiding by all RPS provisions. All requirements set forth within the CEC's guidebooks and all RPS-related documents shall be incorporated herein by reference. SDG&E has no preferred "eligible renewable resource" or resource stack and will judge the merits of each bid based on the provisions of Section 9.0.

Respondents are encouraged, although not required, to apply for pre-certification from the CEC in advance of submitting an offer. Pre-certification forms are available from the above-entitled guidebook.

PROCUREMENT REVIEW GROUP

The Procurement Review Group (PRG), a CPUC-endorsed entity, is composed of non-market participants such as ratepayers' advocacy groups, state energy and water commissions, power authorities, utility-related labor unions and other non-commercial, energy-related special interest groups. CPUC Decision D.03-06-071 established the role of the PRG in the RPS Program. The PRG is charged with overseeing the IOU's procurement process, reviewing procedural fairness, examining overall procurement prudence and providing feedback during all stages. From RFO language development to offer evaluation to contract negotiation, IOU's brief the PRG on a periodic basis during the entire process.

Respondents are hereby notified that revealing confidential offer information to the PRG is required during PRG briefings in accordance with Section 11 ("Confidentiality"). Each Respondent must clearly identify, as part of its offer, what type of information it considers to be confidential.

INDEPENDENT EVALUATOR

The CPUC requires each IOU to use an Independent Evaluator to separately evaluate and report on the IOU's entire solicitation, evaluation, and selection process for this solicitation. This will serve as an independent review of SDG&E's implementation of the RFO process and final selections. The Independent Evaluator shall make periodic presentations regarding its findings to the IOU, and the IOU's PRG including the CPUC Energy Division staff. The intent is to preserve the independence of the Independent Evaluator by ensuring free and unfettered communication between the Independent Evaluator and the CPUC as well as an open, fair, and transparent process that the Independent Evaluator can affirm.

SDG&E is committed to ensuring an open and transparent solicitation, and to providing a fair, reasonable and competitive process.

6.0 SDG&E BACKGROUND

SDG&E provides electricity to 3.4.million consumers. It delivers the electricity through 1.4 million meters in San Diego County and an adjacent portion of southern Orange County. SDG&E also delivers natural gas through 855,000 meters in San Diego County ~~nad~~and transports electricity and natural gas for others. The electric customer base comprises 89% residential and 11% commercial and industrial customers.

SDG&E's electric transmission network is comprised of 130 substations with 884 miles of 69-kV, 265 miles of 138-kV, 349 miles of 230-kV, and 215 miles of 500-kV transmission lines. Local ("on system") generating resources include the Encina plant (connected into SDG&E's grid at 138 kV and 230 kV), the Palomar Energy Center (connected at 230kV) and a number of combustion turbine facilities located around the service area (connected at 69 kV). Imported resources are received via the Miguel Substation as the delivery point for power flow on the Southwest Power Link, which is SDG&E's 500-kV transmission line that runs from Arizona to San Diego along the U.S./Mexico border, and via the San Onofre Nuclear Generating Station 230-kV switchyard.

The figure below shows a simplified diagram of existing SDG&E's service area, which encompasses an area of 4,100 square-miles and spans 2 counties and 25 communities.

For a map California IOU service territories please visit:
http://www.energy.ca.gov/maps/serviceareas/electric_service_areas.html

7.0 RESOURCE CRITERIA

~~A. Compliance Period 1 Procurement Needs~~

~~In order to meet its RPS goals for Compliance Period 1, SDG&E intends to solicit projects with deliveries between January 1, 2011 and December 31, 2013. SDG&E seeks short term Category 1 and Category 3[17] offers to meet its Compliance Period 1 needs. Requirements for such products are defined below.~~

I. ~~Category 1 Products~~

~~SDG&E seeks Category 1 projects from either a single facility ("Unit Contingent Structure") or from multiple facilities bundled together under one contract ("Portfolio Structure"). Eligibility criteria for both structures are defined below:~~

~~Eligibility Requirements Category 1 Offers~~

~~a. Term: Up to 1 year;~~

~~b. Pricing: fixed price or index-plus for Unit Contingent Structure offers, expressed in $/MWh;~~

~~c.~~a. ~~Eligible Renewable Resources: All proposed resources must be CEC certifiable as an eligible renewable resource ("ERR"), and cannot be subject to any moratorium or injunction against procurement by the California Energy Commission, California Public Utility Commission, or other legal authority with jurisdiction over utility procurement;~~

~~d. Minimum Size: Net Contract Capacity must be ≥ 20 MW;~~

~~e. Maximum Size: SDG&E encourages Respondents to limit deliveries to [XX] GWh, and Net Contract Capacity up to 100 MW[18] (rated in alternating current, or "AC"), net of all auxiliary and station parasitic loads;~~

~~f. Deliverability: All Compliance Period 1 offers must be energy only. SDG&E will not incorporate any deliverability value in its evaluation of these offers;~~

~~g.~~b. ~~Green Attributes: All green attributes associated with the project must be tendered to SDG&E;~~

~~h. Dynamic Transfers: Proposed resources using dynamic transfer for delivery to a CBA must provide documentation certifying the existence of the dynamic transfer arrangements. Such documentation must have a sufficient level of detail for~~

~~[17] All Category 3 Offers must be from facilities that are either directly connected or dynamically scheduled to a California Balancing Authority ("CBA")~~

~~[18] This project size guidance may change between the time this RFO Document is filed and the pre-bidders conference. If such, it will be described at the pre-bid conference. More guidance of the GWh sought in CP1 will be provided at the pre-bid conference.~~

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SDG&E to determine conformance with Category 1 specifications, and to ensure that the dynamic transfer arrangement conforms with all other California state laws and decisions issued by the California Public Utilities Commission, the California Energy Commission, and any other regulatory authorities with jurisdiction over utility procurement in California;

i. Project Stewardship: The Respondent will own and operate[19] the facility(ies) associated with the offer and be responsible for development, land acquisition, fuel supply source and transportation, permitting, financing and construction for the facilities.

j. Any bidder submitting a Portfolio Structure offer must provide documentation that they are a Scheduling Coordinator in the WECC, or have a Scheduling Coordinator under contract to manage scheduling for the offer at the time the bid is made in the RFO.

II. Category 3 Products

SDG&E also seeks Category 3 products to meet its needs in Compliance Period 1. SDG&E will accept offers for Category 3 RECs that have already been generated ("Vintage RECs") or for Category 3 products that will be produced in the future ("Future RECs"). Eligibility criteria for Category 3 products are defined below.

1. Facility Location: directly connected or dynamically scheduled to a California Balancing Authority ("CBA")[20];

2.a. Pricing: the implied price for the Green Attributes, expressed in $/MWh;

3.b. Eligible Renewable Resource: All proposed resources must be CEC certifiable as an eligible renewable resource ("ERR"), and cannot be subject to any moratorium or injunction against procurement by the California Energy Commission, California Public Utility Commission, or other legal authority with jurisdiction over utility procurement;

4. REC Shelf Life: Vintage RECs, at the time of RFO issuance, must have been generated within the past XX months [to be determined when RFO is issued to accommodate 36 month shelf life for unbundled RECs];

5. WREGIS Documentation for Vintage RECs: Documentation of the existence of the Vintage RECs in a WREGIS account must be provided with the offer.

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B.A. Compliance Period 3 Procurement Needs

[19] A direct contractual relationship with the operator of the facility is sufficient to meet this criteria.

[20] SDG&E procurement of Category 3 products is limited by the following D.11-07-002 (Application of San Diego Gas & Electric Company to Amend Renewable Energy Power Purchase Agreement with NaturEner Rim Rock Wind Energy, LLC and for Authority to Make a Tax Equity Investment in the Project, Decision Approving Settlement Subject to Condition, Jul. 21, 2011).

In order to meet its RPS goals for Compliance Period 3, SDG&E intends to solicit long term Category 1, 2, and 3 projects with ~~deliveries beginning around January 1, 2017 (~~CODs no earlier than December of 2016, with a preference for CODs in ~~Q4 2016 and Q1 2017).~~2018 or later. SDG&E will accept offers for Unit Contingent Structures only~~.~~ (from a single facility). Requirements for such products are defined below.

~~III.~~II. Category 1 Products

~~a.~~c. ~~Term: 20 years or less;~~

d. Term: 20 years or less;

~~b.~~e. Pricing: fixed price for the bundled ~~offers~~product, expressed in $/MWh;

~~c.~~f. Eligible Renewable Resources: All proposed resources must be CEC-certifiable as an eligible renewable resource ("ERR"), and cannot be subject to any moratorium or injunction against procurement by the California Energy Commission, California Public Utility Commission, or other legal authority with jurisdiction over utility procurement;

~~d.~~g. Minimum Size: Net Contract Capacity must be ≥ 20 MW~~;~~ (rated in alternating current, or "AC");

~~e.~~h. Maximum Size: Net Contract Capacity must be < 250 MWs AC SDG&E encourages Respondents to limit deliveries to ~~[XX]~~400 GWh and Net Contract Capacity to up to ~~250~~150 MW[21]s~~(rated in alternating current, or "AC"), net of all auxiliary and station parasitic loads;~~ AC.;

~~f.~~i. Deliverability: Offers ~~my~~may provide energy only products or fully deliverable products SDG&E will incorporate any deliverability value in its evaluation of these offers[22];

~~k.~~j. Green Attributes: All green attributes associated with the project must be tendered to SDG&E;

~~g.~~k. Dynamic Transfers: Proposed resources using dynamic transfer for delivery to a CBA must provide documentation certifying the existence of the dynamic transfer arrangements. Such documentation must have a sufficient level of detail for SDG&E to determine conformance with Category 1 specifications, and to ensure

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[21] This project size nameplate guidance may change between the time this RFO Document is filed and the pre-bidders conference. If such, it will be described at the pre-bid conference. More guidance of the GWh sought in CP3 will be provided at the pre-bid conference.

[22] Resource Adequacy (RA) is a capacity attribute of a CAISO Participating Generator. An RA resource can provide either Local and/or System RA attributes based on its location as determined by the CAISO. Annually the CPUC and the CAISO assign a Net Qualifying Capacity (NQC) to each RA resource. In order to receive an NQC the resource's capacity output must be deliverable to load as described in the CAISO Tariff. The methodology for determining a resource's NQC can be found in the CPUC's Qualifying Capacity Methodology Manual located at: http://www.cpuc.ca.gov/NR/rdonlyres/2526B26C-BEEA-46FE-904F-A99D2F042FD8/0/AdoptedQCmethodologymanualfromD1006036APPENDIXB.doc.

that the dynamic transfer arrangement conforms with all other California state laws and decisions issued by the California Public Utilities Commission, the California Energy Commission, and any other regulatory authorities with jurisdiction over utility procurement in California;

~~h.~~l. Project Stewardship: The Respondent will own and operate[23] the facility(ies) associated with the offer and be responsible for development, land acquisition, fuel supply source and transportation, permitting, financing and construction for the ~~facilities.~~facility(ies).

III. Category 2 Products

~~i.~~m. Term: 20 years or less;

n. Pricing: fixed price, expressed in $/MWh;

~~l.~~o. Eligible Renewable Resources: All proposed resources must be CEC-certifiable as an eligible renewable resource ("ERR"), and cannot be subject to any moratorium or injunction against procurement by the California Energy Commission, California Public Utility Commission, or other legal authority with jurisdiction over utility procurement;

p. Minimum Size: Net Contract Capacity must be ≥ 20 MW AC;

q. Maximum Size: Net Contract Capacity must be < 250 MWs AC. SDG&E encourages Respondents to limit deliveries to 400 GWh and Net Contract Capacity to up to 150 MW[24]s AC.;

r. Deliverability: Offers may provide energy only products or fully deliverable products SDG&E will incorporate any deliverability value in its evaluation of these offers[25];

s. Green Attributes: All green attributes associated with the project must be tendered to SDG&E;

t. Firmed and Shaped: The transaction must conform to the Commission's definition of a firmed and shaped product[26]. The energy and associated RECs from the facility must be sold simultaneously to SDG&E; the energy must not be sold back to the

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[23] A direct contractual relationship with the operator of the facility is sufficient to meet this criteria.

[24] This project size nameplate guidance may change between the time this RFO Document is filed and the pre-bidders conference. If such, it will be described at the pre-bid conference. More guidance of the GWh sought in CP3 will be provided at the pre-bid conference.

[25] Resource Adequacy (RA) is a capacity attribute of a CAISO Participating Generator. An RA resource can provide either Local and/or System RA attributes based on its location as determined by the CAISO. Annually the CPUC and the CAISO assign a Net Qualifying Capacity (NQC) to each RA resource. In order to receive an NQC the resource's capacity output must be deliverable to load as described in the CAISO Tariff. The methodology for determining a resource's NQC can be found in the CPUC's Qualifying Capacity Methodology Manual located at: http://www.cpuc.ca.gov/NR/rdonlyres/2526B26C-BEEA-46FE-904F-A99D2F042FD8/0/AdoptedQCmethodologymanualfromD1006036APPENDIXB.doc.

[26] Decision Implementing Portfolio Content Categories for the Renewables Portfolio Standard Program, p. 46-47

generator and must not be already committed to another party; and the initial contract for substitute energy may be acquired no earlier than the time the energy is purchased by SDG&E and no later than prior to the initial date of generation of the energy under the terms of the contract between SDG&E and the facility;

u. Substitute Energy: The contract for substitute energy must be at least five years in duration, or as long as the contract for RPS-eligible energy, whichever is shorter.

v. Incremental Energy: The facility must provide incremental energy, as defined by the CPUC[27]. The energy must not be in the portfolio of the retail seller claiming the transaction for RPS compliance prior to the firmed and shaped transaction.

w. Project Stewardship: The Respondent will own and operate[28] the facility(ies) associated with the offer and be responsible for development, land acquisition, fuel supply source and transportation, permitting, financing and construction for the facility(ies).

IV. Category 3 Products

a. Facility Location: directly connected or dynamically scheduled to a CBA;

~~6.~~b. Pricing: the implied price for the Green Attributes, expressed in $/MWh;

~~7.~~c. Eligible Renewable Resource: All proposed resources must be CEC-certifiable as an eligible renewable resource ("ERR"), and cannot be subject to any moratorium or injunction against procurement by the California Energy Commission, California Public Utility Commission, or other legal authority with jurisdiction over utility procurement;

d. REC Shelf Life: SDG&E will accept offers for RECs that have been generated no earlier than December 2013, with a preference for 2015 and later [to accommodate 36 month shelf life for unbundled RECs];

x. Respondents must take all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System prior to the first delivery under the contract.

Additional Requirements for Shortlisted Category 1 and 2 Offers:

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[27] Decision Implementing Portfolio Content Categories for the Renewables Portfolio Standard Program, p. 49

[28] A direct contractual relationship with the operator of the facility is sufficient to meet this criteria.

Additional requirements for Respondents successfully entering into an agreement for Category 1 or 2 products with SDG&E, for deliveries in ~~either~~ Compliance Period ~~1 or~~ 3, may include, but are not limited to:

a. Respondents shall be financially and operationally responsible for the transmission gen-tie up to the point of interconnection with the local transmission/distribution network in accordance with applicable laws. Gen-tie costs must be included in the offer price for energy and/or capacity;

b. Respondents must have a verifiable fuel resource plan for the duration of the PPA;

c. Respondents will provide personnel required to operate the Facility;

d. Resource operations will be scheduled in accordance with the CAISO Tariff, as from time to time modified. CAISO compliant real-time metering of the generation will be required for Energy Management System (EMS) data;

e. Respondents must execute Participating Generator Agreements and Meter Service Agreements as required by the CAISO. If the project is outside of CAISO's jurisdiction, Respondents must make all interconnection and wheeling arrangements required;

f. To facilitate monthly settlement processes, Respondents shall authorize Buyer to view the Facility's CAISO on-line meter data by identifying SDG&E as an authorized user with "read only" privileges on Schedule 3 of Respondent's Meter Service Agreement with the CAISO. For resources outside of CAISO's area, Respondent will provide similar access to SDG&E, if such an interface exists, with the system operator having jurisdiction over the project;

g. Respondents offering fully deliverable projects must obtain a CAISO deliverability study at the next available opportunity pursuant to the CAISO's cluster study schedule;

h. Respondents must take all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System prior to the first delivery under the contract;

i. Note for Portfolio Structure offers: The Model PPA will be adjusted to accommodate these projects.

8.0 FIN46 REQUIREMENTS

Generally Accepted Accounting Principles and SEC rules require SDG&E to evaluate whether or not SDG&E must consolidate a Seller's financial information. SDG&E will require access to financial records and personnel to determine if consolidated financial reporting is required. If SDG&E determines at any time that consolidation is required, SDG&E shall require the following during every calendar quarter for the term of any resultant agreement:

a) Complete financial statements and notes to financial statements, within 15 days of the end of each quarter;
b) Financial schedules underlying the financial statements, within 15 days of the end of each quarter;
c) Access to records and personnel, so that SDG&E's internal or independent auditor can conduct financial audits (in accordance with generally accepted auditing standards) and internal control audits (in accordance with Section 404 of the Sarbanes-Oxley Act of 2002)) and SDG&E can meet its SEC filing requirements;
d) Certifications by duly authorized representatives as may be reasonably requested by SDG&E; and
e) Such other information as reasonably requested by SDG&E.

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Any information provided to SDG&E shall be treated as confidential, except that it may be disclosed for financial statement purposes. Full details of SDG&E's requirements in connection with consolidation are set forth in the Model PPA or REC Agreement.

9.0 EVALUATION CRITERIA AND SHORTLISTING

SDG&E will utilize the Offer Response Forms and narratives to evaluate all offers. Respondents are responsible for the accuracy of all figures and calculations. Errors discovered during negotiations may impact Respondents standing on the short-list.

SDG&E will periodically brief the members of the PRG during the various stages of evaluation. Upon completion of SDG&E's evaluation process, SDG&E will brief the PRG members regarding SDG&E's recommendations for its short-list. Based upon the comments and recommendations received from the PRG, SDG&E may modify the preliminary short-list as necessary.

SDG&E will consider any proposal by shortlisted counterparties to reduce the price for shortlisted projects provided that no other material changes are made to the terms of the offer.

EVALUATING ~~COMPLIANCE PERIOD 1 OFFERS (CATEGORY 1 PRODUCTS AND UNBUNDLED RECS)~~

~~SDG&E will evaluate all Compliance Period 1 offers via a three-step process. The following provides a general description of the steps.~~

~~**STEP I: PRELIMINARY RANKING AND SHORT LISTING. SDG&E WILL ASSESS PRICE REASONABLENESS OF EACH OFFER BY VARIOUS METHODS INCLUDING COMPARING THE OFFER TO 1) A PUBLICLY AVAILABLE MARKET PRICE INDEX PLUS, AND OTHER ATTRIBUTES IF NECESSARY. THE INDEX AND OTHER ATTRIBUTES VALUATION SDG&E USES WILL DEPEND ON THE LOCATION AND NATURE OF THE OFFER; OR, 2) OFFERS RECEIVED IN RECENT RFO'S.**~~ OFFERS ~~**WILL BE SORTED FROM MOST REASONABLY PRICED TO LEAST REASONABLY PRICED**~~.

~~Step II: Check for Conformance. Check to ensure that all offers meet minimum RFO criteria. All offers meeting minimum requirements will pass Step II, will be deemed "conforming" and will move on to Step III..~~

~~Step III: After offers are sorted by price, SDG&E will short list the most reasonably priced offers that are most viable and reliable. Given development risks associated with building a new facility and the short-term nature of this portion of the solicitation, existing resources may be deemed more viable than new. However, if a Respondent can successfully demonstrate that a new project comes without undue risk of completion, SDG&E could consider the proposal. Projects will be deemed to be more reliable if they provide some minimum guaranteed delivery to SDG&E.~~

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~~EVALUATING COMPLIANCE PERIOD 3 OFFERS (CATEGORY 1 PRODUCTS ONLY)~~

In order to be considered a conforming long-term offer, bids for renewable projects must, at a minimum, declare:

a. ~~—~~A single specific geographical location where the project will be located, with an address, coordinates, or a legal description of the project that conforms with the standards of the township/range/section methods of the Public Land Survey System;

b. A single Guaranteed Commercial Operation Date when the project will provide the product described in the Bid Pricing Form, or a single Initial Commercial Operation Date for the beginning of deliveries from a project's initial phase together with a single Guaranteed Commercial Operation Date when the project will provide the maximum capacity described in the Bid Pricing Form;

c. A single contract term, in years, between the Guaranteed Commercial Operation Date and the ending date of the contract;

d. A single set of net output capacities, estimated contract deliveries, and energy prices for the duration of the contract term for quantities and prices as delivered to SDG&E, using alternating current (AC) and in the appropriate units of measure as specified on the Bid Pricing Form and inclusive of all losses due to expected curtailment, transmission losses, distribution losses, and transmission costs up to the point of delivery;

e. Expected hourly capacity factors in the Typical Profile of the Bid Pricing Form, which shall be the ratio of estimated contract deliveries in megawatts (AC) delivered to SDG&E in a typical hour to the net output capacity at the point of delivery to SDG&E in megawatts (AC) during that same hour, in Pacific Time (including Pacific Standard Time and Pacific Daylight Time for appropriate time periods).

Absence of any of the above may result in a bid being rejected due to nonconformance. SDG&E may require clarifying information for certain projects in addition to those specified above; failure to provide such clarifying information in a timely fashion, or the provision of information which conflicts with original bid documents, may also result in a bid being rejected due to nonconformance.

SDG&E will evaluate all ~~Category 1~~ offers via a three-step process. Passing each step is required in order to advance to the next level, with the eventual Short Listed offers having to pass all levels. The following provides a general description of each evaluation level.

Step I: Preliminary Ranking and Short Listing. This assessment will be based on a project's ~~Bid Ranking Price~~Net Market Value, which ~~includes~~consists of (1) a project's ~~above MPR cost as determined by the CPUC's AMF Calculator which incorporates TOD factors~~Levelized Contract Cost, (2) transmission network upgrade costs as determined by the ~~applicable Transmission Ranking and Cost Report~~costs of network upgrades as presented in the project's transmission cost studies, (3) ~~a project's capacity benefits and (4)~~ congestion costs~~.~~ and (4) the

deliverability value of the project to SDG&E, less (5) the Energy Benefit, a project's MPR cost as determined by the CPUC's AMF Calculator which incorporates TOD factors) and (6) the Capacity Benefit, which shall be the deliverability value of the project if it were to provide full deliverability and local resource adequacy within SDG&E's service territory, on the Sunrise Powerlink, or on the Southwest Powerlink west of the Imperial Valley substation. Offers will be ranked on a levelized ~~value~~Net Market Value, $/MWh basis from ~~lowest to~~ highest ~~cost. SDG&E will populate the preliminary shortlist with offers to fulfill at least twice its RPS MWh need. In doing so, SDG&E would eliminate offers that are noticeably more expensive.~~ to lowest value.

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Step II: Check for Conformance. Check to ensure that all offers meet minimum RFO criteria. All offers meeting minimum requirements will pass Step II, will be deemed "conforming" and will move on to Step III.

Step III: Modeling/Detailed Analysis. After the preliminary short list has been approved by the PRG, the Offers may be modeled to determine impacts to SDG&E's portfolio. If modeling occurs, the shortlist may be updated based on modeling results which identify offers that best meet SDG&E's bundled customer needs.

SDG&E is evaluating long-term offers in accordance with CPUC direction and criteria established for the RPS Program. SDG&E will place high emphasis on the offer pricing in its evaluations, not only in terms of the initial cost to SDG&E, but also the long-term costs. Upon completion of Step III, SDG&E may differentiate offers of similar cost[29] by reviewing qualitative factors including: (in no particular order of preference)

a) Project viability
b) Local reliability
c) Benefits to low income or minority communities
d) Resource diversity
e) Environmental stewardship
f) Rate Impacts
g) DBE factor

These factors will be used to differentiate long-term offers with similar costs for those resources under consideration near the annual procurement target. SDG&E requests that Respondents elaborate in their offer on the benefits of their project with regard to these factors.

[29] The term "similar cost" is used to indicate expected indifference by the PRG and CPUC as to the cost of one offer or another. The PRG will have access to SDG&E's evaluation and the quantitative and qualitative components of those offers prior to SDG&E's recommendation filing to the CPUC.

SDG&E notes that a project scoring low on the Project Viability Calculator may not be shortlisted even if it ranks high on the LCBF quantitative evaluation.

Consistent with CPUC Decision D.04-07-029 issued on July 8, 2004, SDG&E will treat dispatchability, curtailability and repowering as quantitative attributes and will evaluate these factors using quantitative methods. SDG&E requests that Respondents elaborate in their offer on the benefits of their project with regard to these factors.

SHORTLISTING

In the 2012 RFO, SDG&E's shortlists will be organized in 3 categories or Tiers:

Tier 1 "Nominal Need": projects are shortlisted because they fulfill ~~SDG&E's RPS~~any Nominal Need, e.g. prior to applying probability weighting to the RPS projects in its portfolio, SDG&E needs to procure additional eligible renewable energy to meet RPS requirements. Projects on this list will be required to agree on exclusivity as a condition for Tier 1 short-listing~~.~~ and must withdraw their offer from all other solicitations or risk being removed from the short-list. Respondent's shall confirm such withdrawal by submitting to SDG&E a copy of the written correspondence sent to all other solicitations pertaining to such withdrawal.. SDG&E is very likely but not certain to reach a deal on these projects.

Tier 2 "Probability Weighted Need": the projects that are shortlisted because they fulfill ~~SDG&E's~~any Probability Weighted Need (e.g. SDG&E's RPS procurement need after taking into account the probabilities of success of each RPS project in its portfolio). For this list, SDG&E will not require exclusivity as a condition to short-listing but will grant preference to projects willing to offer such exclusivity for a reasonable timeframe. SDG&E may or may not reach a deal on these projects.

Tier 3 "Contingency Need": projects are shortlisted on the basis that the need assessment may change during the course of the solicitation, and the 2012 RFP shortlist is uncertain ~~till~~until successful negotiations are completed and some meaningful development progress is made. These projects will be shortlisted on a "stand-by" basis and counterparties will be informed of such. Exclusivity will not be required for Tier 3 short-listing. SDG&E is not as likely to reach a deal on these projects.

ALL OFFERS SHALL BE VALID AND BINDING UPON THE RESPONDENT AFTER BEING SELECTED FOR THE SHORT LIST UNTIL CONTRACT EXECUTION.~~Once the shortlist is determined,~~

Respondents as part of responding to the shortlist letter will have an opportunity to improve the pricing – keeping unchanged all other terms – of their offer as well as any time thereafter. SDG&E reserves the right to prioritize negotiation or to amend the tier status based on the price improvement.

SDG&E WILL NOT REIMBURSE RESPONDENTS FOR THEIR EXPENSES UNDER ANY CIRCUMSTANCES, REGARDLESS OF WHETHER THE RFO PROCESS PROCEEDS TO A

SUCCESSFUL CONCLUSION OR IS ABANDONED BY SDG&E IN ITS SOLE DISCRETION.

10.0 REJECTION OF OFFERS

SDG&E SHALL TREAT ALL RESPONDENTS FAIRLY AND EQUALLY AND SHALL EVALUATE ALL OFFERS IN GOOD FAITH. WHILE SDG&E IS MINDFUL OF THE BENEFITS OF RENEWABLE ENERGY AND IS VIGOROUSLY PURSUING THE GOALS OF THE RPS, IT MAKES NO GUARANTEE THAT A CONTRACT AWARD SHALL RESULT FROM THIS RFO EVEN AFTER AN OFFER HAS BEEN SHORTLISTED. IN ADDITION, SDG&E NOTES THAT SHORTLISTING AN OFFER DOES NOT CONSTITUTE SDG&E ACCEPTANCE OF ALL REDLINED CHANGES TO THE PROFORMA CONTRACT. SDG&E RESERVES THE RIGHT AT ANY TIME, AT ITS SOLE DISCRETION, TO ABANDON THIS RFO PROCESS, TO CHANGE THE BASIS FOR EVALUATION OF OFFERS, TO TERMINATE FURTHER PARTICIPATION IN THIS PROCESS BY ANY PARTY, TO ACCEPT ANY OFFER OR TO ENTER INTO ANY DEFINITIVE AGREEMENT, TO EVALUATE THE QUALIFICATIONS OF ANY RESPONDENT OR THE TERMS AND CONDITIONS OF ANY OFFER, OR TO REJECT ANY OR ALL OFFERS, ALL WITHOUT NOTICE AND WITHOUT ASSIGNING ANY REASONS AND WITHOUT LIABILITY OF SEMPRA ENERGY, SDG&E, OR ANY OF THEIR SUBSIDIARIES, AFFILIATES, OR REPRESENTATIVES TO ANY RESPONDENT. SDG&E SHALL HAVE NO OBLIGATION TO CONSIDER ANY OFFER.

11.0 CONFIDENTIALITY

EXCEPT AS STATED BELOW OR WITH THE PRIOR WRITTEN CONSENT OF SDG&E, RESPONDENTS MAY NOT DISCLOSE (OTHER THAN BY ATTENDANCE ALONE AT ANY MEETING TO WHICH MORE THAN ONE RESPONDENT IS INVITED BY SDG&E) TO ANY OTHER RESPONDENT OR POTENTIAL RESPONDENT THEIR PARTICIPATION IN THIS RFO, AND RESPONDENTS MAY NOT DISCLOSE, COLLABORATE ON, OR DISCUSS WITH ANY OTHER RESPONDENT, OFFER STRATEGIES OR THE SUBSTANCE OF OFFERS, INCLUDING WITHOUT LIMITATION THE PRICE OR ANY OTHER TERMS OR CONDITIONS OF ANY INDICATIVE OR FINAL OFFER. RESPONDENT MAY DISCLOSE THEIR PARTICIPATION IN THIS RFO, THEIR OFFER INFORMATION, AND THE NEGOTIATION PROCESS, TO THE CPUC, ITS STAFF, THE PRG AND THE IE UNDER APPROPRIATE CONFIDENTIALITY PROTECTIONS.

SDG&E WILL USE THE HIGHER OF THE SAME STANDARD OF CARE IT USES WITH RESPECT TO ITS OWN PROPRIETARY OR CONFIDENTIAL INFORMATION OR A REASONABLE STANDARD OF CARE TO PREVENT DISCLOSURE OR UNAUTHORIZED USE OF RESPONDENT'S CONFIDENTIAL AND PROPRIETARY INFORMATION THAT IS LABELED AS "PROPRIETARY AND CONFIDENTIAL" ON THE OFFER PAGE ON WHICH THE PROPRIETARY INFORMATION APPEARS ("CONFIDENTIAL INFORMATION"). RESPONDENT SHALL SUMMARIZE ELEMENTS OF THE OFFER(S) IT DEEMS CONFIDENTIAL. THE SUMMARY MUST CLEARLY IDENTIFY WHETHER OR NOT PRICE, PROJECT NAME, LOCATION, SIZE, TERM OF DELIVERY AND TECHNOLOGY TYPE (EITHER COLLECTIVELY OR INDIVIDUALLY) ARE TO BE CONSIDERED CONFIDENTIAL INFORMATION. CONFIDENTIAL INFORMATION MAY BE MADE AVAILABLE ON A "NEED TO KNOW" BASIS TO SDG&E'S DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS, CONSULTANTS, THE INDEPENDENT EVALUATOR, AGENTS AND ADVISORS ("REPRESENTATIVES") FOR THE PURPOSE OF EVALUATING RESPONDENT'S OFFER, BUT SUCH REPRESENTATIVES SHALL BE REQUIRED TO OBSERVE THE SAME CARE WITH RESPECT TO DISCLOSURE AS SDG&E.

NOTWITHSTANDING THE FOREGOING, SDG&E MAY DISCLOSE ANY OF THE CONFIDENTIAL INFORMATION TO COMPLY WITH ANY LAW, RULE, OR REGULATION OR ANY ORDER, DECREE, SUBPOENA OR RULING OR OTHER SIMILAR PROCESS OF ANY COURT, SECURITIES EXCHANGE, CONTROL AREA OPERATOR, GOVERNMENTAL AGENCY OR GOVERNMENTAL OR REGULATORY AUTHORITY AT ANY TIME EVEN IN THE ABSENCE OF A PROTECTIVE ORDER, CONFIDENTIALITY AGREEMENT OR NON-DISCLOSURE AGREEMENT, AS THE CASE MAY BE, WITHOUT NOTIFICATION TO THE RESPONDENT AND WITHOUT LIABILITY OR ANY RESPONSIBILITY OF SDG&E TO THE RESPONDENT.

IT IS EXPRESSLY CONTEMPLATED THAT MATERIALS SUBMITTED BY A RESPONDENT IN CONNECTION WITH THIS RFO WILL BE PROVIDED TO THE

CPUC, ITS STAFF, THE CEC, ITS STAFF, AND THE PRG. SDG&E WILL SEEK CONFIDENTIAL TREATMENT PURSUANT TO PUBLIC UTILITIES CODE SECTION 583 AND GENERAL ORDER 66-C OF THE CPUC, WITH RESPECT TO ANY RESPONDENT CONFIDENTIAL INFORMATION SUBMITTED BY SDG&E TO THE CPUC FOR THE PURPOSES OF OBTAINING REGULATORY APPROVAL. SDG&E WILL ALSO SEEK CONFIDENTIALITY PROTECTION FROM THE CEC FOR RESPONDENT'S CONFIDENTIAL INFORMATION AND WILL SEEK CONFIDENTIALITY AND/OR NON-DISCLOSURE AGREEMENTS WITH THE PRG. SDG&E CANNOT, HOWEVER, ENSURE THAT THE CPUC OR CEC WILL AFFORD CONFIDENTIAL TREATMENT TO A RESPONDENT'S CONFIDENTIAL INFORMATION OR THAT CONFIDENTIALITY AGREEMENTS OR ORDERS WILL BE OBTAINED FROM AND/OR HONORED BY THE PRG, CEC, OR CPUC.

SDG&E, ITS REPRESENTATIVES, SEMPRA ENERGY, AND ANY OF THEIR SUBSIDIARIES DISCLAIM ANY AND ALL LIABILITY TO A RESPONDENT FOR DAMAGES OF ANY KIND RESULTING FROM DISCLOSURE OF ANY OF RESPONDENT'S INFORMATION.

12.0 CREDIT TERMS AND CONDITIONS

SDG&E has the unilateral right to evaluate and determine the credit-worthiness of the Respondent relative to this RFO. The Respondent is required to complete, execute and submit the RFO credit application as part of its offer. The application requests financial and other relevant information needed to demonstrate creditworthiness. Respondents may download the application from the RFO Website.

CREDIT PROVISIONS FOR OFFERS WITH TERMS OF 2 YEARS OR LESS

~~SDG&E's requires Respondents offering Category 1 products or Category 3 Future RECs to provide Delivery Term Security during the delivery term of the PPA. The Delivery Term Security, regardless of the term of the agreement, will be the estimated delivery amount times $5-15/MWH, never to exceed twice the annual estimated delivery amount times $5-15/MWH. The form of the Delivery Term Security (e.g. parent guaranty, deed of trust, letter of credit) will be at SDG&E's sole discretion and will depend on various factors including Respondent's credit worthiness, the estimated annual delivery amount and the term of the agreement.~~

~~SDG&E does not require security from Respondents offering Category 3 Vintage RECs~~

CREDIT PROVISIONS FOR OFFERS WITH TERMS LONGER THAN 2 YEARS

SDG&E's anticipated credit requirements are provided below.

Collateral to Support Long Term PPAs	From	To	Category 1 and 2 Security Amount	Category 3 Security Amount
Bid Acceptance Fee	within 5 business days from formal notification of shortlisting	Contract Execution	$100,000	10% of contract value
CPUC Approval Security	Contract Execution	CPUC Approval Date	$2.50/MWh multiplied by 2 times expected annual generation	Security amount, reflecting credit exposure, to be posted by the seller within 30 days following final, non-appealable CPUC approval. The amount of credit exposure is determined by SDG&E based on its internal models using available

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				market data and/or best estimates.
Development Period Security	CPUC Approval Date	Date on which all Conditions Precedent are satisfied or waived	$5.00/MWh multiplied by 2 times expected annual generation	N/A
Construction Period Security	Date on which all Conditions Precedent are satisfied or waived	COD	$10.~~0~~00/MWh multiplied by 2 times expected annual generation	N/A
Delivery Term Security	COD	End of Term	$20.00/MWh multiplied by 2 times expected annual generation	N/A

See Section 8.~~4~~ of the Model PPA for more information regarding SDG&E's credit terms.

All credit support arrangements (e.g., parent guaranty, deed of trust, letter of credit) must be negotiated prior to an offer being accepted as a winning offer. The form of the security (e.g. parent guaranty, deed of trust, letter of credit) will be at SDG&E's sole discretion and will depend on various factors including Respondent's credit worthiness, the estimated annual delivery amount and the term of the agreement. A model guaranty and a model letter of credit may be downloaded from the RFO Website as attachments to the Model PPA.

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13.0 CPUC APPROVAL

SDG&E shall submit all signed contracts to the CPUC for approval. CPUC approval will be required as a condition precedent to the effectiveness of any contract resulting from this RFO, however, SDG&E, in its sole discretion, may choose to take deliveries prior to such approval.

PUBLIC VERSION

2012 RPS Solicitation

Participation Summary Form

Company Name Submitting Offer(s)	
Company Legal Name as party to potential contract (s) ***(if different)***	
Street Address	
City	
State	
Zip Code	

	Primary Contact	**Secondary Contact**
Name		
Title		
Office Phone		
Cell Phone		
Email Address		

Populate the table to summarize the number of projects and describe the nature of each pricing option**(max 3 per project)**. Assign sequential letters (A to Z) for each unique project and assign sequential numbers to pricing options. An all-or-nothing scalable project with multiple phases should be assigned one letter, not one letter per phase. A project which can be built with (1) multiple optional phases; (2) auxiliary equipment to increase output; or (3) supplemental equipment to provide operational flexibility should be assigned one Project Letter with multiple pricing options for each phase or configuration.

Note: If the information on this form is incorrect or conflicts/inconsistent with the information on other documents, it may delay the evaluation of your offer and/or affect your project ranking.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
Project Letter	**Pricing Option No.**	**Project Name and Description**	**Technology** Biomass Solar Thermal Solar PV Wind etc…	**Project Location**				**Delivery Point** (Point where energy will transfer to SDG&E)			**Term** (years)	**Viability Score**	**If project can begin deliveries before 100% is completed**			**After 100% project completion**			**Characteristic of Pricing Option**	**PPA** (Following 100% project completion)			
				City, State, Country	**Is Project in the SPL Region?** (yes / no)	**CREZ Zone** N/A if out-of-state	~~TRCR Cluster~~ **Interconnecting Transmission Operator**	**Actual Delivery Point** identify specific substation, pnode, etc.	**Is this delivery point within California or a CAISO trading HUB?**	**Delivery Zone or CAISO Trading Hub** i.e. NP-15, SP-15, Mid-C, Palo Verde, COB, NOB, etc.			**Date initial deliveries can begin**	**Net MW that can initially deliver**	**MWH delivered in first calendar year of operation**	**Date of Project Completion**	**Net MW**	**Maximum Annual MWH** (assume no degradation)		**First Year $/kw-yr*** (Capacity Price at initial deliveries)	**First Year $/MWH*** (Energy Price at initial deliveries)	**Annual Capacity Price Escalation thereafter**	**Annual Energy Price Escalation thereafter**

IF pricing for any project listed above is contingent on SDG&E contracting with one or more other projects, please identify the affected projects and explain:

Additional Notes/Comments:

2012 RPS SOLICITATION

PROJECT DESCRIPTION FORM

Instructions:

1. *Submit one Project Description Form for each project being submitted for SDG&E's consideration.*
2. *If offering multiple pricing options for one project, please do so via multiple Pricing Forms.*
3. *Use green font for information the Respondent deems to be confidential.*
4. *Limit and focus the discussions so that this form does not exceed 50 pages (10 size font).*

A. Company Information

Company Name Submitting Offer(s)	
Company Legal Name ~~on~~as party to potential contract(s) (if different)	
Project Name	
Company Street Address	
Company City	
Company State	
Company Zip Code	
How did the company hear of the 2012 RPS RFO? • SDG&E Website • Email from SDG&E • Colleague • Other (please elaborate)	

B. Company Representative

	Primary Contact	Secondary Contact
Name		
Title		
Office Phone		
Cell Phone		
Email Address		

C. Project Summary

Respondents having contracts with SDG&E may propose to extend terms or expand contracted capacities for existing agreements. However, Respondents may not propose to increase existing contract prices for contracted capacities during the remaining term of an existing agreement.

Resource Origin *(Check one)*

_____ New Facility
_____ Re-powered Facility
_____ Existing Facility with expiring contract with SDG&E or a third-party
_____ Upgrading an existing Facility and offering upgraded output to SDG&E
_____ Other. Please describe:

Technology Type *(biomass, solar thermal, wind, etc)*	
Expected Project Completion Date	

Nameplate MW AC *(at 100% project completion)*	
Net Contract MW AC *(at 100% project completion)*	
Capacity Factor	
Expected MWH *(first 12months after 100% project completion)*	
Percent Expected MWH ~~degrades annually~~degradation per year (Solar only)	
Project service territory (please select SDG&E, SCE, or PG&E or IID). Indicate other if not included.	

D. Eligibility

Criteria	Project Meets Criteria – Enter "Yes" and refer to the location in the application containing the information or explanation. Please include a brief sentence supporting your Eligibility	Project Does Not Meet Criteria – Enter "No" and refer to the location in this document containing a detailed explanation. Please include a brief sentence summarizing your conclusion
Compliance Period 3, Category 1		
1. Term of up to 20 years		
2. CEC-certifiable as an eligible renewable resource, and cannot be subject to any CPUC, CEC, or other legal moratorium or injunction against procurement		
3. Net Contract Capacity must be between 20 MW AC and 250 MW AC		
4. All green attributes associated with the project must be tendered to SDG&E		
5. If using a dynamic transfer for delivery to a California balancing authority ("CBA"), must provide documents that have a sufficient level of detail for SDG&E to determine conformance with Category 1 specifications, and to ensure that the arrangement conforms with state law and all regulatory requirements		
6. Respondent must own and operate the facility(ies) associated with the offer and be responsible for development, land acquisition, fuel supply source and transportation, permitting, financing, and construction for the facility(ies)		
Compliance Period 3, Category 2		

1. Term of up to 20 years		
2. CEC-certifiable as an eligible renewable resource, and cannot be subject to any CPUC, CEC, or other legal moratorium or injunction against procurement		
3. Net Contract Capacity must be between 20 MW AC and 250 MW AC		
4. All green attributes associated with the project must be tendered to SDG&E		
5. The energy and associated RECs from the facility must be sold simultaneously to SDG&E; the energy must not be sold back to the generator and must not be already committed to another party; and the initial contract for substitute energy may be acquired no earlier than the time the energy is purchased by SDG&E and no later than prior to the initial date of generation of the energy under the terms of the contract between SDG&E and the facility		
6. The contract for substitute energy must be at least five years in duration, or as long as the contract for RPS-eligible energy, whichever is shorter.		
7. The facility must provide incremental energy (e.g. must not be in the portfolio of the retail seller claiming the transaction for RPS compliance prior to the firmed and shaped transaction)		
8. Respondent must own and operate the facility(ies) associated with the offer and be responsible for development, land acquisition, fuel supply source and transportation,		

permitting, financing, and construction for the facility(ies)		
Compliance Period 3, Category 3		
1. Directly connected to or dynamically scheduled into a CBA		
2. CEC-certifiable as an eligible renewable resource, and cannot be subject to any CPUC, CEC, or other legal moratorium or injunction against procurement		
3. RECs have been generated no earlier than December 2013, with a preference for 2015 and later		

~~D.E.~~ *Proposed Facility Location*

Insert site location map(s) in Section O of this Response Form.

Project Name	
Site Name *(if different from above)*	
Project Street Address	
Project City, State	
Project Longitude:	
Project Latitude:	
Project parcel numbers:	
Describe merits of proposed site/location.	

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Discuss status of site control, including required easements. Note that the site control documentation should be in the name of the entity that will sign the PPA. If not, please provide explanation.

E.F. Proposed Product

Describe the attributes which are and are not bundled within the Respondent's offer, including Renewable Energy Credits as defined by the CPUC, resource adequacy, ancillary services, etc.

~~F.~~G. *Interconnection TRCR, Interconnection Application, Delivery Point*

Host Utility/Muni	
Interconnection Point *(substation name, line or physical description)*	
City, State of Interconnection Point	
~~Was this project submitted into any TRCR?~~Proposed Delivery Point	
~~If yes, list the IOUs whose TRCR the project was submitted.~~Interconnection COD	
~~Host utility's TRCR Cluster to which Project would interconnect *(regardless of whether Respondent participated in host utility's TRCR)*~~Provide an explanation if the Interconnection COD (above) is different than the Expected Project Completion Date specified under the Project Summary Section of this form.	
Is the project in the SPL Region?	
CREZ Zone *(N/A if out-of-state)*	

CAISO Phase I Study *(or equivalent: System Impact Study or Facility Study from official North American Electric Reliability Corporation Transmission Operator)*	
On what date was the application filed?	
On what date was the study completed?	
Interconnection Agreement	
Has an interconnection application been submitted? *(please indicate CAISO, Rule 21, or WDAT)* – see above	
~~If no:~~Has the project executed an Interconnection Agreement?	
Who is the counterparty to the agreement?	
~~Date Application will be filed~~Entity that requested study and/or signed Interconnection Agreement should be the same as entity that will sign the PPA. If not, please provide explanation.	
~~If yes:~~	
~~Date Application filed~~	
~~Queue Position~~	

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~~Completed Feasibility Study?~~	
~~Completed System Impact Study?~~	

Actual Delivery Point per Interconnection Agreement *(Identify the specific substation, pnode, etc…)*	
~~Is the Delivery Point in California or a CAISO trading hub?~~	
Delivery Zone *(NP-15, ZP-26, SP-15)* or Trading hub *(Palo Verde, Mid-C, Mead, etc.)*	
First Point of Interconnection	
Is the first point of interconnection with a CBA?	
Is the first point of interconnection with distribution facilities used to serve end users within a CBA area?	
Is the energy scheduled from the project into a CBA without substituting electricity from another source?	
Does the project have an agreement to dynamically transfer its energy to a CBA	
Does the project provide incremental firmed and shaped energy scheduled into a CBA?	

Is a System Impact Study for this project included with the offer? ~~*(If yes, please sign the Consent Form.)*~~	
If yes:	
Is the study CAISO approved?	
If the study is dated 2006 or earlier, explain why the study and costs are still valid.	

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~~G.H.~~ *Electric Interconnection Plan and Costs*

Transmission upgrade plan and costs are vital for SDG&E to assess overall project viability and cost. The absence of this information or providing inaccurate descriptions or costs may render a Respondent's offer(s) non-conforming, delay the evaluation for the response(s) and/or impact the Respondent's standing on the short-list.

Discuss interconnection plan and status. ~~*(Even if application has not been submitted.)*~~
Please identify any termination clauses or other potential issues with existing Interconnection Agreements (*for existing only*)

Provide an itemized cost breakdown of expected interconnection costs attributable to both Respondent and host utility. *(i.e. voltage support costs, reconductoring costs, etc..)*
(Note that gen-tie costs (including but not limited to: cable, transformers, protection gear and other equipment on the generator side of the meter) attributable to Respondent shall be included in the bid price indicated on the Pricing Forms.)

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~~H.1.~~ Proposed Technology

Describe the proposed technology:
Biogas
Biomass
Geothermal
Hydro
Solar: provide specific details regarding the following and specify whether the facility is Fixed Tilt or Tracking

- *Crystalline flat plate Photovoltaic?*
- *Thin Film Photovoltaic?*
- *Concentrating Photovoltaic?*
- *Solar Thermal Electric?*

Wind
Other

Describe the proposed technology and equipment manufacturer by name and model (include inverter characteristics if applicable):

Discuss the viability of proposed technology and credibility of the manufacturer:

Discuss operational reliability of proposed technology and manufacturer.
How many projects and MWs with proposed technology have been installed worldwide? Discuss year(s) of installation, project locations, project size at each location and operational success.
Discuss and provide published reports demonstrating that the proposed technology is commercially proven.
Described the warranty of major components, including panels and inverters.

~~I.~~ J. Fuel Source Plan

Has a fuel availability (wind assessments, solar radiation index, etc.) study been performed for the proposed site? If so, specify the data source, the length/duration of the data made available by the data source, and explain the results and how the results support the projected annual MWHs.

If applicable, has a long term fuel contract been executed with a supplier?

Discuss project's overall fuel plan and status.

K. Ownership and Operations

Explain how the Respondent has operational control of the project. (*Either through contractual operational control of the project, or if the Respondent is the project operator.)*

Financing Plan

Discuss the project's financing plan and status, including on-going debt/equity ratio to be carried by the project during construction (if a new facility) and during operation, sources of debt and equity, equity percentage by sponsor, financing organizations (including rates and terms), level of commitment by investors and lenders. (*If anticipating the need for subsidies, grants, Production Tax Credits, Investment Tax Credits or any other third party monetary awards, detail finances associated with monetary awards and discuss how the lack of funding shall impact the offer.* *and deadlines for obtaining such awards.*)

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K-M Permitting

Populate the following table with a list of required permits and anticipated completion. Include CEC RPS Certification and if applicable, water rights.

No.	Permit Type/Name	Issuing Agency	Completion Date
1			
2			
3			

Has project received RPS Certification from the CEC?	
If yes:	
Certification No.	
If no:	
Date Application filed or to be filed	
Describe anticipated issues surrounding RPS certification.	

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Discuss plan and status to obtain the permits listed above. Discuss required water rights and status to obtain such rights. Describe scope of assistance from any third party (if applicable).

~~L.~~N. Project Schedule

No.	Milestones	Date
~~1.~~ .	Obtain control of all lands and rights-of-way comprising the Site.~~Submit interconnection application.~~	
~~2.~~	~~File any land applications.~~	
~~3.~~ .	File a CEC Pre-Certification and Verification application.	
~~4.~~	~~File Governmental Approval application(s) *[add details]*.~~	
~~5.~~ .	Receive a completed ~~interconnection feasibility~~[Phase I Interconnection study~~.~~ report] [Interconnection System Impact study report].	
~~6.~~ .	Receive CEC Certification and Verification.	
5.	Files permitting application with appropriate agency(ies).	
~~7.~~ .	Receive a completed [Phase II interconnection facility study][interconnection system impact study~~.~~].	
~~8.~~	~~Obtain control of all lands and rights-of-way comprising the Site.~~	
~~9.~~	~~Receive a completed interconnection facility study.~~	
~~10.~~ .	Execute ~~interconnection agreement~~Interconnection Agreement and/or ~~transmission agreement~~Transmission Agreement.	
~~11.~~ .	Receive ~~FERC acceptance of interconnection agreement/transmission agreement~~permitting approval(s).	
~~12.~~	Execute long term fuel contract. ~~/ Completes~~Complete a comprehensive resource assessment.	
~~13.~~ 0.	Execute a turbine/panel supply contract.	
~~14.~~ 1.	Execute an Engineering, Procurement and Construction ("EPC") contract.	
~~15.~~	~~Receive all Governmental Approvals *[add details]*.~~	
~~16.~~	~~Complete financing.~~	
~~17.~~ 2.	Deliver full NTP under EPC contract and begins construction of the Project.	
~~18.~~	~~Begin startup activities.~~	
~~19.~~ 3.	Execute Meter Service Agreement and Participating Generator Agreement.	
~~20.~~ 4.	Achieve initial operation.	
~~21.~~	~~Demonstrate the Contract Capacity.~~	

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~~22.~~ 5.	Receive all Governmental Approvals necessary to achieve Commercial Operation ~~Date.~~ *(add details).*	
16.	Receive CEC Certification and Verification.	

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Discuss overall project and construction schedule.

~~M-O.~~ *Operational Characteristics*

Insert Facility Drawings in Section P of this Response Form.

Discuss operational characteristics including required maintenance, delivery profile (peak and off-peak, hourly, daily, seasonal, annual), curtailability and dispatchability.
(If offering the ability to curtail deliveries, discuss terms and operational conditions including, annual hours resource can be curtailed, the amount of curtailable capacity and the cost to SDG&E.)

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~~N.P.~~ *Corporate Profile and Experience*

Please be brief and refrain from including extensive marketing materials, resumes, etc, especially information outside the scope of the project.

Corporate background and organizational structure for the project.

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Describe project team's background and experience developing projects of a similar nature~~.~~ and technology. How many MWs total are currently under construction?

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List and describe other projects of a similar nature and technology developed by Respondent currently in operation. What are the total MWs of projects installed?

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~~Q.~~ Q. Site Location Maps

Insert site location map(s) clearly showing the location, size, and orientation of the site; the location of the expected interconnections for transmission, fuel, and water; and the location of residential communities, schools, hospitals, airports, churches, cemeteries, or other expected sensitive receptors within five miles of the site.

P.R. Facility Drawings

Insert facility drawings and diagrams including general equipment arrangement of the site, electric interconnect one line diagram showing the scope of supply, delivery point and metering for the electric interconnection including any transmission line and switchyard. If applicable, include fuel interconnection diagram indicating fuel delivery point.

~~Q.S.~~ *Diverse Business Enterprise Information*

a) *Please indicate whether the Respondent is a DBE (yes/no). Please also provide any relevant documentation proving such status.*

b) *Please indicate whether the Respondent has or will utilize DBE services during the development and/or construction of the project.*

R.T.____ Additional Information

Insert additional relevant information necessary for SDG&E to evaluate the merits of the proposal.

~~S-U~~ Confidential Information

Identify parts, sections and elements of the offer (including information in this and all other forms) which Respondent considers to be Confidential and Proprietary in accordance with RFO Section 11 Confidentiality.

Basic Bid Information

2012 RPS Solicitation
Eligible Renewable Resources

Company Information	
Company Name Submitting Offer:	
Company Name on Potential Contract:	
Company Address:	

Company Representative	Primary Contact	Secondary Contact
Contact Name:		
Contact Title:		
Office Number:		
Cell Number:		
Email:		

Company is Women/Minority/Disabled Veteran owned Business Enterprise as per CPUC General Order 156?

Project Name:

Project Letter:

Offer Type: PPA
Technology/Fuel:
Resource origin:
Resource Location:
Interconnection Point (Or Point of Entry Into California):
Nearest 230 kV Substation:
~~Interconnection Class~~Balancing Authority (and Transmission Operator):
Interconnection Class:
Proposed CAISO Delivery Point:

Facility Nameplate Capacity: MW
Net Contract Capacity: MW

Guaranteed Commercial Operation Date:
PPA Term: years from Guaranteed COD, above

PUBLIC VERSION

2012 RPS Solicitation
Pricing Form

SDGE San Diego Gas & Electric Company
A Sempra Energy utility

Instructions:

1. **Disregard cells which are blacked out.**
2. **Deliveries should be net of degradation.**
3. **Capacity pricing is only available to unit firm projets.**
4. **Create additional copies of this spreadsheet to propose additional pricing options for the same project.**

Potential costs excluded from the bid price:

Optional Dispatch-down Provision

(Note: The ability to dispatch-down is optional, not required.)

Annual hours facility may be dispatched-down:		Hours
Amount of Curtailable Capacity:		MW
Unit Cost per Curtailment:		per MWH curtailed
Ramp-down rate (MW per minute or hour):		Indicate per min. or per hr.
Minimum up time (minutes or hours):		Indicate min. or hrs.
Minimum down time (minutes or hours):		Indicate min. or hrs.
Operating range (MW net):		MW minimum
		MW maximum

Pricing Assumptions

Project Name:
Project Letter:
ricing Option ~~No.~~Description
~~Energy Pricing Type~~ ~~Fixed or Variable (Index Plus)~~
Offer Type: PPA ~~PPA or TREC (no power deliveries)~~
PPA Term: 0 years

Required Subsidies/Tax Benefits: None required.
(Check all Applicable)
PTC
ITC
SB90
Other. List all:

Technology:
Product Type*:
Unit Firm Type**:

*If the Renewable Energy Source is solar or wind, product type must be "As-Available".
**If the Product Type is "As-Available", Unit Firm Type must be "N/A".
**If the Unit Firm Type is "Dispatchable", please fill out the DISPATCH tab of this workbook.

Other conditions which would change pricing:

Deliverability Status:	0	
DELIVERABILITY VALUE:	**#DIV/0!**	per MWh
ENERGY BENEFIT:	**#DIV/0!**	per MWh
CAPACITY BENEFIT:	**#DIV/0!**	per MWh

TOTAL NOMINAL COST:	$0	DEVELOPMENT SECURITY:	$0
TOTAL DISCOUNTED COST:	$0	DELIVERY SECURITY:	$0
TOTAL DISCOUNTED DELIVERIES (MWh):	0	Balancing & TO:	0
LEVELIZED ANNUAL COST:	#DIV/0!		
LEVELIZED ANNUAL DELIVERIES (MWh):	#DIV/0!	Resource Adequacy Type:	System
LEVELIZED CONTRACT COST:	**#DIV/0! per MWh**	**PRELIMINARY NMV:**	**#DIV/0! per MWh**

TOD FACTORS	SUMMER July 1 - October 31		WINTER November 1 - June 30	
On-Peak	Weekdays 11 am - 7 pm		Weekdays 1 pm - 9 pm	
	FCDS	Energy Only	FCDS	Energy Only
	2.501	1.531	1.089	1.192
Semi-Peak	Weekdays 6 am - 11 am Weekdays 7 pm - 10 pm		Weekdays 6 am - 1 pm Weekdays 9 pm - 10 pm	
	FCDS	Energy Only	FCDS	Energy Only
	1.342	1.181	0.947	1.078
Off-Peak*	All other hours		All other hours	
	FCDS	Energy Only	FCDS	Energy Only
	0.801	0.900	0.679	0.774
*All hours during NERC holidays are off-peak				

Indicate the type of pricing desired via the green drop down box below.
(a) Flat Pricing
(b) TOD Pricing

TOD Pricing	------> Prices for delivery periods adjusted per SDGE factors					
TOD Multipliers	Summer On-Peak	Summer Semi-Peak	Summer Off-Peak	Winter On-Peak	Winter Semi-Peak	Winter Off-Peak
0	1.000	1.000	1.000	1.000	1.000	1.000

TIME-OF-DAY DELIVERIES
Columns (I) through (R) will prorate data from Column (H) by the generation shape from the <Typical Profile> tab.

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)	(Z)
Contract Year	Start Date	Stop Date	Net Contract Capacity (MW)	Forecast Index Price ($/MWh)	Fixed Energy Price ($/MWh)	Energy Price ($/MWh)	Capacity Price ($/kW-yr)	Guaranteed Annual Delivery (MWH)	Estimated Annual Delivery (MWH)	Summer On-Peak	Summer Semi-Peak	Summer Off-Peak	Summer Total	Winter On-Peak	Winter Semi-Peak	Winter Off-Peak	Winter Total	Grand Total	Capacity Factor	Summer On-Peak	Summer Semi-Peak	Summer Off-Peak	Winter On-Peak	Winter Semi-Peak	Winter Off-Peak
1										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
3										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
4										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
5										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
6										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
7										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
8										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
9										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
10										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
11										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
12										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
13										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
14										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
15										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
16										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
17										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
18										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
19										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
20										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
21										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
22										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
23										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
24										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
25										-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

PUBLIC VERSION

26				[redacted]					-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
27									-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
28									-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
29									-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
30									-	-	-	-	-	-	-	-	-	0%	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

PUBLIC VERSION

(AA)

Total Annual Energy Cost
$ -
$ -
$ -
$ -
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$ -
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$ -

$	-
$	-
$	-
$	-
$	-

PUBLIC VERSION

Delivery Profile

2012 RPS Solicitation
Eligible Renewable Resources

Instructions:

~~Populate the table with expected hourly capacity factor from your project during the indicated time periods.~~ Populate the table below with the hourly capacity factor from the project. Hourly capacity factor should be the ratio of expected generation in the hour to project nameplate capacity in AC as reported on the "PROJECT INFORMATION" worksheet, cell D29.

				GENERATION AS PERCENT OF NAMEPLATE CAPACITY (%)											
				WINTER						SUMMER				WINTER	
Weekday	Hour Beginning	Hour of Day	Hour of Week	January	February	March	April	May	June	July	August	September	October	November	December
Monday	12:00 AM	1	1												
Monday	1:00 AM	2	2												
Monday	2:00 AM	3	3												
Monday	3:00 AM	4	4												
Monday	4:00 AM	5	5												
Monday	5:00 AM	6	6												
Monday	6:00 AM	7	7												
Monday	7:00 AM	8	8												
Monday	8:00 AM	9	9												
Monday	9:00 AM	10	10												
Monday	10:00 AM	11	11												
Monday	11:00 AM	12	12												
Monday	12:00 PM	13	13												
Monday	1:00 PM	14	14												
Monday	2:00 PM	15	15												
Monday	3:00 PM	16	16												
Monday	4:00 PM	17	17												
Monday	5:00 PM	18	18												
Monday	6:00 PM	19	19												
Monday	7:00 PM	20	20												
Monday	8:00 PM	21	21												
Monday	9:00 PM	22	22												
Monday	10:00 PM	23	23												
Monday	11:00 PM	24	24												
Tuesday	12:00 AM	1	25												
Tuesday	1:00 AM	2	26												
Tuesday	2:00 AM	3	27												
Tuesday	3:00 AM	4	28												
Tuesday	4:00 AM	5	29												
Tuesday	5:00 AM	6	30												
Tuesday	6:00 AM	7	31												
Tuesday	7:00 AM	8	32												
Tuesday	8:00 AM	9	33												
Tuesday	**9:00 AM**	**10**	**34**												
Tuesday	10:00 AM	11	35												
Tuesday	11:00 AM	12	36												
Tuesday	12:00 PM	13	37												
Tuesday	1:00 PM	14	38												
Tuesday	2:00 PM	15	39												
Tuesday	3:00 PM	16	40												
Tuesday	4:00 PM	17	41												
Tuesday	5:00 PM	18	42												
Tuesday	6:00 PM	19	43												
Tuesday	7:00 PM	20	44												
Tuesday	8:00 PM	21	45												
Tuesday	9:00 PM	22	46												
Tuesday	10:00 PM	23	47												
Tuesday	11:00 PM	24	48												
Wednesday	12:00 AM	1	49												
Wednesday	1:00 AM	2	50												
Wednesday	2:00 AM	3	51												
Wednesday	3:00 AM	4	52												
Wednesday	4:00 AM	5	53												
Wednesday	5:00 AM	6	54												
Wednesday	6:00 AM	7	55												
Wednesday	7:00 AM	8	56												
Wednesday	8:00 AM	9	57												
Wednesday	9:00 AM	10	58												
Wednesday	10:00 AM	11	59												
Wednesday	11:00 AM	12	60												
Wednesday	12:00 PM	13	61												
Wednesday	1:00 PM	14	62												
Wednesday	2:00 PM	15	63												
Wednesday	3:00 PM	16	64												
Wednesday	4:00 PM	17	65												
Wednesday	5:00 PM	18	66												
Wednesday	6:00 PM	19	67												
Wednesday	7:00 PM	20	68												
Wednesday	8:00 PM	21	69												
Wednesday	9:00 PM	22	70												
Wednesday	10:00 PM	23	71												
Wednesday	11:00 PM	24	72												
Thursday	12:00 AM	1	73												
Thursday	1:00 AM	2	74												
Thursday	2:00 AM	3	75												
Thursday	3:00 AM	4	76												
Thursday	4:00 AM	5	77												
Thursday	5:00 AM	6	78												
Thursday	6:00 AM	7	79												
Thursday	7:00 AM	8	80												
Thursday	8:00 AM	9	81												
Thursday	9:00 AM	10	82												
Thursday	10:00 AM	11	83												
Thursday	11:00 AM	12	84												
Thursday	12:00 PM	13	85												
Thursday	1:00 PM	14	86												
Thursday	2:00 PM	15	87												
Thursday	3:00 PM	16	88												
Thursday	4:00 PM	17	89												
Thursday	5:00 PM	18	90												
Thursday	6:00 PM	19	91												
Thursday	7:00 PM	20	92												
Thursday	8:00 PM	21	93												
Thursday	9:00 PM	22	94												
Thursday	10:00 PM	23	95												
Thursday	11:00 PM	24	96												
Friday	12:00 AM	1	97												
Friday	1:00 AM	2	98												
Friday	2:00 AM	3	99												
Friday	3:00 AM	4	100												
Friday	4:00 AM	5	101												
Friday	5:00 AM	6	102												
Friday	6:00 AM	7	103												
Friday	7:00 AM	8	104												
Friday	8:00 AM	9	105												
Friday	9:00 AM	10	106												
Friday	10:00 AM	11	107												
Friday	11:00 AM	12	108												
Friday	12:00 PM	13	109												
Friday	1:00 PM	14	110												
Friday	2:00 PM	15	111												
Friday	3:00 PM	16	112												
Friday	4:00 PM	17	113												
Friday	5:00 PM	18	114												
Friday	6:00 PM	19	115												
Friday	7:00 PM	20	116												
Friday	8:00 PM	21	117												
Friday	9:00 PM	22	118												
Friday	10:00 PM	23	119												
Friday	11:00 PM	24	120												
Saturday	12:00 AM	1	121												
Saturday	1:00 AM	2	122												
Saturday	2:00 AM	3	123												
Saturday	3:00 AM	4	124												
Saturday	4:00 AM	5	125												
Saturday	5:00 AM	6	126												
Saturday	6:00 AM	7	127												
Saturday	7:00 AM	8	128												
Saturday	8:00 AM	9	129												
Saturday	9:00 AM	10	130												
Saturday	10:00 AM	11	131												
Saturday	11:00 AM	12	132												
Saturday	12:00 PM	13	133												
Saturday	1:00 PM	14	134												
Saturday	2:00 PM	15	135												
Saturday	3:00 PM	16	136												
Saturday	4:00 PM	17	137												
Saturday	5:00 PM	18	138												
Saturday	6:00 PM	19	139												
Saturday	7:00 PM	20	140												
Saturday	8:00 PM	21	141												
Saturday	9:00 PM	22	142												
Saturday	10:00 PM	23	143												
Saturday	11:00 PM	24	144												
Sunday	12:00 AM	1	145												
Sunday	1:00 AM	2	146												
Sunday	2:00 AM	3	147												
Sunday	3:00 AM	4	148												
Sunday	4:00 AM	5	149												
Sunday	5:00 AM	6	150												
Sunday	6:00 AM	7	151												
Sunday	7:00 AM	8	152												
Sunday	8:00 AM	9	153												
Sunday	9:00 AM	10	154												
Sunday	10:00 AM	11	155												
Sunday	11:00 AM	12	156												
Sunday	12:00 PM	13	157												
Sunday	1:00 PM	14	158												
Sunday	2:00 PM	15	159												
Sunday	3:00 PM	16	160												
Sunday	4:00 PM	17	161												
Sunday	5:00 PM	18	162												
Sunday	6:00 PM	19	163												
Sunday	7:00 PM	20	164												
Sunday	8:00 PM	21	165												
Sunday	9:00 PM	22	166												
Sunday	10:00 PM	23	167												
Sunday	11:00 PM	24	168												

Total Factors in Typical Week:													0.00%
Capacity Factor in Typical Week:	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	
Total Factors in Month:	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
% of annual delivery in month:	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	

W Off-Peak	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**	**0.00%**
W Semi-Peak	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**	**0.00%**
W On-Peak	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**					**0.00%**	**0.00%**
S Off-Peak							**0.00%**	**0.00%**	**0.00%**	**0.00%**		
S Semi-Peak							**0.00%**	**0.00%**	**0.00%**	**0.00%**		
S On-Peak							**0.00%**	**0.00%**	**0.00%**	**0.00%**		

	W Off-Peak	W Semi-Peak	W On-Peak	S Off-Peak	S Semi-Peak	S On-Peak
Annual TOD Delivery Breakdown:	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

PUBLIC VERSION

Generation Profile (Dispatchable Units Only)

2012 RPS Solicitation
Eligible Renewable Resources

Instructions:

~~If your project is dispatchable, respond to the questions below.~~ **If your project is designated as "Dispatchable" on the "PRICING" worksheet cell C32, respond to the questions below. Otherwise, please leave this section blank.**

Plant Description:

Plant Start Profile

Dispatch Profile	Plant Starts Available to SDG&E	Cost for Each Plant Start	Start Fuel MMBTU

List the number of starts and startup costs for your plant.
Also list the MMBTU associated with the startup cost of your plant if you are burning natural gas.

Please Answer the Following Dispatch Information:

1	Will your plant be supplemented with Natural Gas or other fossil fuel?	Not Applica	Yes, No or Not Applicable (N/A)		
2	What percentage of your fuel costs will be fixed or variable?	0%	Fixed	100%	Variable
3	What percentage of your O&M will be fixed or variable?	0%	Fixed	100%	Variable
4	What percentage of your start costs will be fixed or variable?	0%	Fixed	100%	Variable
5	What is your dispatch rate to maximum capacity (e.g. 1 minutes, 1 hour, 1 day)?		Minutes		
6	What is your COLD start ramp-up rate (MW per minute, hour)?		Minutes		
	6a. What is your WARM start ramp-up rate (MW per minute, hour)?		Minutes		
	6b. What is your HOT start ramp-up rate (MW per minute, hour)?		Minutes		
7	What is your ramp-down rate (MW per minute, hour)?		Minutes		
8	What is your minimum up and minimum down times (e.g. minutes, hours)?	Min Up		Min Down	
			Hours		Hours
9	What are your operating ranges MW (minimum and maximum)?	MW Minimum		MW Maximum	
10	What is your expected schedule maintenance outage rate?	0%	% Hours/Year		
11	What is your expected forced outage rate?	0%	% Hours/Year		
12	What are your expected run hours?		Hours/Year		
13	Describe any seasonal variations in your available MWH deliveries.				

Bidder Notes:

SDGE
A Sempra Ene

Operation Date	5	6	7
2012	$69.309	$71.014	$72.594
2013	$74.065	$75.551	$76.982
2014	$77.632	$79.072	$80.477
2015	$80.959	$82.394	$83.806
2016	$84.141	$85.605	$87.045
2017	$87.039	$88.531	$90.010
2018	$89.995	$91.531	$93.230
2019	$93.036	$94.833	$96.638
2020	$96.442	$98.354	$100.250
2021	$100.105	$102.108	$104.022
2022	$104.036	$106.037	$107.928
2023	$108.162	$110.107	$111.945

PROJECT COD/START YEAR 1900 TERM **0** **BA**

MPR TOD ALL-IN

CONTRACT YR	Summer On-Peak Expected MWh	MPR $/MWh	TOD Multiplier	MPR TOD Price	Period Cost
1	-	$0.00	2.501	$0.00	-
2	-	$0.00	2.501	$0.00	-
3	-	$0.00	2.501	$0.00	-
4	-	$0.00	2.501	$0.00	-
5	-	$0.00	2.501	$0.00	-
6	-	$0.00	2.501	$0.00	-
7	-	$0.00	2.501	$0.00	-
8	-	$0.00	2.501	$0.00	-
9	-	$0.00	2.501	$0.00	-
10	-	$0.00	2.501	$0.00	-
11	-	$0.00	2.501	$0.00	-
12	-	$0.00	2.501	$0.00	-
13	-	$0.00	2.501	$0.00	-
14	-	$0.00	2.501	$0.00	-
15	-	$0.00	2.501	$0.00	-
16	-	$0.00	2.501	$0.00	-
17	-	$0.00	2.501	$0.00	-
18	-	$0.00	2.501	$0.00	-
19	-	$0.00	2.501	$0.00	-
20	-	$0.00	2.501	$0.00	-
21	-	$0.00	2.501	$0.00	-
22	-	$0.00	2.501	$0.00	-

23	-	$0.00	2.501	$0.00	-
24	-	$0.00	2.501	$0.00	-
25	-	$0.00	2.501	$0.00	-
26	-	$0.00	2.501	$0.00	-
27	-	$0.00	2.501	$0.00	-
28	-	$0.00	2.501	$0.00	-
29	-	$0.00	2.501	$0.00	-
30	-	$0.00	2.501	$0.00	-

TOTAL FCDS PAYMENT STREAM	-
PV OF FCDS PAYMENT STREAM	-

MPR TOD ENERGY ONLY

CONTRACT YR	Summer On-Peak Expected MWh	MPR $/MWh	TOD Multiplier	MPR TOD Price	Period Cost
1	-	$0.00	1.531	$0.00	-
2	-	$0.00	1.531	$0.00	-
3	-	$0.00	1.531	$0.00	-
4	-	$0.00	1.531	$0.00	-
5	-	$0.00	1.531	$0.00	-
6	-	$0.00	1.531	$0.00	-
7	-	$0.00	1.531	$0.00	-
8	-	$0.00	1.531	$0.00	-
9	-	$0.00	1.531	$0.00	-
10	-	$0.00	1.531	$0.00	-
11	-	$0.00	1.531	$0.00	-
12	-	$0.00	1.531	$0.00	-
13	-	$0.00	1.531	$0.00	-
14	-	$0.00	1.531	$0.00	-
15	-	$0.00	1.531	$0.00	-
16	-	$0.00	1.531	$0.00	-
17	-	$0.00	1.531	$0.00	-
18	-	$0.00	1.531	$0.00	-
19	-	$0.00	1.531	$0.00	-
20	-	$0.00	1.531	$0.00	-
21	-	$0.00	1.531	$0.00	-
22	-	$0.00	1.531	$0.00	-
23	-	$0.00	1.531	$0.00	-
24	-	$0.00	1.531	$0.00	-
25	-	$0.00	1.531	$0.00	-
26	-	$0.00	1.531	$0.00	-
27	-	$0.00	1.531	$0.00	-
28	-	$0.00	1.531	$0.00	-
29	-	$0.00	1.531	$0.00	-
30	-	$0.00	1.531	$0.00	-

TOTAL ENERGY-ONLY PAYMENT STREAM	-
PV OF ENERGY-ONLY PAYMENT STREAM	-
PV DIFFERENCE	-
FCDS PAYMENT PREMIUM	-

ergy utility℠

Request for Offers

Contract Term (years)

8	9	10	15	20	25	30
$74.086	$75.512	$76.888	$83.528	$89.559	$92.743	$92.743
$78.369	$79.721	$81.043	$87.756	$93.758	$96.957	$96.957
$81.854	$83.205	$84.538	$91.504	$97.554	$100.808	$100.808
$85.196	$86.570	$88.039	$95.194	$101.318	$104.633	$104.633
$88.472	$90.012	$91.562	$98.832	$105.091	$108.474	$108.474
$91.625	$93.252	$94.877	$102.222	$108.589	$112.053	$112.053
$94.941	$96.649	$98.310	$105.696	$112.178	$115.719	$115.719
$98.436	$100.178	$101.852	$109.272	$115.863	$119.452	$119.452
$102.077	$103.824	$105.495	$112.958	$119.647	$123.252	$123.252
$105.844	$107.578	$109.159	$116.749	$123.532	$127.118	$127.118
$109.721	$111.342	$112.986	$120.665	$127.518	$131.048	$131.048
$113.592	$115.276	$116.909	$124.683	$131.599	$135.034	$135.034

ASELOAD MPR $0.000

Winter On-Peak					Summer Semi-Peak			
Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price	Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00

-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00
-	$0.00	1.089	$0.00	-	-	$0.00	1.342	$0.00

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Winter On-Peak					Summer Semi-Peak			
Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price	Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00
-	$0.00	1.192	$0.00	-	-	$0.00	1.181	$0.00

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	Winter Semi-Peak					Summer Off-Peak		
Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price	Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801

-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801
-	-	$0.00	0.947	$0.00	-	-	$0.00	0.801

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	Winter Semi-Peak					Summer Off-Peak		
Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price	Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9
-	-	$0.00	1.078	$0.00	-	-	$0.00	0.9

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TOD Price	Period Cost	Winter Off-Peak Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price	Period Cost	Total GWh	Total MPR Cost $/mil
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0

$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.679	$0.00	-	0.0	0.0

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		Winter Off-Peak						
TOD Price	Period Cost	Expected MWh	MPR $/MWh	TOD Multiplier	TOD Price	Period Cost	Total GWh	Total MPR Cost $/mil
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0
$0.00	-	-	$0.00	0.774	$0.00	-	0.0	0.0

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Annual TOD $/MWh	Discount Factor	Discounted GWh	Discounted Cost
$0.00	1.000	-	0.0
$0.00	1.084	-	0.0
$0.00	1.175	-	0.0
$0.00	1.274	-	0.0
$0.00	1.381	-	0.0
$0.00	1.497	-	0.0
$0.00	1.622	-	0.0
$0.00	1.759	-	0.0
$0.00	1.906	-	0.0
$0.00	2.067	-	0.0
$0.00	2.240	-	0.0
$0.00	2.428	-	0.0
$0.00	2.632	-	0.0
$0.00	2.854	-	0.0
$0.00	3.093	-	0.0
$0.00	3.353	-	0.0
$0.00	3.635	-	0.0
$0.00	3.940	-	0.0
$0.00	4.271	-	0.0
$0.00	4.630	-	0.0
$0.00	5.019	-	0.0
$0.00	5.440	-	0.0

$0.00	5.897	-	0.0
$0.00	6.393	-	0.0
$0.00	6.930	-	0.0
$0.00	7.512	-	0.0
$0.00	8.143	-	0.0
$0.00	8.827	-	0.0
$0.00	9.568	-	0.0
$0.00	10.372	-	0.0
		-	0.0

Annual TOD $/MWh	Discount Factor	Discounted GWh	Discounted Cost
$0.00	1.000	-	0.0
$0.00	1.084	-	0.0
$0.00	1.175	-	0.0
$0.00	1.274	-	0.0
$0.00	1.381	-	0.0
$0.00	1.497	-	0.0
$0.00	1.622	-	0.0
$0.00	1.759	-	0.0
$0.00	1.906	-	0.0
$0.00	2.067	-	0.0
$0.00	2.240	-	0.0
$0.00	2.428	-	0.0
$0.00	2.632	-	0.0
$0.00	2.854	-	0.0
$0.00	3.093	-	0.0
$0.00	3.353	-	0.0
$0.00	3.635	-	0.0
$0.00	3.940	-	0.0
$0.00	4.271	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0
$0.00	4.630	-	0.0

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Deliverability Value	#DIV/0!

REC Quick Form

	Company Information
Company Name Submitting Offer:	
Company Name on Potential Contract:	
Company Address:	

Technology	Resource Location	First Point of I

SDGE
mpra Energy utility

2012 RPS Solicitation

Eligible Renewable Resources

	Company Representative	
	Primary Contact	Secondary Contact
Contact Name:		
Contact Title:		
Office Number:		
Cell Number:		
Email:		

nterconnection	REC Price ($/MWh)	Volume (MWh)	Generated From Date	Generated To Date	WREGIS Acct # (for existing facilities only)	Total Cost
						$0
						$0
						$0

						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0
						$0

PUBLIC VERSION

Basic Bid Information

SDGE
A Sempra Energy utility

2012 RPS Solicitation
Eligible Renewable Resources

Company Information	
Company Name Submitting Offer:	0
Company Name on Potential Contract:	0
Company Address:	0
	0
	0
	0

Company Representative	Primary Contact	Secondary Contact
Contact Name:	0	0
Contact Title:	0	0
Office Number:	0	0
Cell Number:	0	0
Email:	0	0

Project Name:

Offer Type: REC (no power deliveries)
Technology/Fuel:
Resource origin:
Resource Location:
Interconnection Point:
~~Class~~Balancing Authority at Interconnection: CAISO
Proposed CAISO Delivery Point:

Facility Nameplate Capacity: MW
Net Contract Capacity: MW

[Form of PPA for As-Available, Baseload, Peaking or Dispatchable Product]

[Standard contract terms and conditions that "may not be modified" per CPUC D.04-06-014 and subsequent decisions are shown in red shaded text and standard contract terms and conditions that may be modified per CPUC D.04-06-014 and subsequent decisions are shown in green shaded text.]

POWER PURCHASE AGREEMENT

Between

SAN DIEGO GAS & ELECTRIC COMPANY
(as "Buyer")

and

_____
(as "Seller")

POWER PURCHASE AGREEMENT

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COVER SHEET

This Power Purchase Agreement is made as of the following date: [_____]. This Power Purchase Agreement and all exhibits, schedules, appendices, and any written supplements hereto, any designated collateral, credit support or margin agreement or similar arrangement between the Parties as well as all written and signed amendments and modifications thereto shall be a part of, and shall be referred to as, the "Agreement." The Parties to this Agreement (hereinafter individually a "Party" and collectively the "Parties") are the following:

Name:_____("Seller")
All Notices:
Street:
City: _____ Zip: __
Attn: Contract Administration
Phone: _____
Facsimile: _____
Duns: _____
Federal Tax ID Number: _____

Invoices:
_____
_____
_____
Attn:
Phone: _____
Facsimile: _____

Scheduling:
_____
_____
_____
Attn:
Phone: _____
Facsimile: _____

Payments:
_____
_____
_____
Attn:
Phone: _____
Facsimile: _____

Wire Transfer:
BNK: _____
ABA: _____
ACCT: _____
Confirmation: _____
FAX: _____

Credit and Collections:
_____
_____
_____
Attn:
Phone: _____

Name: San Diego Gas & Electric Company ("Buyer")
All Notices:
Street: 8315 Century Park Court
City: San Diego, CA Zip: 92123
Attn: Electric & Fuel Procurement - Contract Administration
Phone: (858) 650-6176
Facsimile: (858) 650-6190
Duns: 006911457
Federal Tax ID Number: 95-1184800

Invoices:
San Diego Gas & Electric Company
8315 Century Park Ct.
San Diego, California 92123-1593
Attn: Energy Accounting Manager
Phone: (858) 650-6177
Facsimile: (858) 650-6190

Scheduling:
San Diego Gas & Electric Company
8315 Century Park Ct.
San Diego, California 92123-1593
Attn: Transaction Scheduling Manager
Phone: (858) 650-6160
Facsimile: (858) 650-6191

Payments:
San Diego Gas & Electric Company
PO Box 25110
Santa Ana, CA 92799-5110
Attn: Mail Payments
Phone: (619) 696-4521
Facsimile: (619) 696-4899

Wire Transfer:
BNK: Union Bank of California
for: San Diego Gas & Electric Company
ABA: Routing # 122000496
ACCT: #4430000352
Confirmation: SDG&E, Major Markets
FAX:(213) 244-8316

Credit and Collections:
San Diego Gas & Electric Company, Major Markets
555 W. Fifth Street, ML 18A3
Los Angeles, CA 90013-1011
Attn.: Major Markets, Credit and Collections Manager

Facsimile: _____

With additional Notices of an Event of Default or Potential Event of Default to:

_____
_____
_____
Attn:
Phone: _____
Facsimile:

Fax No.: (213) 244-8316
Phone: (213) 244-4343

With additional Notices of an Event of Default or Potential Event of Default to:

San Diego Gas & Electric Company
8330 Century Park Ct.
San Diego, California 92123
Attn: General Counsel
Phone: (858) 650-6141
Facsimile: (858) 650-6106

GENERAL TERMS AND CONDITIONS

ARTICLE ONE: GENERAL DEFINITIONS

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

"[AAA][JAMS]" means [the American Arbitration Association] [JAMS, Inc.].

"Affiliate" means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. 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.

"Agreement" has the meaning set forth in the preamble to the Cover Sheet.

"Arbitration" has the meaning set forth in Section 12.3.

[For As-Available Product only: "As-Available" means a Product for which, subject to the terms of this Agreement, Seller is excused from selling and delivering the Product to Buyer, and Seller shall not be liable to Buyer for any damages determined pursuant to Section 3.1(h) of the Agreement, in the event that Seller fails to deliver the Product to Buyer for any of the following reasons:

(a) if the Project is unavailable as a result of a Forced Outage and such Forced Outage is not the result of Seller's negligence or willful misconduct;

(b) Force Majeure;

(c) by the Buyer's failure to perform;

(d) by a Planned Outage of the Project;

(e) a reduction in output as ordered under Dispatch Down Periods; or

(f) [the unavailability of landfill gas which was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of negligence of, Seller or the party supplying such landfill gas to the Project, and which by the exercise of reasonable due diligence, Seller is unable to overcome or avoid or causes to be avoided.] OR [insufficient wind power for the Project to generate energy as determined by the best wind speed and direction standards utilized by other wind producers or purchasers in the vicinity of the Project or if wind speeds exceed the Project's technical specifications.] OR [the unavailability of water or the unavailability of sufficient pressure required for operation of the hydroelectric turbine-generator as reasonably determined by Seller within its operating procedures, neither of which was anticipated as of the

Execution Date, which is not within the reasonable control of, or the result of negligence of, Seller or the party supplying such water to the Project, and which by the exercise of due diligence, such Seller or the party supplying the water is unable to overcome or avoid or causes to be avoided.] OR [insufficient solar power for the Project to generate energy as determined by the best solar standards utilized by other solar producers or purchasers in the vicinity of the Project.]

[For Dispatchable Product only: "Availability Adjustment Factor" has the meaning set forth in Section 4.1(b).***]***

"Availability Incentive Payments" shall mean Availability Incentive Payments as defined in FERC filing ER09-1064 or such other similar term as modified and approved by FERC thereafter to be incorporated in the CAISO Tariff or otherwise applicable to CAISO.

[For Dispatchable Product only: "Availability Notice" has the meaning set forth in Section 3.3([f/g]).]

"Availability Standards" shall mean Availability Standards as defined in FERC filing ER09-1064 or such other similar term as modified and approved by FERC thereafter to be incorporated in the CAISO Tariff or otherwise applicable to CAISO.

"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, (b) has any such petition filed or commenced against it which remains unstayed or undismissed for a period of sixty (60) days, (c) makes an assignment or any general arrangement for the benefit of creditors, (d) otherwise becomes bankrupt or insolvent (however evidenced), (e) 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 (f) is generally unable to pay its debts as they fall due.

[For Baseload Product only: "Baseload" means a Unit Firm Product for which the delivery levels are uniform twenty-four (24) hours per day, seven (7) days per week.]

"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.

"Buyer" has the meaning set forth on the Cover Sheet.

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

[When SDG&E is the SC for the Project: "CAISO Charges Invoice" has the meaning set forth in Section 3.3([a/b])(iv).***]***

"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.

"CAISO Tariff" means the CAISO Operating Agreement and Tariff, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC.

"California Renewables Portfolio Standard" means the Renewables Portfolio Standard of California under California Senate Bills 1078 and 107, as codified in California Public Utilities Code Sections 387, 390.1, and 399.25 and Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1, as such provisions are amended or supplemented from time to time.

"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 Contract Capacity of the Project may be counted toward a Resource Adequacy obligation or similar measure in respect to the capacity of the Project to generate Energy by the CPUC, the CAISO, the FERC, or any other entity vested with the authority under federal or state Law, to require Buyer to procure, or to procure at Buyer's expense, Resource Adequacy or other similar products.

[For Dispatchable Product only: "Capacity Price" has the meaning set forth in Section 4.1(a).]

[For Baseload, Peaking, or Dispatchable Product only: "Capacity Test" shall be the complete capacity testing procedure for the Project that is reasonably acceptable to Buyer that Seller shall develop no later than thirty (30) days prior to the initial capacity testing of the Project prior to the Commercial Operation Date. The capacity testing procedure shall describe in detail the testing standard(s) to be used for the technology of the Project, the conditions under which testing shall take place, the average summer ambient conditions to which the results will be corrected, and the testing procedures. The same capacity testing procedure shall be applied to all subsequent Capacity Tests.]

"CEC" means the California Energy Commission or its successor agency.

"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 Agreement.

"Claims" has the meaning set forth in Section 11.2(a).

"Commercial Operation" means that (a) the Project is operating and able to produce and deliver Energy to Buyer pursuant to the terms of this Agreement; (b) Seller shall have satisfied the requirements set forth in the Commercial Operation Certificate in the form attached as

Exhibit E; (c) Seller shall have delivered true, correct, and complete Commercial Operation Certificates from Seller, the Turbine Supplier, the EPC Contractor, and a Licensed Professional Engineer; (d) Seller shall have delivered to Buyer the Delivery Term Security required under Article 8; (e) Seller has received all local, state and federal Governmental Approvals and other approvals as may be required by Law for the construction, operation and maintenance of the Project, including approvals, if any, required under the California Environmental Quality Act for the Project and related interconnection facilities; ***[For Baseload, Peaking, Dispatchable Product only:*** and (f) Seller shall have successfully completed the initial Capacity Test and delivered to Buyer a true, correct, and complete report documenting the results of Seller's initial Capacity Test as required under Section 3.1(f)].

"Commercial Operation Date" means the date on which Seller achieves Commercial Operation for the Project.

"Conditions Precedent" has the meaning set forth in Section 2.3.

"Construction Period Security" shall mean the Performance Assurance that Seller is required to maintain during the period and as otherwise specified in Section 8.4(a)[(ii)/(iii)] to secure performance of its obligations hereunder.

"Contract Capacity" has the meaning set forth in Section 3.1(f).

[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP: "Contract Energy" means the lower of Delivered Energy or Scheduled Energy for any given period in each case net of all Electrical Losses.**]**

"Contract Quantity" has the meaning set forth in Section 3.1(e).

"Contract Year" means a period of twelve (12) consecutive months (except in the case of the first Contract Year which may be longer) with the first Contract Year commencing on the Commercial Operation Date and each subsequent Contract Year commencing on the anniversary of the first day of the month following the Commercial Operation Date.

"Costs" means, with respect to the Non-Defaulting Party, 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 entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with such Terminated Transaction.

"Cover Sheet" means the document that precedes Article 1: General Definitions to this Agreement.

"CP Satisfaction Date" shall mean the date on which all of the Conditions Precedent have been satisfied (or waived in writing by the Party described in Section 2.4).

"CPUC" or "Commission or successor entity" means the California Public Utilities Commission, or successor entity.

"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 Agreements with Delivery Terms greater than two years: "CPUC Approval Date" shall mean the date on which the Conditions Precedent set forth in Section 2.3(a) have been satisfied (or waived in writing by the beneficiary Party described in Section 2.4).]

[For Agreements with Delivery Terms greater than two years: "CPUC Approval Security" shall mean the Performance Assurance that Seller is required to maintain during the period and as otherwise specified in Section 8.4(a)(i) to secure performance of its obligations hereunder.]

~~"CPUC Content Category Approval" means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which finds that any procurement pursuant to this Agreement is procurement that meets the criteria of, and will be counted in, the portfolio content category described in Public Utilities Code Section 399.16(b)[(1)][(2)][(3)] 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 11-12-052, or other applicable Law. CPUC Content Category Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.~~

"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) by S&P or Moody's.

"Daily Delay Damages" means an amount equal to (a) the Construction Period Security amount required hereunder, divided by (b) the number of days in the Project Cure Period.

"Day-Ahead Forecast" has the meaning set forth in Section 3.3([d/e]).

[Dispatchable Product only: "Default Availability Factor" means, for any period, the amount determined according to the following formula:

Default Availability Factor = (PH - (EDH - EEDH)) / PH

Where:

PH is the number of period hours;

EDH is the number of equivalent derate hours calculated as the sum, for each derate, of the product of the number of hours of full or partial derate hours times the size of the reduction divided by the Contract Capacity for the month. For the purposes of this calculation, a derate includes all outages for any reason, including without limitation, Forced Outages, Force Majeure events, Dispatch Down Periods, Planned Outages, Buyer's failure to perform, and other times when any portion of the Contract Capacity is not available or the Delivered Energy of the Project is less than the amount of Energy dispatched by Buyer; and

EEDH is the number of equivalent excused derate hours solely due to either Force Majeure events, Dispatch Down Periods or Buyer's failure to perform (and for no other reason), calculated as the sum, for each excused derate, of the product of the number of hours of full or partial derate hours times the size of the reduction, divided by the Contract Capacity for the month.]

"Defaulting Party" means the Party that is subject to an Event of Default.

"Default Rate" means for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable Law.

"Delivered Energy" means all Energy produced from the Project and delivered to Buyer at the Delivery Point as measured in MWh at the CAISO revenue meter of the Project based on a power factor of precisely one (1) and net of all Electrical Losses.

"Delivery Point" means the point at which Buyer receives Seller's Product, as set forth in Section 3.1(d).

"Delivery Term" has the meaning set forth in Section 3.1(c).

"Delivery Term Security" shall mean the Performance Assurance that Seller is required to maintain during the period and as otherwise specified in Section 8.4(a)[(iii)/(iv)] to secure performance of its obligations hereunder.

"Development Period Security" shall mean the Performance Assurance that Seller is required to maintain during the period and as otherwise specified in Section 8.4(a)[(i)/(ii)] to secure performance of its obligations hereunder.

"Disclosing Party" has the meaning set forth in Section 13.1(a).

"Disclosure Order" has the meaning set forth in Section 13.1(a).

"Dispatch Down Period" means the period of curtailment of delivery of Product from the Project resulting from (a) curtailment ordered by the CAISO (whether directly or through the Scheduling Coordinator or the Participating Transmission Owner), for any reason, including, but not limited to, any system emergency as defined in the CAISO Tariff ("System Emergency"), any warning of an anticipated System Emergency, or any warning of an imminent condition or situation which could jeopardize the CAISO's or Participating Transmission Owner's electric system integrity or the integrity of other systems to which the CAISO or Participating Transmission Owner is connected; (b) curtailment ordered by the Participating Transmission Owner or distribution operator (if interconnected to distribution or sub-transmission system) 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, (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) curtailment ordered by the Participating Transmission Owner or distribution operator (if interconnected to distribution or sub-transmission system) as a result of scheduled or unscheduled maintenance or construction on the Participating Transmission Owner's transmission facilities or distribution operator's facilities (if interconnected to distribution or sub-transmission system) that prevents the delivery or receipt of Delivered Energy to or at the Delivery Point, (d) curtailment in accordance with Seller's obligations under its interconnection agreement with the Participating Transmission Owner or distribution operator, ***[For all Products other than Dispatchable Product:*** or (e) curtailment ordered by Buyer that meets the requirements of Economic Dispatch Down,***] [If the Project is located outside of the CAISO:*** or (f) curtailment ordered by the Transmission Provider provided, that Seller has contracted for firm transmission with such Transmission Provider for the Product to be delivered to the Delivery Point and such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff]; ***[For Dispatchable Product only:*** or (g) curtailment ordered by Buyer pursuant to a Dispatch Notice.***] [For all Products other than Dispatchable and when SDG&E is the SC:*** provided, however, that except with respect to curtailment ordered by Buyer that meets the requirements of Economic Dispatch Down, Dispatch Down Periods shall not include any other periods of curtailment of delivery of Product from the Project resulting from economic curtailment where Buyer (as the Scheduling Coordinator) submits an economic bid in the applicable CAISO market that results in an otherwise available Product not being scheduled or awarded in such CAISO market].

"Dispatch Notice" means the operating instruction, and any subsequent updates given by Buyer to Seller, directing Seller ***[For Dispatchable Product only:*** to operate the Project at a specified megawatt output***] [For all other Products:*** to reduce generation from the Project to no greater than the amount and for the period of time set forth in such order***]***.

[For Dispatchable Product only: "Dispatchable" means a Unit Firm Product for which Seller makes available capacity for Buyer to Schedule and dispatch up or down at Buyer's option in accordance with Section 3.3([g/h]).]

"Distribution Upgrades" has the meaning set forth in the CAISO Tariff.

"DUNS" means the Data Universal Numbering System, which is a unique nine character identification number provided by Dun and Bradstreet.

"Early Termination Date" has the meaning set forth in Section 5.2.

[For all Products other than Dispatchable Product: "Economic Dispatch Down" has the meaning set forth in Section 3.4(b)(i).***]***

"Electrical Losses" means all electrical losses associated with the transmission of Product to the Delivery Point, including if applicable, but not limited to, any transmission or transformation losses between the CAISO revenue meter and the Delivery Point.

"Electrical Interconnection Upgrades" means the facilities to which Seller shall be able to interconnect and deliver Energy from the Project to and at the Delivery Point and Buyer shall be able to transmit Energy from the Delivery Point and the facilities that protect the Participating Transmission Owner's, Transmission Provider's, or distribution operator's, as applicable, electric system (or other systems to which such electric systems are connected, including the CAISO Grid) and the Participating Transmission Owner's, Transmission Provider's, or distribution operator's, as applicable, customers from faults occurring at the Project, including, but not limited to, all network, distribution, connection, transformation, switching, metering, communications, control, and safety equipment, as such equipment may be required pursuant to Good Industry Practices or in accordance with the Participating Transmission Owner's, Transmission Provider's, or distribution operator's, as applicable, facility connection requirements. If the Project interconnects to the CAISO Grid, such Electrical Interconnection Upgrades include all Network Upgrades, Distribution Upgrades, and 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 so as to allow Seller to deliver Energy from the Project to the Delivery Point and Buyer to be able to transmit Energy from the Delivery Point.

"Eligible Renewable Energy Resource" or "ERR" has the meaning set forth in California Public Utilities Code Section 399.11, *et seq.*, as amended or supplemented from time to time.

"Energy" means electric energy measured in MWh and net of Station Service (unless otherwise specified).

"Energy Price" has the meaning set forth in Section 4.[1/2](a).

"EPC Contract" means the Seller's engineering, procurement and construction contract with the EPC Contractor.

"EPC Contractor" means an engineering, procurement, and construction contractor, selected by Seller, with substantial experience in the engineering, procurement, and construction of power plants of the same type of facility as Seller's.

"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.

[For Dispatchable Product only: "Equivalent Availability Factor" or "EAF" has the meaning set forth in Section 4.1(b).]

"Event of Default" has the meaning set forth in Section 5.1.

"Execution Date" means the date hereof as set forth in the preamble of the Cover Sheet.

"Executive(s)" has the meaning set forth in Section 12.2(a).

"FERC" means the Federal Energy Regulatory Commission or any successor government agency.

"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 to the extent (1) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (2) 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 (3) such event is not the direct or indirect result of the fault or negligence of 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) acts of God, flooding, lightning, landslide, earthquake, fire, drought, explosion, epidemic, quarantine, storm, hurricane, tornado, volcano, 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; or

(iii) except as set forth in subpart (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).

(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 Governmental Approvals or other approvals of any type for the construction, operation, or maintenance of the Project;

(iv) a lack of wind, sun or other fuel source of an inherently intermittent nature;

(v) Seller's inability to obtain sufficient labor, equipment, materials, or other resources to build or operate the Project, except to the extent Seller's inability to obtain sufficient labor, equipment, materials, or other resources is caused by an event of Force Majeure of the specific type described in any of subsections (a)(i) through (a)(iii) above;

(vi) Seller's failure to obtain financing or other 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;

(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; or

(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) though (a)(iii) above.

"Force Majeure Extension Period" has the meaning set forth in Section 3.9(c)(ii).

"Forced Outage" means any unplanned reduction or suspension of production of Product from the Project or unavailability of the Project in whole or in part that is not a Planned Outage or a willful withholding of Product when the Project is otherwise capable of delivering Product under Good Industry Practices.

"GAAP" has the meaning set forth in Section 13.4.

"Gains" means with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Delivery Term, 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 referent prices for renewable power set by the CPUC, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., NYMEX), all of which should be

calculated for the remaining term of this Agreement and include the value, if any, of Capacity Attributes, and Green Attributes.

"Good Industry Practice" means those practices, methods and acts that would be implemented and followed by prudent operators of electric transmission facilities (with respect to Buyer) or prudent operators of electric generation facilities similar to the Project (with respect to Seller) in the Western United States during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability and safety, and shall include, at a minimum, those professionally responsible practices, methods and acts described in the preceding sentence that comply with manufacturers' warranties, restrictions in this Agreement, and the requirements of Governmental Authorities, WECC standards, the CAISO and applicable Law. Good Industry Practice is not intended to be the optimum practice, method or act to the exclusion of all others, but rather is intended to be any of the practices, methods and/or actions generally accepted in the region.

"Governmental Approval" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any governmental entity and, with respect to the Seller, 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.

"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.

"Governmental Charges" has the meaning set forth in Section 9.2.

"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 (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by Law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;[1] and (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

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

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.

"Guaranteed Commercial Operation Date" or "GCOD" means [*insert date*], as may be extended pursuant to Section 3.9(c)(ii).

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

"Guarantor" means, with respect to Seller, any person that (a) does not already have any material credit exposure to Buyer under any other agreements, guarantees, or other arrangements at the time its Guaranty is issued, (b) is an Affiliate of Seller, or other third party reasonably acceptable to Buyer, (c) has a Credit Rating of [____] or better from S&P or a Credit Rating of [____] or better from Moody's, (d) has a tangible net worth of at least [_____], (e) is incorporated or organized in a jurisdiction of the United States and is in good standing in such jurisdiction, and (f) executes and delivers a Guaranty for the benefit of Buyer substantially in the form attached hereto as Exhibit D. ***[SDG&E will consider accepting a Guaranty based on the Project, the amount of Performance Assurance, and the identity of the Seller and Guarantor]***

"Guaranty" means a guaranty from a Guarantor provided for the benefit of Buyer substantially in the form attached hereto as Exhibit D. ***[SDG&E will consider accepting a Guaranty based on the Project, the amount of Performance Assurance, and the identity of the Seller and Guarantor]***

"Imbalance Energy" means the amount of Energy, in any given settlement period, by which the amount of Delivered Energy deviates from the amount of Scheduled Energy.

[For As-Available Product PIRP Participants only and only when Seller is SC for the Project: "Imbalance Price" has the meaning set forth in Section 4.[2/3](b).]

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

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

"Interest Amount" means, with respect to an Interest Period, the amount of interest derived from the product of (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; multiplied by (b) the Interest Rate in effect on the first day of the Interest Period; multiplied by (c) the number of days in that Interest Period; divided by (d) 360.

"Interest Payment Date" means the date on which cash held as Performance Assurance is returned pursuant to the terms of this Agreement.

"Interest Period" means the monthly period beginning on the first day of each month and ending on the last day of each month or the shorter period during which Performance Assurance in the form of cash is held by Buyer.

"Interest Rate" means for any date the rate per annum equal to the Commercial Paper (prime, 3 months) rate as published the prior month in the Federal Reserve Statistical Release, H.15. Should publication of the interest rate on Commercial Paper (prime, 3 months) be discontinued, then the interest rate on commercial paper, which most closely approximates the discontinued rate, published the prior month in the Federal Reserve Statistical Release, H.15, or its successor publication.

~~["Investment Tax Credit" or "ITC" means the tax credit for property described in Section 48(a)(3)(A)(i) [solar energy property] of the Internal Revenue Code of 1986, as it may be amended from time to time.] *[Note: Modify section reference for different technologies. Delete this definition if the Seller is seeking Production Tax Credits or the term is not otherwise used.*]~~

"[Large/Small] Generator Interconnection Agreement" has the meaning set forth in the CAISO Tariff.

"Law" means any statute, law, treaty, rule, regulation, ordinance, code, Governmental Approval, 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 become effective prior to the end of the Delivery Term; or any binding interpretation of the foregoing by a Governmental Authority.

"Letter(s) of Credit" means one or more irrevocable, standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a Credit Rating of at least [A-] with an outlook designation of "stable" from S&P or [A3] with an outlook designation of "stable" from Moody's, in substantially the form as contained in Exhibit C to this Agreement.

"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.

"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 a Terminated Transaction for the remaining term of this Agreement, determined in a commercially reasonable manner. 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 referent prices for renewable power set by the CPUC, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g. NYMEX), all of which should be calculated for the remaining term of this Agreement and include the value, if any, of Capacity Attributes, and Green Attributes.

"Manager" has the meaning set forth in Section 12.2(a).

"Milestones" has the meaning set forth in Section 3.9(b)(i).

[For Dispatchable Product only: "Monthly Capacity Payment" has the meaning set forth in Section 4.1(b).]

"Monthly Energy Payment" has the meaning set forth in Section 4.[1/2]([b/c]).

[For Dispatchable Product only: "Monthly Shaping Factor" has the meaning set forth in Section 4.1(b).]

"Moody's" means Moody's Investor Services, Inc., or its successor.

"MWh" means megawatt-hour.

"Negative Imbalance Energy" has the meaning set forth in Section 4.[2/3].

"NERC" means the North American Electric Reliability Corporation or a successor organization that is responsible for establishing reliability criteria and protocols.

"NERC Holiday" means any of 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.

"Network Upgrades" has the meaning set forth in the CAISO Tariff.

"Non-Availability Charges" shall mean Non-Availability Charges as defined in FERC filing ER09-1064 or such other similar term as modified and approved by FERC thereafter to be incorporated in the CAISO Tariff or otherwise applicable to CAISO.

"Non-Defaulting Party" has the meaning set forth in Section 5.2.

"Notice" shall, unless otherwise specified in the Agreement, mean written communications by a Party to be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail).

"Notice to Proceed" or "NTP" 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 precedent to performance of such contract, by which Seller authorizes such EPC Contractor to commence and complete full performance of the work under the EPC Contract without any delay or waiting periods.

"Outage Notification Form" means the completed document from Seller notifying Buyer of an outage of the Project substantially in the form attached hereto as Exhibit G. Buyer reserves the right to reasonably revise or change the form upon Notice to Seller.

[For intermittent As-Available Product: "Participating Intermittent Resource" shall have the meaning set forth in the CAISO Tariff.]

[For an intermittent As-Available Product only: "Participating Intermittent Resource Program" or "PIRP" means the rules, protocols, procedures and standards for Participating Intermittent Resources under the CAISO's Eligible Intermittent Resource Protocol, as may be amended from time to time, as set forth in the CAISO Tariff.]

"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. As of the Execution Date, the Participating Transmission Owner is ***[San Diego Gas & Electric Company].***

"Party" or "Parties" means the Buyer or Seller individually, or to both collectively.

[For Peaking Product only: "Peaking" means a Unit-Firm Product for which Energy must be delivered during hours ending 1200-1900 (11:00 am to 7:00 pm) on Monday-Friday, excluding NERC Holidays, for the months July through October and during hours ending 1400-2100 (1:00 pm to 9:00 pm) on Monday-Friday, excluding NERC Holidays, for the months November and December.] ***[Note: Buyer will consider other firm products such as 6x16:*** "6x16 Block" means a Unit-Firm Product for which Energy must be delivered during hours ending 0700-2200 (6:00 am to 10:00 pm) on Monday-Saturday throughout the Delivery Term.]

"Performance Assurance" means collateral provided by Seller to Buyer to secure Seller's obligations hereunder and includes ***[For Agreements with Delivery Terms greater than two***

years: CPUC Approval Security,] Development Period Security, Construction Period Security, and Delivery Term Security.

[For As-Available, Baseload, Peaking Product: "Performance Measurement Period" has the meaning set forth in Section 3.1(e).]

"Planned Outage" means any planned reduction or suspension of the electrical output from the Project or unavailability of the Project in whole or in part as a result of the inspection, maintenance, or repair of equipment that is scheduled in accordance with Section 3.7(a).

"PNode" has the meaning set forth in the CAISO Tariff.

"Positive Imbalance Energy" has the meaning set forth in Section 4.[2/3].

"Product" has the meaning set forth in Section 3.1(a).

~~["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 from time to time.] *[Note: Modify section reference for different technologies. Delete this definition if the Seller is seeking Investment Tax Credits or the term is not otherwise used.*]~~

"Project" means all of the *[insert technology]* electric generating units, the Site at which the generating facility is located, the utility interconnection facilities up to the point of change in ownership to the applicable utility's facilities, and the other assets, tangible and intangible, that compose the generation facility as more particularly described on Exhibit A.

"Project Cure Period" has the meaning set forth in Section 3.9(c)(i).

"Quarterly Progress Report" means the report similar in form and content attached hereto as Exhibit F, as may be modified from time to time to meet applicable CPUC requirements.

"Recording" has the meaning set forth in Section 13.6.

"Reductions" has the meaning set forth in Section 3.2(c).

"Referral Date" has the meaning set forth in Section 12.2(a).

"Remedial Action Plan" has the meaning provided in Section 3.9(b)(ii).

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

"Replacement Price" means the price (in dollars per megawatt hour) at which Buyer, acting in a commercially reasonable manner, purchases for delivery at the Delivery Point (or any other reasonably equivalent delivery point for Buyer) a replacement for any Product (including its associated Green Attributes) that was not Scheduled and delivered by Seller, plus (a) costs

(calculated in dollars per megawatt hour) reasonably incurred by Buyer in purchasing such replacement Product and (b) additional transmission charges (calculated in dollars per megawatt hour), if any, reasonably incurred by Buyer for such replacement Product, or absent a purchase, the market price at the Delivery Point (or any other reasonably equivalent delivery point for Buyer) for such replacement Product for the hours impacted by such failure to Schedule or deliver such Product as determined by Buyer in a commercially reasonable manner. The Replacement Price also shall include all CAISO and other charges and penalties calculated in dollars per megawatt hour with respect to the deviation from the Scheduled supply resulting from Seller's failure to Schedule or deliver; provided, however, in no event shall such price include any ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller's liability. For the purposes of this definition, Buyer shall be considered to have purchased replacement Product to the extent Buyer shall have entered into one or more arrangements in a commercially reasonable manner whereby Buyer repurchases its obligation to sell and deliver the Product to another party. If for any reason a Replacement Price is unavailable when Seller fails to deliver or Schedule Product, then the Replacement Price for the hours when a Replacement Price is unavailable shall be the last available Replacement Price together with any charges and penalties allocated to Buyer during such time.

"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.

"Sales Price" means the price (in dollars per megawatt hour) at which Seller, acting in a commercially reasonable manner, resells any Product not Scheduled and received by Buyer, deducting from such proceeds any (a) costs (calculated in dollars per megawatt hour) reasonably incurred by Seller in reselling such Product including all costs charged by CAISO to Schedule and deliver the Product into the CAISO System, and (b) additional transmission charges (calculated in dollars per megawatt hour), if any, reasonably incurred by Seller in Scheduling and delivering such Product to the third party purchasers, or absent a sale despite commercially reasonable efforts to resell the Product, zero. The Sales Price shall also be reduced by all CAISO and other costs, charges and penalties with respect to the deviation from the Scheduled supply, in each case, resulting from Buyer's failure to take Product and calculated in dollars per megawatt hour; provided, however, in no event shall such price include any ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer's liability. The Sales Price may be less than zero.

"S&P" means the Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its successor.

"Schedule" means the actions of Seller, Buyer and/or their designated representatives, or Scheduling Coordinators, including each Party's Transmission Providers, if applicable, of

notifying, requesting and confirming to each other and the CAISO the quantity and type of Product to be delivered on any given day or days at a specified Delivery Point.

"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.

"Scheduled Energy" means the Energy that clears under the applicable CAISO market based on the final Schedule developed in accordance with this Agreement, the operating procedures developed by the Parties pursuant to Section 3.10, and the applicable CAISO Tariff, protocols and Scheduling practices.

"SEC" means the U.S. Securities and Exchange Commission.

"Seller" shall have the meaning set forth on the Cover Sheet.

"Settlement Amount" means, with respect to the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of the liquidation of a Terminated Transaction pursuant to Sections 5.2 and 5.3.

"Site" shall mean the location of the Project as described in Exhibit A.

"Station Service" means the electric energy produced by the Project that is used within the Project to power the lights, motors, control systems and other auxiliary electrical loads that are necessary for operation of the Project.

"Terminated Transaction" means the termination of this Agreement in accordance with Section 5.2 of this Agreement.

"Termination Payment" has the meaning set forth in Section 5.2.

[For TOD Pricing Only: "TOD Factors" has the meaning set forth in Section 4.[1/2](b)***.]***

[For TOD Pricing Only: "TOD Period" has the meaning set forth in Section 4.[1/2](b)***.]***

"Transmission Provider" means any entity or entities transmitting or transporting the Product on behalf of Seller or Buyer to or from the Delivery Point.

"Turbine Supplier" means the supplier of the electric generating [wind] [gas] [steam] turbine(s) for the Project, selected by Seller.

[For Baseload, Peaking, or Dispatchable Product only: "Unit Firm" means, with respect to a Product, that the Product is intended to be supplied from the Project, and subject to the terms of this Agreement, Seller is excused from selling and delivering the Product to Buyer, and Seller shall not be liable to Buyer for any damages determined pursuant to Section 3.1(h) of the Agreement, in the event that Seller fails to deliver the Product to Buyer for any of the following reason:

(a) if the Project is unavailable as a result of a Forced Outage and such Forced Outage is not the result of Seller's negligence or willful misconduct;

(b) Force Majeure;

(c) by the Buyer's failure to perform;

(d) by a Planned Outage of the Project; or

(e) a reduction in output as ordered under Dispatch Down Periods.

The following products shall be considered "Unit Firm" products: Peaking, Baseload, and Dispatchable.]

"WECC" means the Western Electricity Coordinating Council or successor agency.

"WREGIS" means the Western Renewable Energy Generating Information System or any successor renewable energy tracking program.

1.2 Interpretation. The following rules of interpretation shall apply:

(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 exist 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 1, 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) 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.

(f) 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.

(g) 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.

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

ARTICLE TWO: EFFECTIVENESS OF AGREEMENT; CONDITIONS PRECEDENT

2.1 Effectiveness of Agreement Prior to CP Satisfaction Date. Commencing on the Execution Date until the CP Satisfaction Date, this Agreement shall be in full force and effect, enforceable and binding only to the extent required to give full effect to, and enforce, the rights and obligations of the Parties under this Article 2, including, as it relates to Article 2, the rights and obligations under Articles 1, 5, 7, 8, 9, 10, 11, 12, and 13.

2.2 Obligations of the Parties. The Parties shall cooperate with each other to cause the Conditions Precedent to be satisfied as soon as reasonably practical.

(a) Seller's Obligations. Prior to the CP Satisfaction Date, Seller shall (i) use commercially reasonable efforts to pursue satisfaction of the Conditions Precedent set forth in Sections [___], (ii) diligently pursue development of the Project in accordance with Section 3.9, (iii) comply with Section 3.9(b) in achieving the applicable Milestones that have due dates occurring prior to the CP Satisfaction Date, reporting completion of such Milestones, and delivering Remedial Action Plans in respect of missed Milestones as more fully described therein, (iv) deliver the Quarterly Progress Report in accordance with Section 3.9(a), and (v) otherwise comply with its obligations, covenants, representations, and warranties under Articles 7-13. ***[For Agreements with Delivery Terms greater than two years:*** Upon an Event of Default of Seller prior to the CPUC Approval Date, Buyer may terminate this Agreement in which case Seller shall owe Buyer liquidated damages in the amount of the CPUC Approval Security.] Upon an Event of Default of Seller ***[For Agreements with Delivery Terms greater than two years:*** on or after the CPUC Approval Date but] prior to the CP Satisfaction Date, Buyer may terminate this Agreement in which case Seller shall owe Buyer liquidated damages in the amount of the Development Period Security. Buyer may retain such Performance Assurances to pay such liquidated damages. Each Party agrees and acknowledges that (a) the actual damages that Buyer would incur due to an Event of Default of Seller prior to the CP Satisfaction Date would be difficult or impossible to predict with certainty, (b) the liquidated damages set forth in this section are a reasonable and appropriate approximation of such damages, and (c) the liquidated damages set forth in this section are the exclusive remedy for an Event of Default of Seller prior to the CP Satisfaction Date.

(b) Buyer's Obligations. Prior to the CP Satisfaction Date, Buyer shall (i) use commercially reasonable efforts to pursue satisfaction of the Conditions Precedent set forth in Sections 2.3(a), and (ii) otherwise comply with its obligations, covenants, representations, and warranties under Articles 7-13. ***[For Agreements with Delivery Terms greater than two years:*** Upon an Event of Default of Buyer prior to the CPUC Approval Date, Seller may terminate this Agreement in which case Buyer shall owe Seller liquidated damages in the amount of the CPUC Approval Security.] Upon an Event of Default of Buyer ***[For Agreements with Delivery Terms***

greater than two years: on or after the CPUC Approval Date but] prior to the CP Satisfaction Date, Seller may terminate this Agreement in which case Buyer shall owe Seller liquidated damages in the amount of the Development Period Security. Each Party agrees and acknowledges that (a) the actual damages that Seller would incur due to an Event of Default of Buyer prior to the CP Satisfaction Date would be difficult or impossible to predict with certainty, (b) the liquidated damages set forth in this section are a reasonable and appropriate approximation of such damages, and (c) the liquidated damages set forth in this section are the exclusive remedy for an Event of Default of Buyer prior to the CP Satisfaction Date.

2.3 Conditions Precedent. Subject to Section 2.1, the effectiveness of the remainder of this Agreement is conditioned upon the satisfaction (or waiver by the Party described in Section 2.4) of all of the following conditions precedent ("Conditions Precedent") by the deadline dates set forth below for each Condition Precedent without extension for Force Majeure or any other reason:

(a) CPUC Approval~~ and CPUC Content Category Approval.~~. No later than [_____], Buyer shall have obtained CPUC Approval~~ and CPUC Content Category Approval.~~. Prior to this deadline, should the CPUC issue an order approving this Agreement~~ and the portfolio content category requested by Buyer in its CPUC filing~~ but with conditions or modifications that materially alter the commercial aspects of this Agreement, the Parties agree to use good faith efforts to renegotiate this Agreement and file the amended agreement with the CPUC seeking CPUC Approval~~ and CPUC Content Category Approval~~ therefor. If, ~~within~~no later than the earlier of (i) sixty (60) days after such order or (ii) the deadline date above, no agreement is reached, either Party may terminate this Agreement upon delivery of Notice to the other Party.

(b) Electrical Interconnection. No later than [_____], Seller shall have entered into a [Large/Small] Generator Interconnection Agreement providing for the construction of the Electrical Interconnection Upgrades necessary to maintain the "[Full Capacity] [Energy Only] Deliverability Status" (as defined in the CAISO Tariff) of the Project and setting forth:

~~(i) No later than [_____], Buyer shall have agreed to and approved of (in its sole discretion) the deliverability status of the Project, the~~ an estimated in-service interconnection date~~, and the costs to be incurred by Buyer~~ for ~~any required Electrical~~the "Participating TO's Interconnection Facilities," the "Network Upgrades~~ reasonably necessary to enable the cost-effective and reliable delivery of Energy from the Project to Buyer's load as is consistent with FERC's then current orders and rulemakings.~~

~~(ii)~~(i) ~~No later than [_____],~~," and the "Distribution Upgrades" (as each term is defined in the CAISO Tariff) of no later than [_____] months after Seller ~~shall have agreed to and approved of (in its sole discretion) the deliverability status of the Project, the in-service interconnection date, and the costs to be incurred by Seller for any required Electrical~~provides the Participating Transmission Owner with the appropriate security and written authorization to proceed under its [Large/Small] Generator Interconnection ~~Upgrades reasonably necessary to enable the cost-effective and reliable delivery of Energy from~~

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~~the Project to Buyer's load as is consistent with FERC's then current orders and rulemakings.~~ Agreement for the Project,

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(ii) a refundable cost for "Network Upgrades" (as defined in the CAISO Tariff) that Seller would be obligated to pay and would be entitled to reimbursement from the CAISO, a Participating Transmission Owner, or any other affected transmission provider as provided thereunder not exceeding $[_____], and [***Note: Seller may propose additional provisions whereby Seller can satisfy this Condition Precedent by buying down the Network Upgrade costs that exceed the foregoing cost cap in a manner that is mutually acceptable to the Parties.***]

(iii) a nonrefundable cost that Seller would be obligated to pay thereunder not exceeding $[_____] (or such greater amount as Seller may approve, in its sole discretion).

(c) ***[Others, Major Governmental Approvals, Financing, ~~PTC/ITC,~~ etc.]***

2.4 Failure to Meet All Conditions Precedent.

(a) Beneficiary Party.

(i) Both of the Parties are the beneficiaries of the Conditions Precedent set forth in ~~Section~~Sections 2.3(a), 2.3(b)(i)-(ii) ***[Others]***, and in order for a waiver of non-satisfaction of such Conditions Precedent to be effective, both of the Parties must waive (in their sole discretion) non-satisfaction by the deadline date therefor.

(ii) Buyer shall be the sole beneficiary of the Conditions Precedent set forth in Sections ~~2.3(b)(i) *[Others*~~***[List]***, and in order for a waiver of non-satisfaction of such Conditions Precedent to be effective, Buyer alone must waive (in its sole discretion) non-satisfaction by the deadline date therefor.

(iii) Seller shall be the sole beneficiary of the Conditions Precedent set forth in Sections 2.3(b)(~~ii~~iii) ***[Others]***, and in order for a waiver of non-satisfaction of such Conditions Precedent to be effective, Seller alone must waive (in its sole discretion) non-satisfaction by the deadline date therefor.

(b) Termination. If any of the Conditions Precedent is not satisfied or waived in writing by the beneficiary Parties thereto on or before the date that is fifteen (15) days after the applicable deadline date therefor, then this Agreement shall automatically terminate with no further obligation to either Party (other than as set forth in Sections 2.4(b)(i)-(ii) below and any other payment obligations which are accrued and payable at the time of termination).

(i) Upon a termination of this Agreement for any reason under Section 2.4 other than ~~the failure of the Conditions Precedent set forth in Sections 2.3(a) or 2.3(b)(i) *[Others]* to be satisfied or waived by Buyer~~as described in Section 2.4(b)(ii) below, Seller shall forfeit to Buyer an amount equal to the Performance Assurance then required to be delivered to Buyer hereunder. Buyer may retain such Performance Assurance to pay such amount.

(ii) Upon a termination of this Agreement under this Section 2.4 as a result of the failure of the Conditions Precedent set forth in Sections 2.3(a) ~~or~~to be satisfied (or waived by both Parties) or as a result of the failure of the Conditions Precedent set forth in Sections 2.3(b)(i~~) *[Others]*~~)-(ii) to be satisfied or waived by Buyer, Buyer shall return to Seller the Performance Assurances then held by Buyer.

2.5 Effectiveness of Agreement on and after CP Satisfaction Date. This Agreement shall be in full force and effect, enforceable and binding in all respects as of the CP Satisfaction Date until the conclusion of the Delivery Term or earlier termination pursuant to the terms of this Agreement; provided however, that this Agreement shall remain in effect until (i) the Parties have fulfilled all obligations under this Agreement, including payment in full of amounts due for the Product delivered prior to the end of the Delivery Term, the Settlement Amount, indemnification payments or other damages (whether directly or indirectly such as through set-off or netting) and (ii) the undrawn portion of the ***[For Agreements with Delivery Terms greater than two years:*** CPUC Approval Security,] Development Period Security, Construction Period Security, or Delivery Term Security, as applicable, is released and/or returned as applicable (if any is due). All indemnity rights shall survive the termination or expiration of this Agreement for the longer of twelve (12) months or the expiration of the statute of limitations period of the claim underlying the indemnity obligation.

ARTICLE THREE: OBLIGATIONS AND DELIVERIES

3.1 Transaction.

(a) Product. The "Product" to be delivered and sold by Seller and received and purchased by Buyer under this Agreement is ***[Seller to select: As-Available, Baseload, Peaking or Dispatchable]*** Energy, Capacity Attributes, Green Attributes, and other ancillary products, services or attributes similar to the foregoing which are or can be produced by or associated with the Project (net of Station Service) in accordance with the terms hereof.

(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, and Buyer shall pay Seller for the Product in accordance with the terms hereof. In no event shall Seller have the right to procure any element of the Product from sources other than the Project for sale or delivery to Buyer under this Agreement ***[If the Project is located outside of the CAISO:*** except with respect to Imbalance Energy from the Transmission Provider**]**.

(c) Delivery Term. The Parties agree that the period of Product delivery is [____] Contract Years. As used herein, "Delivery Term" shall mean the period of Contract Years specified above beginning on the Commercial Operation Date and continuing until the end of the last Contract Year unless terminated earlier as provided by the terms of this Agreement.

(d) Delivery Point. The Delivery Point shall be [the point of interconnection of the Project to the CAISO Grid] ***[Seller may specify another delivery point; for a Project located outside the CAISO Grid, the Delivery Point should be a CAISO Scheduling Point as***

defined by the CAISO] and for financial settlement purposes under the applicable CAISO market, the PNode corresponding to such point.

(e) ***[For Baseload, Peaking, As-Avaliable Product:*** Contract Quantity and Guaranteed Energy Production. The quantity of Delivered Energy that Seller expects to be able to deliver to Buyer during each Contract Year is **[_____]** MWh ("Contract Quantity"). Throughout the Delivery Term, Seller shall be required to deliver to Buyer no less than the Guaranteed Energy Production (as defined below) in any [twelve (12)] [twenty-four (24)] consecutive calendar month period during the Delivery Term ("Performance Measurement Period"). "Guaranteed Energy Production" means an amount of Energy, as measured in MWh, equal to [two times] [_____]% of the Contract Quantity. Notwithstanding the excuses to performance set forth in the definition of the Product type (as such Product type is specified in Section 3.1(a)), Seller shall be excused from achieving the Guaranteed Energy Production during any Performance Measurement Period only to the extent of any Force Majeure events, Buyer's failure to perform, or Dispatch Down Periods. For purposes of determining whether Seller has achieved the Guaranteed Energy Production, Seller shall be deemed to have delivered to Buyer Energy in the amount it could reasonably have delivered to Buyer but was prevented from delivering to Buyer by reason of any Force Majeure events, Buyer's failure to perform, or Dispatch Down Periods.] ***[For Dispatchable Product:*** Contact Quantity. The quantity of Delivered Energy that Seller expects to be able to deliver to Buyer during each Contract Year is **[_____]** MWh ("Contract Quantity").]

(f) Contract Capacity. The "Contract Capacity" is the full generation capacity of the Project net of all Station Service which shall be ***[For As-Available Product:*** no less than [____] MW and no greater than [____] MW] ***[For Baseload, Peaking, or Dispatchable Product only:*** an amount determined periodically pursuant to a Capacity Test as set forth below]. Throughout the Delivery Term, Seller shall sell and Schedule all Product associated with the Contract Capacity of the Project solely to Buyer, except in the case of an Event of Default of Buyer or during Dispatch Down Periods ***[If the Project is located outside of the CAISO:*** or the sale of Imbalance Energy to the Transmission Provider]. ***[For Dispatchable Product:*** Throughout the Delivery Term, Seller shall make the Contract Capacity available solely to Buyer at all times, except in the case of an Event of Default of Buyer or during Dispatch Down Periods ***[If the Project is located outside of the CAISO:*** or the sale of Imbalance Energy to the Transmission Provider].]

(i) ***[For Baseload, Peaking, Dispatchable Product:*** Initial Capacity Testing. Upon no less than fourteen (14) days prior Notice to Buyer, Seller shall schedule and complete a Capacity Test prior to the Commercial Operation Date for the Project. Such initial Capacity Test shall establish the Contract Capacity for the Project for the first Contract Year.]

(ii) ***[For Baseload, Peaking, Dispatchable Product:*** Annual Capacity Testing. Thereafter, at least once per Contract Year within the first quarter of each Contract Year, upon no less than 14 days prior Notice to Buyer, Seller shall schedule and complete a Capacity Test. In addition, Buyer shall have the right to require a retest of the Capacity Test at any time upon five (5) days prior written Notice to Seller if Buyer reasonably believes that the actual Contract Capacity has varied materially from the results of the most recent tests. Seller shall have the right to run a retest of the Capacity Test at any time upon two (2) days prior

written Notice to Buyer (or any shorter period reasonably acceptable to Buyer consistent with Good Industry Practices).]

(iii) ***[For Baseload, Peaking, Dispatchable Product:*** Witness at Capacity Tests. Buyer shall have the right to send one or more representative(s) to witness all Capacity Tests.]

(iv) ***[For Baseload, Peaking, Dispatchable Product:*** Capacity Test Reporting. No later than fourteen (14) days following any Capacity Test, Seller shall submit a testing report detailing results and findings of the test. The report shall include meter readings and plant log sheets verifying the operating conditions and output of the Project. The Contract Capacity determined pursuant to a Capacity Test shall become the new Contract Capacity at the beginning of the day following the completion of the test for all purposes under this Agreement.]

(v) ***[For Baseload, Peaking, Dispatchable Product:*** Capacity Test Costs and Payments. Buyer shall pay the [Monthly Energy Payment] in respect of the Product produced during the initial Capacity Test prior to the Commercial Operation Date and each annually scheduled Capacity Test thereafter. In addition, Buyer shall pay the [Monthly Energy Payment] in respect of the Product produced during any other Buyer requested test unless the results of such test demonstrate that the actual Contract Capacity has varied by more than two percent (2%) from the results of the most recent tests, in which case Buyer shall pay the lesser of the [Monthly Energy Payment] in respect of the Product produced during such test and the applicable CAISO real-time hourly average energy price. In addition, Buyer shall pay the lesser of the [Monthly Energy Payment] in respect of the Product produced during any Seller requested test and the applicable CAISO real-time hourly average energy price]. Buyer is responsible for all costs, expenses and fees payable or reimbursable to its representative(s) witnessing Capacity Testing. All other costs of any Capacity Tests shall be borne by Seller.]

(g) Project. All Product provided by Seller pursuant to this Agreement shall be supplied from the Project only ***[If the Project is located outside of the CAISO:*** except with respect to Imbalance Energy from the Transmission Provider**]**. Other than maintenance in accordance with Good Industry Practices, Seller shall not make any alteration or modification to the Project which results in a change to the Contract Capacity of the Project without Buyer's prior written consent. The Project is further described in Exhibit A.

(h) Performance Excuses.

(i) Seller Excuses. The performance of Seller to Schedule, deliver, and sell the Product shall be excused only for the reasons set forth in the definition of ***[Seller to select:*** "As-Available" or "Unit Firm"***]***. If Seller fails to Schedule, deliver, or sell all or part of the Product, and such failure is not excused as described above, then Seller shall pay Buyer, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such Product deficiency equal to the positive difference, if any, obtained by subtracting (A) the product of the Energy Price ***[For TOD Pricing Only:*** times the weighted average TOD Factor for such period of Product deficiency***]*** times the Product deficiency, from (B) the product of the Replacement Price times the Product deficiency. The invoice for such

amount shall include a written statement explaining in reasonable detail the calculation of such amount.

(ii) Buyer Excuses. The performance of Buyer to Schedule, receive, and pay for the Product shall be excused only (A) during periods of Force Majeure, (B) by Seller's failure to perform or (C) during Dispatch Down Periods ***[For all Products other than Dispatchable Product:*** (except that Buyer shall not be excused from paying for the Product as required under Section 3.4 during periods of Economic Dispatch Down)***]***. If Buyer fails to Schedule, receive, or purchase all or part of the Product and such failure is not excused as described above, then Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which the failure occurred an amount for such Product deficiency equal to the positive difference, if any, obtained by subtracting (Y) the product of the Sales Price times the Product deficiency from (Z) the product of the Energy Price ***[For TOD Pricing Only:*** times the weighted average TOD Factor for such period of Product deficiency***]*** times the Product deficiency. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

(i) 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.

(j) Resource Adequacy. 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 for Buyer to use in meeting its Resource Adequacy or successor program requirements, as the CPUC, CAISO or other regional entity may prescribe. 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. Seller agrees that it shall take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to enable Buyer to use all of the Contract Capacity, including Capacity Attributes, to be committed by Seller to Buyer pursuant to this Agreement for the Resource Adequacy requirements of Buyer. Seller agrees that the Project is subject to the terms of the Availability Standards.

(k) Climate Registry. Seller shall register the Project with the Climate Registry as may be required by the CPUC pursuant to Decision 06-02-032 and any subsequent order, but in any event, no later than the [Commercial Operation Date] [initial delivery of test Energy to Buyer prior to the Commercial Operation Date].

(l) WREGIS. Prior to the initial delivery of Energy to Buyer, Seller shall register the Project in WREGIS, and take all other actions necessary to ensure that the Energy or Green Attributes produced from the Project are issued and tracked for purposes of satisfying the requirements of the California Renewable Portfolio Standard and transferred to Buyer, including payment of all fees required to register the facility in WREGIS, issue WREGIS certificates, and transfer such certificates to Buyer. Seller warrants that all necessary steps to allow the

Renewable Energy Credits transferred to Buyer to be tracked in WREGIS will be taken prior to the first delivery under the Agreement.

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

3.2 Transmission.

(a) Seller's Transmission Service Obligations. During the Delivery Term, Seller shall arrange and be responsible for transmission service for delivery of the Product to and at the Delivery Point and bear all risks and costs associated with such transmission service, including, but not limited to, all Transmission Provider costs and charges, electric transmission losses, and any transmission outages or curtailment, except as provided otherwise in this Agreement in respect of Dispatch Down Periods. ***[For Projects located outside of CAISO:*** Seller shall obtain and maintain during the Delivery Term firm transmission service to deliver the Product from the Site to the Delivery Point from all intermediary Transmission Providers between the Site and the Delivery Point. At Buyer's request, Seller shall provide to Buyer a copy of all firm transmission service agreements and any amendments thereto.] Seller shall fulfill all contractual, metering and applicable interconnection requirements, including those set forth in Participating Transmission Owner's applicable tariffs, the CAISO Tariff and implementing CAISO standards and requirements, including, but not limited to, executing applicable interconnection agreements, Participating Generator Agreement and Meter Service Agreement so as to be able to deliver Energy to the CAISO Grid. Seller shall arrange for any interconnection agreement with the CAISO and such interconnection agreement is separate and not a part of this Agreement.

(b) Buyer's Transmission Service Obligations. During the Delivery Term, Buyer shall arrange and be responsible for transmission service for delivery of the Product from the Delivery Point and bear all risks and costs associated with such transmission service, including, but not limited to, all Transmission Provider costs and charges, electric transmission losses, and any transmission outages or curtailment, except as provided otherwise in this Agreement in respect of Dispatch Down Periods.

(c) Congestion Charges. Seller shall be responsible for all costs of congestion for transmission of the Product up to and at the Delivery Point. Buyer shall be responsible for all costs of congestion for transmission of the Product from the Delivery Point. To the extent that Seller is reimbursed for or receives any refunds, credits, or benefits from the CAISO for congestion charges or losses in respect of transmission of the Product from the Delivery Point, whether due to differences between the locational marginal pricing at the Delivery Point and Buyer's load aggregation point or any other point downstream of the Delivery Point, congestion revenue rights associated with any transmission path downstream of the Delivery Point, or any other hedging instruments associated with the transmission of the Product from the Delivery Point (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; or (ii) Buyer shall reduce payments due to Seller under this Agreement in amounts equal to the Reductions and Seller shall retain the Reductions.

3.3 Scheduling.

(a) ***[For As-Available intermittent Product only:*** PIRP Requirements.]

[Note: Use the following paragraph only if the Project is NOT PIRP eligible as of the Execution Date.] [The intent of this Agreement is that the Project shall be a certified Participating Intermittent Resource. The Parties acknowledge that as of the Execution Date, the CAISO has not yet established protocols for Scheduling [*type of technology*] power to permit [*type of technology*] projects to participate in PIRP. As soon as practicable, but not more than ninety (90) days after such Scheduling protocols are finalized and made effective by the CAISO, Seller shall cause the Project to become certified as a Participating Intermittent Resource including negotiating and executing all necessary documents to become a Participating Intermittent Resource. Seller shall be responsible for all CAISO forecasting fees and related charges associated with the Project becoming a Participating Intermittent Resource and participating in PIRP. 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. Following certification and whenever applicable, Seller and Buyer shall comply with PIRP, and all additional protocols issued by the CAISO relating to Participating Intermittent Resources during the Delivery Term. In the event that PIRP or the CAISO Tariff and/or any protocols relating thereto are changed, amended, modified replaced or terminated, Seller and Buyer agree to comply with such revisions and, to the extent practical, to implement such revisions in a manner that maintains the relative economic positions of the parties as of the date of this Agreement.]

[***Note: If the Project is PIRP eligible as of the Execution Date, please use the following paragraph instead***] [Seller shall cause the Project to become a Participating Intermittent Resource including executing all necessary documents to become a Participating Intermittent Resource. Seller shall be responsible for all CAISO forecasting fees and related charges associated with the Project becoming a Participating Intermittent Resource and participating in PIRP. Seller and Buyer shall comply with PIRP, and all additional protocols issued by the CAISO relating to Participating Intermittent Resources, including the PIRP, for the Delivery Term. Seller shall provide Buyer with a copy of the notice from the CAISO certifying the Project as a Participating Intermittent Resource prior to the Commercial Operation Date. In the event that PIRP or the CAISO Tariff and/or any protocols relating thereto are changed, amended, modified replaced or terminated, Seller and Buyer agree to comply with such revisions and, to the extent practical, to implement such revisions in a manner that maintains the relative economic positions of the parties as of the date of this Agreement.]

(b) Scheduling Coordinator.

[When Seller is SC for the Project, include the following two paragraphs:

(i) Seller as Scheduling Coordinator for the Project. During the Delivery Term, Seller shall be its own Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with its Transmission Provider to Schedule and deliver the Product to the Delivery Point and Buyer shall be its own Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with its Transmission Provider to Schedule and receive the Product at the Delivery Point. Throughout

the Delivery Term, Buyer and Seller shall submit inter-SC trades for scheduling all Product from the Project at the Delivery Point (including Energy, Integrated Forward Market Load Uplift Obligations in respect of self-scheduled Energy, and other Product from time to time contemplated under the CAISO Tariff to be subject to inter-SC trades), based on a final Schedule developed in compliance with this Agreement. During the Delivery Term, each Party or each Party's SC shall conduct all Scheduling in accordance with the operating procedures developed by the Parties pursuant to Section 3.10 and in full compliance with the applicable CAISO Tariff, protocols and Scheduling practices for Product on a day-ahead, hour-ahead, or real time basis, as determined by Buyer. ***[For As-Available intermittent Product only:*** Whenever PIRP is applicable, Seller shall submit Schedules and any updates to such Schedules to the CAISO based on the most current forecast of Delivered Energy consistent with PIRP.]**]** It is the intent of the Parties that neither Party be subject to a double payment or a double charge for Product from the Project through this Agreement and CAISO settlement process and that the more detailed Scheduling and operating procedures developed pursuant to Section 3.10 complement the CAISO settlement process to produce a final economic result between them that is consistent with the fundamental transaction of this Agreement.

(ii) CAISO Costs and Revenues. Seller shall be responsible for CAISO costs (including penalties and other charges) and shall be entitled to all CAISO revenues (including credits and other payments) as the Scheduling Coordinator for the Project, in each case, associated with Imbalance Energy, including all CAISO charges or penalties incurred as a consequence of the Project not being available, the Seller not notifying the CAISO and Buyer of outages in a timely manner (in accordance with the CAISO Tariff and as set forth in Section 3.7), any other failure by Seller to abide by the CAISO Tariff, and any other deviations between Delivered Energy and Scheduled Energy that are attributable to Seller, the Project, or any event, circumstance, act, or incident occurring prior to or at the Delivery Point, including without limitation uninstructed deviation penalties. The Parties agree that any Availability Incentive Payments are for the benefit of the Seller and for Seller's account and that any Non-Availability Charges or other CAISO charges associated with the Project not providing sufficient Resource Adequacy capacity are the responsibility of the Seller and for Seller's account. In addition, if during the Delivery Term, the CAISO implements or has implemented any sanction or penalty related to scheduling, outage reporting, or generator operation, the cost of the sanctions or penalties shall be the Seller's responsibility. Buyer shall be entitled to all credits, payments, or revenues from the CAISO in respect of the Product Scheduled or delivered from the Project, including revenues associated with CAISO dispatches, inter-SC trade credits, and bid cost recovery.

[When SDG&E is SC for the Project, include the following seven paragraphs:

(iii) Buyer as Scheduling Coordinator for the Project. [During the Delivery Term] [Upon initial synchronization of the Project to the CAISO Grid], Buyer shall be the Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with the CAISO for the Project for both the delivery and the receipt of the Product at the Delivery Point. At least thirty (30) days prior to the [Commercial Operation Date of the Project] [initial synchronization of the Project to the CAISO Grid], Seller shall take all actions and execute and deliver to Buyer and the CAISO all documents necessary to authorize or designate Buyer as Seller's Scheduling Coordinator for the Project effective as of [the beginning

of the Delivery Term] [initial synchronization of the Project to the CAISO Grid]. [During the Delivery Term] [On and after initial synchronization of the Project to the CAISO Grid], Seller shall not authorize or designate any other party to act as Seller's Scheduling Coordinator, nor shall Seller perform for its own benefit the duties of Scheduling Coordinator, and Seller shall not revoke Buyer's authorization to act as Seller's Scheduling Coordinator unless agreed to by Buyer. Buyer (as Seller's SC) shall submit Schedules to the CAISO based on the final Schedule developed in accordance with this Agreement, the operating procedures developed by the Parties pursuant to Section 3.10, and the applicable CAISO Tariff, protocols and Scheduling practices for Product on a day-ahead, hour-ahead, or real time basis, as determined by Buyer. ***[For As-Available intermittent Product only:*** Buyer (as Seller's SC) shall submit Schedules and any updates to such Schedules to the CAISO based on the most current forecast of Delivered Energy consistent with PIRP whenever PIRP is applicable, and consistent with Buyers' best estimate based on the information reasonably available to Buyer including Buyer's forecast whenever PIRP is not applicable.]

(iv) Notices. Buyer (as Seller's SC) shall provide Seller with access to a web based system through which Seller shall submit to Buyer and the CAISO all notices and updates required under the CAISO Tariff regarding the Project's status, including, but not limited to, all outage requests, forced outages, forced outage reports, clearance requests, or must offer waiver forms. In accordance with Section 3.7 and this Section 3.2, Seller will cooperate with Buyer to provide such notices and updates. If the web based system is not available, Seller shall promptly submit such information to Buyer and the CAISO (in order of preference) telephonically, by electronic mail, or facsimile transmission to the personnel designated to receive such information.

(v) CAISO Costs and Revenues. Except as otherwise set forth below and elsewhere in this Agreement, Buyer (as Seller's SC) shall be responsible for CAISO costs (including penalties, ***[For As-Available Product PIRP Participants only:*** Negative Imbalance Energy costs,] and other charges) and shall be entitled to all CAISO revenues (including credits, ***[For As-Available Product PIRP Participants only:*** Positive Imbalance Energy revenues,] and other payments) as the Scheduling Coordinator for the Project, including revenues associated with CAISO dispatches, bid cost recovery, inter-SC trade credits, or other credits in respect of the Product Scheduled or delivered from the Project. ***[For As-Available Product PIRP Participants only:*** Seller shall be responsible for all CAISO charges or penalties net of credits and payments, in each case, resulting from the Seller not notifying the CAISO and Buyer (as Seller's SC) of outages or other unavailability of Project capacity in a timely manner (in accordance with the CAISO Tariff and as set forth in Section 3.7) or any other failure by Seller to abide by the CAISO Tariff, including without limitation uninstructed deviation penalties resulting therefrom.***]*** ***[For all Products other than As-Available Product PIRP Participants:*** Seller shall be responsible for all CAISO charges or penalties net of credits and payments, in each case, resulting from the Project not being available, the Seller not notifying the CAISO and Buyer (as Seller's SC) of outages in a timely manner (in accordance with the CAISO Tariff and as set forth in Section 3.7), any other failure by Seller to abide by the CAISO Tariff, and deviations between Delivered Energy and Scheduled Energy that are attributable to Seller, the Project, or any event, circumstance, act, or incident occurring prior to or at the Delivery Point, including without limitation uninstructed deviation penalties.**]** The Parties agree that any Availability Incentive Payments are for the benefit of the Seller and for Seller's account and that

any Non-Availability Charges or other CAISO charges associated with the Project not providing sufficient Resource Adequacy capacity are the responsibility of the Seller and for Seller's account. In addition, if during the Delivery Term, the CAISO implements or has implemented any sanction or penalty related to scheduling, outage reporting, or generator operation, and any such sanctions or penalties are imposed upon the Project or to Buyer as Scheduling Coordinator due to the actions or inactions of Seller, the cost of the sanctions or penalties shall be the Seller's responsibility.

(vi) CAISO Settlements. Buyer (as Seller's SC) shall be responsible for all settlement functions with the CAISO related to the Project. Buyer shall render a separate invoice to Seller for any CAISO charges or penalties ("CAISO Charges Invoice") for which Seller is responsible under this Agreement. CAISO Charges Invoices shall be rendered after settlement information becomes available from the CAISO that identifies any CAISO charges. Notwithstanding the foregoing, Seller acknowledges that the CAISO will issue additional invoices reflecting CAISO adjustments to such CAISO charges. Seller shall pay the amount of CAISO Charges Invoices within ten Business Days of Seller's receipt of the CAISO Charges Invoice. If Seller fails to pay such CAISO Charges Invoice within that period, Buyer may net or offset any amounts owing to it for these CAISO Charges Invoices against any future amounts it may owe to Seller under this Agreement. The obligations under this section with respect to payment of CAISO Charges Invoices shall survive the expiration or termination of this Agreement.

(vii) Dispute Costs. Buyer (as Seller's SC) may be required to dispute CAISO settlements in respect of the Project. Seller agrees to pay Buyer's costs and expenses (including reasonable attorneys' fees, including reasonably allocated costs of in-house counsel of the Buyer) associated with its involvement with such CAISO disputes.

(viii) Terminating Buyer's Designation as Scheduling Coordinator. At least thirty (30) days prior to expiration of this Agreement or as soon as reasonably practicable upon an earlier termination of this Agreement, the Parties will take all actions necessary to terminate the designation of Buyer as Scheduling Coordinator for the Project as of 11:59 p.m. on such expiration date.

(ix) Master Data File and Resource Data Template. Seller shall provide the data to the CAISO (and to Buyer) that is required for the CAISO's Master Data File and Resource Data Template (or successor data systems) for this Project consistent with this Agreement. Neither Party shall change such data without the other Party's prior written consent.**]**

(c) Annual Delivery Schedules. No later than forty-five (45) days before (A) the first day of the first Contract Year of the Delivery Term and (B) the beginning of each calendar year for every subsequent Contract Year during the Delivery Term, Seller shall provide a non-binding forecast of each month's average-day expected Delivered Energy, by hour, for the following calendar year.

(d) Monthly Delivery Schedules. Ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide a non-binding forecast

of each day's average expected Delivered Energy, by hour, for the following month ("Monthly Delivery Forecast").

(e) Daily Delivery Schedules. By 5:30 AM Pacific Prevailing Time on the Business Day immediately preceding the date of delivery, Seller shall ***[When Seller is SC for the Project:*** cause its Scheduling Coordinator to**]** provide Buyer with a ***[For As-Available intermittent Product only:*** non-binding forecast of the Project's available capacity (or if PIRP is not available for any reason, the expected Delivered Energy)] ***[For all Products other than As-Available intermittent:*** binding forecast of the expected Delivered Energy] for each hour of the immediately succeeding day ("Day-Ahead Forecast") ***[For all Products other than As-Available intermittent: [When Seller is SC for the Project:*** concurrent with delivery to the CAISO**]** ***[When SDGE is SC for the Project:*** and Buyer shall submit a Schedule to the CAISO consistent with such Day-Ahead Forecast**]]**. A Day-Ahead Forecast provided in a day prior to any non-Business Day(s) shall include Schedules for the immediate day, each succeeding non-Business Day and the next Business Day. Each Day-Ahead Forecast shall clearly identify, for each hour, Seller's best estimate of ***[For As-Available intermittent Product only:*** the Project's available capacity (or if PIRP is not available for any reason, the expected Delivered Energy)] ***[For all Products other than As-Available intermittent:*** the expected Delivered Energy]. Seller may not change such Schedule past the deadlines provided in this section except in the event of a Forced Outage or Schedule change imposed by Buyer or the CAISO, in which case Seller shall promptly provide Buyer with a copy of any and all updates to such Schedule indicating changes from the then-current Schedule. These notices and changes to the Schedules shall be sent to Buyer's on-duty Scheduling Coordinator. If Seller fails to provide Buyer with a Day-Ahead Forecast as required herein, then for such unscheduled delivery period only Buyer shall rely on the delivery Schedule provided in the Monthly Delivery Forecast or Buyer's best estimate based on information reasonably available to Buyer and Seller shall be liable for Scheduling and delivery based on such Monthly Delivery Forecast or Buyer's best estimate.

(f) Hourly Delivery Schedules. Notwithstanding anything to the contrary herein, in the event Seller makes a change to its Schedule on the actual date of delivery for any reason including Forced Outages (other than a scheduling change imposed by Buyer or CAISO) which results in a change to its deliveries (whether in part or in whole), Seller shall notify Buyer immediately by calling Buyer's on-duty Scheduling Coordinator. Seller shall notify Buyer and the CAISO of Forced Outages in accordance with Section 3.7. Seller shall keep Buyer informed of any developments that will affect either the duration of the outage or the availability of the Project during or after the end of the outage.

(g) ***[For Dispatchable Product Only:*** Availability Notices. During the Delivery Period, no later than two (2) Business Days before each Schedule day for the day-ahead market in accordance with WECC scheduling practices, Seller shall provide Buyer with an hourly Schedule of the capacity that the Project is expected to have available for each hour of such Schedule day (the "Availability Notice"). Seller will notify Buyer immediately if the available capacity of the Project may change after Buyer's receipt of an Availability Notice. Seller shall accommodate Buyer's reasonable requests for changes in the time of delivery of Availability Notices. Seller shall provide Availability Notices using the form developed by the Parties under Section 3.10 by (in order of preference) electronic mail, facsimile transmission or, telephonically to Buyer personnel designated to receive such communications.]

(h) ***[For Dispatchable Product Only:*** Notices/Dispatch. Buyer will have the right to dispatch the Project, seven days per week and 24 hours per day (including holidays), by providing Dispatch Notices and updated Dispatch Notices to Seller electronically, and subject to the requirements and limitations set forth in this Agreement. Should dispatch be subject to automatic dispatch system or automatic generation control by Buyer or the CAISO, Seller shall ensure that the Project is capable of following such dispatch. Each Dispatch Notice will be effective unless and until Buyer modifies such Dispatch Notice by providing Seller with an updated Dispatch Notice. If an electronic submittal is not possible for reasons beyond Buyer's control, Buyer may provide Dispatch Notices by (in order or preference) electronic mail, telephonically, or facsimile transmission to Seller's personnel designated to receive such communications, as provided by Seller in writing. In addition to any other requirements set forth or referred to in this Agreement, all Dispatch Notices and updated Dispatch Notices will be made in accordance with market notice timelines as specified in the CAISO Tariff.]

3.4 Dispatch Down/Curtailment.

(a) General. Seller shall reduce delivery amounts as directed by the CAISO, the Participating Transmission Owner, Buyer, or a Transmission Provider during any Dispatch Down Period.

(b) ***[For all Products other than Dispatchable Product:*** Economic Dispatch Down.

(i) Buyer shall have the right to order Seller to curtail deliveries of Energy from the Project to the Delivery Point for reasons unrelated to Force Majeure events impacting Buyer or Dispatch Down Periods (other than clause [(e)] (Economic Dispatch Down)] in the definition of Dispatch Down Periods) pursuant to a Dispatch Notice delivered to Seller, provided that (A) such curtailment periods shall be limited to a quantity of not more than 5% of the Contract Quantity cumulatively per Contract Year, and (B) ***[Include Operational Restrictions associated with Dispatch Notices]*** ("Economic Dispatch Down"). Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which any such Economic Dispatch Down occurred an amount equal to the positive difference, if any, obtained by subtracting (Y) the product of the positive value of the Sales Price, if any, times the amount of Energy that Seller could reasonably have delivered to Buyer but for such Economic Dispatch Down from (Z~~) the sum of (1~~) the product of the Energy Price, times ***[For TOD Pricing Only:*** the weighted average TOD Factor for such period of Economic Dispatch Down, times***]*** the amount of Energy that Seller could reasonably have delivered to Buyer but for such Economic Dispatch Down~~, plus (2) the product of any lost PTC benefits (in dollars per megawatt hour) that Seller has not been able to mitigate after use of reasonable efforts, times the amount of Energy that Seller could reasonably have delivered to Buyer but for such Economic Dispatch Down.~~. Seller agrees to reduce the Project's Delivered Energy as set forth in a Dispatch Notice that meets the requirements of Economic Dispatch Down.

(ii) Failure to Comply. If Seller fails to comply with a Dispatch Notice that meets the requirements of Economic Dispatch Down, then, for the amount of Delivered Energy that the Project delivered to the Delivery Point in contradiction of the Dispatch Notice, Seller shall pay Buyer the greater of: (A) 200% of the Energy Price ***[For TOD Pricing***

Only: times the weighted average TOD Factor] for such hours plus any penalties or other charges resulting from Seller's failure to comply with the Dispatch Notice; or (B) the absolute value of the CAISO Real-Time Settlement Interval MSS Price for the Delivery Point for such hours plus any penalties or other charges resulting from Seller's failure to comply with the Dispatch Notice.]

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 Industry Practices.

(c) Reliability Standard. Seller agrees to abide by all (i) NERC, WECC and CAISO reliability requirements, including all such reliability requirements for generator owners and generator operators, and, if applicable, 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 Transmission Provider. Seller shall enter into and comply with the WECC Reliability Management System (Generator) Agreement, or successor agreement, as of the Commercial Operation Date and throughout the Delivery Term.

3.6 Metering.

(a) CAISO Revenue Meter. All output from the Project per the terms of this Agreement must be delivered through a single CAISO revenue meter and that meter must be dedicated exclusively to the Project described herein. All Product purchased under this Agreement must be measured by the Project's CAISO revenue meter to be eligible for payment under this Agreement. Seller shall bear all costs relating to all metering equipment reasonably necessary 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 meter reporting website and/or directly from the CAISO meter(s) at the Project site. 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.

(i) Testing and Calibration. Seller shall perform or cause to be performed, at its expense, annual testing and calibration of the electric meters in accordance with Good Industry Practice and the CAISO Tariff. Seller shall give Buyer reasonable advance notice

of any inspection, testing or calibration of the electric meters. Buyer shall have the right to have a representative or designee present at such inspection, test or calibration of the electric meters. Buyer shall have the right to require, at Buyer's expense, except as required below, a test of any of the electric meters not more often than two (2) times every twelve (12) months.

(ii) Inaccurate Meters. If any of the electric meters is deemed to be inaccurate under the Meter Service Agreement, deliveries shall be measured by reference to Seller's check-meters, if any are installed and registering accurately, or the meter readings for the period of inaccuracy shall be adjusted as far as can be reasonably ascertained by Seller from the best available data, subject to review and approval by Buyer. If the period of the inaccuracy cannot be ascertained reasonably, any such adjustment shall be for a period equal to one-half of the time elapsed since the preceding test by applying the percentage of inaccuracy so found. Seller shall promptly cause such electric meters to be corrected and, where such inaccuracy was determined pursuant to a test required by Buyer, Seller shall bear the expense of any such test.

(iii) Delivered MWh Adjustments. In the event that, due to correction for inaccurate electric meters deemed to be inaccurate under the Meter Service Agreement, the Delivered Energy is increased or decreased, the revised Delivered Energy shall be used for purposes of calculating payments. If any of such amounts for any period have already been calculated using the previous amount of Delivered Energy, they shall be recalculated using the revised amount of Delivered Energy. If the recalculation changes the amount payable for the period in question, revised payments shall be made by Buyer or Seller, as applicable, in accordance with Section 6.2.

(b) Real Time Telemetry. Seller shall install, activate and maintain metering, communication and telemetry equipment for the Project in a centralized system to which Buyer shall have real time access. Seller shall link its system to Buyer via an approved Buyer communication network, utilizing existing industry standard network protocol, as reasonably approved by Buyer. Seller shall correct any problems with such equipment as soon as practicable.

(c) ***[The following section is for As-Available Intermittent Products only when SDG&E is the SC for the Project]*** Meteorological Station. Seller, at its own expense, shall install and maintain such stand-alone meteorological stations at the Project as may be required under PIRP and the CAISO Tariff to monitor and report weather data to both the CAISO and Buyer's weather station data collection system. Each station shall be equipped with instruments and equipment that meet the specifications of PIRP and shall measure, collect, record, format, and communicate the data required under PIRP. Seller shall submit to Buyer for review and approval, which shall not be unreasonably withheld, its technical specifications for the meteorological station along with a site plan showing the location of the station within the Project. Seller shall correct any problems with such equipment as soon as practicable.

3.7 Outage Notification.

(a) Planned Outages. Seller shall schedule Planned Outages for the Project in accordance with Good Industry Practices and with the prior written consent of Buyer, which consent may not be unreasonably withheld or conditioned. The Parties acknowledge that in all

circumstances, Good Industry Practices shall dictate when Planned Outages should occur. Seller shall notify Buyer of its proposed Planned Outage schedule for the Project for the following calendar year by submitting a written Planned Outage schedule no later than October 1st of each year during the Delivery Term. The Planned Outage schedule is subject to Buyer's approval, which approval may not be unreasonably withheld or conditioned. Buyer shall promptly respond with its approval or with reasonable modifications to the Planned Outage schedule and Seller shall use its best efforts in accordance with Good Industry Practices to accommodate Buyer's requested modifications. Notwithstanding the submission of the Planned Outage schedule described above, Seller shall also submit a completed Outage Notification Form to Buyer no later than fourteen (14) days prior to each Planned Outage and all appropriate outage information or requests to the CAISO in accordance with the CAISO Tariff. 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 Industry Practices. Seller shall not change its Planned Outage schedule without Buyer's approval, not to be unreasonably withheld or conditioned. Seller shall use its best efforts in accordance with Good Industry Practices not to schedule Planned Outages during the months of July, August, September and October. At Buyer's request, Seller shall use commercially reasonable efforts to reschedule Planned Outage so that it may deliver Product during CAISO declared or threatened emergency periods. Seller shall not substitute Energy from any other source for the output of the Project during a Planned Outage.

(b) Forced Outages. Within ***[When Seller is the SC for the Project:*** Within two hours of any Forced Outage,**]** ***[When SDG&E is the SC for the Project:*** Within one-half of the notification time prescribed under the CAISO Tariff for Forced Outages,**]** Seller shall submit a completed Outage Notification Form to the Buyer in accordance with the instructions shown on the form and shall submit outage information to the CAISO in accordance with the CAISO Tariff ***[When SDG&E is the SC for the Project:*** and Section 3.3(b)(ii) above**]**. Seller shall not substitute Energy from any other source for the output of the Project during a Forced Outage.

(c) Coordination with CAISO. Seller shall be responsible ***[When SDG&E is SC for the Project:*** in accordance with Section 3.3(b)(ii)**]** for all outage coordination communications with the CAISO. Buyer shall cooperate with Seller in arranging and coordinating all Project outages with the CAISO.

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, 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 maintain this information for at least two (2) years and shall provide this information electronically to Buyer within one day of Buyer's request.

(b) Access Rights. Buyer, its authorized agents, employees and inspectors shall have the right of ingress to and egress from the Project during normal business hours upon reasonable advance Notice and for any purposes reasonably connected with this Agreement.

3.9 New Generation Facility.

(a) Project Development. Seller, at no cost to Buyer, shall:

(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 and the Participating Transmission Owner for the Electrical Interconnection Upgrades to Schedule and deliver the Product from the Project [***For Projects Providing Resource Adequacy:*** under "Full Capacity Deliverability Status" (as defined in the CAISO Tariff)]. Following satisfaction or waiver of the Conditions Precedent set forth in Section 2.3(b), Seller shall not request from the CAISO or the Participating Transmission Owner any changes to its plan of interconnection that are inconsistent with the plan of interconnection that was evaluated in connection with the satisfaction or waiver of the Conditions Precedent in Section 2.3(b) without Buyer's prior written consent.

(iii) Acquire all Governmental Approvals 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, including all environmental analysis required under the California Environmental Quality Act for the Project and related interconnection facilities.

(v) At Buyer's request, provide to Buyer Seller's electrical specifications and design drawings pertaining to the Project.

(vi) Within fifteen (15) days after the close of each calendar quarter following the Execution Date until the Commercial Operation Date, provide to Buyer a Quarterly Progress Report and agree to regularly scheduled meetings between representatives of Buyer and Seller to review such reports and discuss Seller's construction progress. The Quarterly Progress Report shall identify the Milestones and indicate whether Seller has met or is on target to meet such Milestones.

(vii) Provide access to Buyer, its authorized agents, employees and inspectors for purpose of inspecting the Project's construction site or on-site Seller data and information pertaining to the Project during normal business hours upon reasonable advance Notice.

(viii) At Buyer's request, provide information to Buyer relating to Seller's or Seller's contractor's use, during Project construction, of "~~women-owned business" or "minority-owned business" as those terms relate to CPUC General Order 156.~~Women-Owned Businesses" or "Minority-Owned Businesses" or "Disabled Veteran Business Enterprises" as defined in CPUC General Order 156 and as each may be amended from time to time or further

defined, supplemented, or superseded by applicable Law or replaced with similar designations or certifications. [*Include other covenants related to "women-owned business" or "minority-owned business" as may be applicable to the Seller's RFO bid.*]

(b) Construction Milestones.

(i) The Parties agree time is of the essence in regards to this Agreement. As such, the Parties also agree certain milestones for the construction of the Project as set forth in the Milestone schedule attached hereto as Exhibit B ("Milestones") must be achieved in a timely fashion or Buyer will suffer damages.

(ii) Within seven (7) days after completion of each Milestone, Seller shall provide Buyer with Notice along with accompanying documentation (including reasonably redacted copies of applicable agreements, Governmental Approvals, and certificates) to reasonably demonstrate the achievement of such Milestone. If Seller misses the deadline date for three (3) or more Milestones or misses the deadline date for any one Milestone by more than ninety (90) days, Seller shall submit to Buyer, within ten (10) Business Days of such missed Milestone completion date, a remedial action plan ("Remedial Action Plan") that describes in detail a reasonable course of action and plan (including accelerating the work, for example, by using additional shifts, overtime, additional crews or resequencing of the work, as applicable) to achieve the missed Milestones and all subsequent Milestones no later than the end of the Project Cure Period; provided, that delivery of any Remedial Action Plan shall not relieve Seller of its obligation to meet any subsequent Milestones and the Guaranteed Commercial Operation Date.

(c) Daily Delay Damages.

(i) COD. 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, Seller shall pay to Buyer liquidated damages equal to Daily Delay Damages for each day or portion of a day that the Commercial Operation Date occurs after the Guaranteed Commercial Operation Date for up to a total of [_____] days ("Project Cure Period"). In addition, Seller shall submit a Remedial Action Plan within ten (10) days after the Guaranteed Commercial Operation Date if the Project has not then achieved the Commercial Operation Date. Each Party agrees and acknowledges that (a) the actual damages that Buyer would incur due to a delay in achieving the Commercial Operation Date on or before the Guaranteed Commercial Operation Date would be difficult or impossible to predict with certainty, (b) the Daily Delay Damages set forth in this section are a reasonable and appropriate approximation of such damages, and (c) the Daily Delay Damages set forth in this section are the exclusive remedy for Seller's delay in achieving the Commercial Operation Date for the length of the Project Cure Period but shall not otherwise act to limit any of Buyer's rights or remedies arising from any other Event of Default by Seller, including, without limitation, the failure by Seller to achieve the Commercial Operation Date altogether.

(ii) Extensions. The Guaranteed Commercial Operation Date and the deadline dates for Milestone numbers [_____] as set forth in Exhibit B shall be extended

on a day for day basis for up to ninety (90) calendar days in the aggregate ("Force Majeure Extension Period") without imposition of any Daily Delay Damages to the extent Seller is actually and demonstrably delayed in its critical path to achieving the Commercial Operation Date by the Guaranteed Commercial Operation Date as a result of Force Majeure; provided, however, any such delay in excess of this period shall be subject to Daily Delay Damages pursuant to Section 3.9(c)(i).

3.10 Operating Procedures. No later than forty-five (45) days before the Commercial Operation Date, and from time to time as reasonably determined necessary by the Parties, the Parties shall meet to address how each Party will perform its respective obligations under this Agreement, including, but not limited to: (1) the method of day-to-day communications; (2) key personnel lists for each Party; (3) procedures for Forced Outage and Planned Outage reporting; (4) procedures for delivery forecasting; (5) procedures for record keeping; (6) Scheduling procedures; and (7) invoicing and payment procedures; provided, that the failure to agree on these operating procedures will not relieve the Parties of their respective obligations under this Agreement, and any failure to agree shall be resolved in accordance with the dispute resolution procedures in Article 12.

ARTICLE FOUR: COMPENSATION; MONTHLY PAYMENTS

4.1 ***[For Dispatchable Product Only:*** Capacity Payment.

(a) Capacity Price.

Contract Year	Capacity Price ($/KW)
1	

(b) Monthly Capacity Payment. For each month, Buyer shall pay Seller for the Product the amount calculated as follows ("Monthly Capacity Payment"):

MCP = CC x CP x SF x AAF

Where:

MCP is the Monthly Capacity Payment expressed in Dollars for such month of the Delivery Period.

CC is the Contract Capacity, expressed in kW, rounded to the nearest 100 kW.

CP is the Capacity Price expressed in Dollars per kW-year, for the applicable month.

SF is the Monthly Shaping Factor for the applicable month, as set forth in the following table:

Month	Monthly Shaping Factor (%)
January	6.7
February	5.0
March	5.0
April	5.8
May	6.3
June	8.3
July	15.8
August	17.5
September	11.7
October	5.8
November	5.8
December	6.3

AAF is the Availability Adjustment Factor for each month, expressed as a three-place decimal and determined as follows:

(a) If the Equivalent Availability Factor ("EAF") for the month is less than or equal to 0.980, then the AAF equals EAF / 0.98.

(b) If the EAF for the month is greater than 0.980 but less than 0.990, then the AAF equals 1.0.

(c) If the EAF for the month is greater than or equal to 0.990, then the AAF equals EAF / 0.99.

EAF is the Equivalent Availability Factor for each month determined as follows:

EAF = (PH - (EDH - EEDH)) / PH

Where:

PH is the number of period hours;

EDH is the number of equivalent derate hours calculated as the sum, for each derate, of the product of the number of hours of full or partial derate hours times the size of the reduction divided by the Contract Capacity for the month.

For the purposes of this calculation, a derate includes all outages for any reason, including without limitation, Forced Outages, Force Majeure events, Dispatch Down Periods, Planned Outages, Buyer's failure to perform, and other times when any portion of the Contract Capacity is not available or the Delivered Energy of the Project is less than the amount of Energy dispatched by Buyer; and

EEDH is the number of equivalent excused derate hours solely due to either Dispatch Down Periods or Buyer's failure to perform (and for no other reason), calculated as the sum, for each excused derate, of the product of the number of hours of full or partial derate hours times the size of the reduction, divided by the Contract Capacity for the month.

4.2 Energy Payment.

(a) Energy Price. The price for each MWh of ***[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP:*** Contract Energy**]** ***[When SDG&E is SC for the Project and Project is in PIRP:*** Delivered Energy**]** in each Contract Year shall be as follows ("Energy Price"):

Contract Year	Energy Price ($/MWh)

(b) ***[For TOD Pricing Only:*** TOD Factors and TOD Periods. In accordance with all other terms of this Article 4, the Energy Price shall be adjusted by the following Time of Delivery Factors ("TOD Factors") for each of the specified Time of Delivery Periods listed in the first column ("TOD Periods") in which Energy is delivered:]

[***For Projects Providing Resource Adequacy:***

TOD Period	Period Days and Hours	TOD Factor
Winter On-Peak	~~Summer~~ ~~July~~Nov 1 ~~– October 31~~ Jun 30 Weekdays 1 pm to 9 pm PST (HE 14 to HE 21)	1.089~~Winter November 1 – June 30~~
~~On~~Winter Semi-Peak	Nov 1 - Jun 30 Weekdays ~~11am – 7pm~~6 am to 1 pm PST (HE 7 to HE 13) Weekdays 9 pm to 10 pm PST (HE 22)~~TOD Factor = 2.501~~	0.947~~Weekdays 1pm – 9pm TOD Factor = 1.089~~

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Winter Off-Peak	Nov 1 - Jun 30 All Weekend Hours NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.679
Summer On-Peak	Jul 1 - Oct 31 Weekdays 11 am to 7 pm PST (HE 12 to HE 19)	2.501
Summer Semi-Peak	Jul 1 - Oct 31 Weekdays ~~6am – 11am;~~6 am to 11 am PST (HE 7 to HE 11) Weekdays ~~7pm – 10pm~~ ~~TOD Factor =~~ 7 pm to 10 pm PST (HE 20 to HE 22)~~1.342~~	1.342~~Weekdays 6am – 1pm; Weekdays 9pm – 10pm TOD Factor =~~ 0.947
Summer Off-Peak~~*~~	~~All other hours~~ ~~TOD Factor = 0.801~~Jul 1 - Oct 31 All Weekend Hours, NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	~~All other hours TOD Factor =~~ 0.~~679~~801

~~*All hours during NERC holidays are off-peak.~~

[***For Projects Not Providing Resource Adequacy:***

TOD Period	Period Days and Hours	TOD Factor
Winter On-Peak	Nov 1 - Jun 30 Weekdays 1 pm to 9 pm PST (HE 14 to HE 21)	1.192
Winter Semi-Peak	Nov 1 - Jun 30 Weekdays 6 am to 1 pm PST (HE 7 to HE 13) Weekdays 9 pm to 10 pm PST (HE 22)	1.078
Winter Off-Peak	Nov 1 - Jun 30 All Weekend Hours NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.774
Summer On-Peak	Jul 1 - Oct 31 Weekdays 11 am to 7 pm PST (HE 12 to HE 19)	1.531
Summer Semi-Peak	Jul 1 - Oct 31 Weekdays 6 am to 11 am PST (HE 7 to HE 11) Weekdays 7 pm to 10 pm PST (HE 20 to HE 22)	1.181
Summer Off-Peak	Jul 1 - Oct 31 All Weekend Hours, NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.900

(c) Monthly Energy Payment. For each month, Buyer shall pay Seller for the Product an amount equal to the sum for each hour in the month of the product of the Energy Price ***[For TOD Pricing Only:*** times the TOD Factor for the applicable TOD Period***]*** times the ***[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP:*** Contract

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Energy**]** ***[When SDG&E is SC for the Project and Project is in PIRP:*** Delivered Energy**]** in each hour ("Monthly Energy Payment").

[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP: Monthly Energy Payment = ∑ Energy Price x ***[For TOD Pricing Only:*** TOD Factor x***]*** Contract Energy]

[When SDG&E is SC for the Project and Project is in PIRP: Monthly Energy Payment = ∑ Energy Price x ***[For TOD Pricing Only:*** TOD Factor x***]*** Delivered Energy]

4.3 Imbalance Energy. Seller shall use commercially reasonable efforts to deliver Energy in accordance with the Scheduled Energy. Buyer and Seller recognize that from time to time the amount of Delivered Energy will deviate from the amount of Scheduled Energy. When Delivered Energy minus Scheduled Energy is a positive amount, it shall be considered "Positive Imbalance Energy;" when Delivered Energy minus Scheduled Energy is a negative amount, the absolute (i.e., positive) value of that amount shall be considered the "Negative Imbalance Energy." ***[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP:*** Seller shall be responsible for settlement of Imbalance Energy with the CAISO and all fees, liabilities, assessments, or similar charges assessed by the CAISO in connection with Imbalance Energy. Seller shall also reimburse Buyer for any and all fees, liabilities, assessments, or similar charges assessed by the CAISO, incurred by Buyer as a result of any imbalance in Seller's scheduling and deliveries from the Project or any other failure by Seller to abide by the CAISO Tariff and all applicable protocols.] Buyer and Seller shall cooperate to minimize charges and imbalances associated with Imbalance Energy to the extent possible. Seller shall promptly notify Buyer as soon as possible of any material imbalance that is occurring or has occurred. ***[When SDG&E is SC for the Project and Project is in PIRP:*** Buyer shall receive all Green Attributes for the Positive Imbalance Energy in all settlement intervals ~~regardless as to whether it was sold into the CAISO~~.**]**

[When Seller is SC for the Project or when Buyer is SC but Project is not in PIRP, include the following three paragraphs:

(a) Positive Imbalance Energy (Over Deliveries). ***[For As-Available Product PIRP Participants only:*** In the event that Delivered Energy for such month is equal to or greater than Scheduled Energy for such month, Buyer shall have no payment obligation in respect of the Positive Imbalance Energy. Buyer shall receive all Green Attributes for the Positive Imbalance Energy in such month regardless as to whether it was sold into the CAISO. Seller shall be entitled to all payments or credits from the CAISO to Seller's SC in respect of the Positive Imbalance Energy.] ***[For all Non-PIRP Participants:*** In the event that Delivered Energy for any CAISO settlement interval is equal to or greater than Scheduled Energy for such CAISO settlement interval, Buyer shall have no payment obligation in respect of the Positive Imbalance Energy. Buyer shall receive all Green Attributes for the Positive Imbalance Energy in such CAISO settlement interval regardless as to whether it was sold into the CAISO. Seller shall be entitled to all payments or credits from the CAISO to Seller's SC in respect of the Positive Imbalance Energy.]

(b) Negative Imbalance Energy (Under Deliveries). ***[For As-Available Product PIRP Participants only:*** In the event that Delivered Energy for such month is less than Scheduled Energy for such month, Buyer shall pay Seller, in addition to the Monthly Energy Payment, an amount equal to the product of (i) the Negative Imbalance Energy for the month, times (ii) the lower of the Energy Price ***[For TOD Pricing Only:*** (without any TOD Factor correction)***]*** or the Imbalance Price (defined below) for the month. Seller shall make all payments to the CAISO in respect of the Negative Imbalance Energy required under the CAISO Tariff. The "Imbalance Price" shall be the monthly average imbalance price applied by the CAISO and paid by the Seller with respect to imbalance charges for participants in PIRP]. ***[For all Non-PIRP Participants:*** In the event that Delivered Energy for any CAISO settlement interval is less than Scheduled Energy for such CAISO settlement interval, Buyer shall have no payment obligation in respect of the Negative Imbalance Energy. Seller shall make all payments to the CAISO in respect of the Negative Imbalance Energy required under the CAISO Tariff.]

(c) ***[For As-Available Product PIRP Participants only:*** Invoicing for Imbalance Energy. For monthly invoicing, Seller and Buyer agree to use the last available Imbalance Price. Beginning with the first months' invoice following the month in which the actual Imbalance Price becomes available for the applicable month, there shall be a true-up adjustment in the next monthly invoice for the Imbalance Price payable in respect of the Imbalance Energy for the applicable month.]**]**

4.4 Additional Compensation. To the extent not otherwise provided for in this Agreement, in the event that Seller is compensated by a third party for any Product 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 transmission upgrades funded by Seller.

4.5 Energy Sales Prior to Commercial Operation Date. ***[Seller may propose provisions for the sale to Buyer of energy prior to the Commercial Operation Date at a negotiated percentage of the Monthly Energy Payment]***

ARTICLE FIVE: EVENTS OF DEFAULT; FORCE MAJEURE

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 by such Party to make, when due, any payment required pursuant to this Agreement and such failure is not remedied within five (5) Business Days after Notice thereof;

(ii) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof;

(iii) the failure by such Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to Schedule, deliver, or receive the Product, the exclusive remedy for which is provided in Section 3.1(h)) and such failure is not remedied within thirty (30) days after Notice thereof;

(iv) such Party becomes Bankrupt;

(v) such Party assigns this Agreement or any of its rights hereunder other than in compliance with Section 13.2; or

(vi) 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, Seller delivers or attempts to deliver to the Delivery Point for sale under this Agreement Energy that was not generated by the Project ***[If the Project is located outside of the CAISO:*** other than Imbalance Energy from the Transmission Provider];

(ii) the failure by Seller to achieve the Commercial Operation Date no later than the end of the Project Cure Period;

(iii) ***[For Baseload, Peaking, Dispatchable Product:*** the Contract Capacity at the Commercial Operation Date or at any other time pursuant to a Capacity Test is less than [_____] MW and such default is not remedied within thirty (30) days after Notice thereof;]

(iv) ***[For Baseload, Peaking, As-Avaliable Product:*** the failure by Seller to achieve the Guaranteed Energy Production requirement during any Performance Measurement Period as set forth in Section 3.1(e) of this Agreement] ***[For Dispatchable Product:*** the Default Availability Factor of the Project is less than [_____] percent for any rolling twelve (12) consecutive calendar month period];

(v) the failure by Seller to deliver a Remedial Action Plan that reasonably demonstrates in detail how Seller will achieve the Commercial Operation Date within the Project Cure Period, if such failure is not remedied within ten (10) days after Notice;

(vi) failure by Seller to satisfy the collateral requirements pursuant to Sections 8.3 or 8.4 of this Agreement;

(vii) with respect to any Guaranty provided for the benefit of Buyer, the failure by Seller to provide for the benefit of Buyer either (1) cash, (2) a replacement Guaranty

from a different Guarantor meeting the criteria set forth in the definition of Guarantor, or (3) a replacement Letter of Credit from an issuer meeting the criteria set forth in the definition of Letter of Credit, in each case, in the amount required hereunder within five (5) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) if any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof;

(B) the failure of the Guarantor to make any payment required or to perform any other material covenant or obligation in any Guaranty;

(C) the Guarantor becomes Bankrupt;

(D) the Guarantor shall fail to meet the criteria for an acceptable Guarantor as set forth in the definition of Guarantor;

(E) the failure of the Guaranty to be in full force and effect (other than in accordance with its terms) prior to the indefeasible satisfaction of all obligations of Seller hereunder; or

(F) the Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any Guaranty; or

(viii) with respect to any outstanding Letter of Credit provided for the benefit of Buyer that is not then required under this Agreement to be canceled or returned, the failure by Seller to provide for the benefit of Buyer either (1) cash, or (2) a substitute Letter of Credit from a different issuer meeting the criteria set forth in the definition of Letter of Credit, in each case, in the amount required hereunder within five (5) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) the issuer of the outstanding Letter of Credit shall fail to maintain a Credit Rating of at least “A-” by S&P or “A3” by Moody’s;

(B) the issuer of such Letter of Credit becomes Bankrupt;

(C) the issuer of the outstanding Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit and such failure shall be continuing after the lapse of any applicable grace period permitted under such Letter of Credit;

(D) the issuer of the outstanding Letter of Credit shall fail to honor a properly documented request to draw on such Letter of Credit;

(E) the issuer of the outstanding Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit;

(F) such Letter of Credit fails or ceases to be in full force and effect at any time; or

(G) Seller shall fail to renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit and as provided in accordance with this Agreement, and in no event less than sixty (60) days prior to the expiration of the outstanding Letter of Credit.

5.2 Remedies; Declaration of Early Termination Date. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party ("Non-Defaulting Party") shall have the right (a) to 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") that terminates this Agreement and ends the Delivery Term effective as of the Early Termination Date, to accelerate all amounts owing between the Parties, and to collect liquidated damages calculated in accordance with Section 5.3 below ("Termination Payment"); (b) to withhold any payments due to the Defaulting Party under this Agreement; (c) to suspend performance; and (d) to exercise any other right or remedy available at law or in equity, including specific performance or injunctive relief, except to the extent such remedies are expressly limited under this Agreement.

5.3 Termination Payment. The Termination Payment for a Terminated Transaction shall be the aggregate of all Settlement Amounts plus any or all other amounts due to the Non-Defaulting Party netted into a single amount. Except in the case of a termination of this Agreement by the Non-Defaulting Party solely as a result of an Event of Default by the Defaulting Party under Section 5.1(a)(iv) [Bankruptcy], if the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Termination Payment shall be zero. 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. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, indirect or business interruption damages; provided, however, that any lost Capacity Attributes and Green Attributes shall be deemed direct damages covered by this Agreement. Without prejudice to the Non-Defaulting Party's duty to mitigate, the Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount. Each Party agrees and acknowledges that (a) the actual damages that the Non-Defaulting Party would incur in connection with a Terminated Transaction would be difficult or impossible to predict with certainty, (b) the Termination Payment described in this section is a reasonable and appropriate approximation of such damages, and (c) the Termination Payment described in this section is the exclusive remedy of the Non-Defaulting Party in connection with a Terminated Transaction but shall not otherwise act to limit any of the Non-Defaulting Party's rights or remedies if the Non-Defaulting Party does not elect a Terminated Transaction as its remedy for an Event of Default by the Defaulting Party.

5.4 Notice of Payment of Termination Payment. As soon as practicable after a Terminated Transaction, 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 five (5) 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 12.

5.6 Rights And Remedies Are Cumulative. Except where liquidated damages are provided as the exclusive remedy, the rights and remedies of a Party pursuant to this Article 5 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

5.7 Mitigation. Any Non-Defaulting Party shall be obligated to mitigate its Costs, losses and damages resulting from any Event of Default of the other Party under this Agreement.

5.8 Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party gives Notice and details of the Force Majeure to the other Party as detailed below, then, the Party impacted by Force Majeure shall be excused from the performance of its obligations to the extent impacted. Within forty-eight (48) hours 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. Seller shall not substitute Product 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 Product that Seller fails to Schedule, deliver or provide as a result of Force Majeure during the term of a Force Majeure. This Agreement may be terminated by the non-claiming Party with no further obligation to the Force-Majeure-claiming Party if a Force Majeure event prevents the performance of a material portion of the obligations of the Force-Majeure-claiming Party hereunder and such Force Majeure event is not resolved within eight (8) months after the commencement of such Force Majeure event. In addition to the foregoing, prior to the Commercial Operation Date, this Agreement may be terminated by Buyer with no further obligation to Seller if one or more Force Majeure events prevents Seller from achieving the Commercial Operation Date by the end of the Force Majeure Extension Period; provided, however, that Buyer shall not have the right under this section to terminate this Agreement until the expiration of the Project Cure Period if Seller is paying delay liquidated damages to Buyer as required under Section 3.9(c)(i) during such Project Cure Period

(it being acknowledged, that Seller may elect to pay Daily Delay Damages during periods of Force Majeure up to the expiration of any remaining unclaimed portion of the Project Cure Period in lieu of claiming Force Majeure relief hereunder).

ARTICLE SIX: PAYMENT

6.1 Billing and Payment. On or about the tenth (10th) day of each month beginning with the second month of the first Contract Year 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 CAISO, necessary to verify the invoice; and (c) an invoice, in a format reasonably specified by Buyer, covering the services provided in the preceding month determined in accordance with Article 4 (which may include preceding months), with all component charges and unit prices identified and all calculations used to arrive at invoiced amounts described in reasonable detail. Buyer shall pay the undisputed amount of such invoices on or before thirty (30) 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 Default 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. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. 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. 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. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Default Rate from and including the original due date to 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 to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived if the other Party is not notified in accordance with this Section 6.2 within twelve (12) months after the invoice is rendered or subsequently adjusted, except to the extent any misinformation was from a third party not Affiliated with any Party and such third party corrects its information after the twelve-month period. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

6.3 Netting of Payments. The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Product during the monthly billing period under this Agreement, including any related damages calculated pursuant to Section 3.1(h), interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

ARTICLE SEVEN: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED, UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE. EXCEPT FOR A PARTY'S INDEMNITY OBLIGATION IN RESPECT OF THIRD PARTY CLAIMS OR AS OTHERWISE 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 11.2 (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. 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 (i) within one hundred twenty (120) days following the end of each fiscal year, a copy of Buyer's annual report containing audited consolidated financial statements for such fiscal year and (ii) within sixty (60) days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Buyer'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 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 Buyer diligently pursues the preparation, certification and delivery of the statements. Buyer shall be deemed to have satisfied such delivery requirement if the applicable report is publicly available.

8.2 Seller Financial Information. Seller shall provide the following financial information:

(a) If requested by Buyer, Seller shall deliver (i) within one hundred twenty (120) days following the end of each fiscal year, a copy of Seller's annual report containing audited consolidated financial statements for such fiscal year and (ii) within sixty (60) days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Seller'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 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 Seller diligently pursues the preparation, certification and delivery of the statements.

(b) ***[If a Guaranty may be provided:*** If a Guaranty is provided and if requested by Buyer, Seller shall deliver (i) within one hundred twenty (120) days following the end of each fiscal year, a copy of Guarantor's annual report containing audited consolidated financial statements for such fiscal year and (ii) within sixty (60) days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Guarantor's quarterly report containing unaudited consolidated financial statements for such fiscal quarter certified by an officer of Guarantor. In all cases the statements shall be for the most recent accounting period and 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 Guarantor diligently pursues the preparation, certification and delivery of the statements. Seller shall be deemed to have satisfied such delivery requirement if the applicable report is publicly available.]

8.3 Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent Seller delivers Performance Assurance hereunder, Seller hereby grants to Buyer a present and continuing first priority security interest in, and lien on (and right of setoff against), and assignment of, all 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, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the Buyer's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence and during the continuation of an Event of Default by Seller or an Early Termination Date as a result thereof, Buyer may do any one or more of the following: (i) exercise any of the rights and remedies of a secured party with respect to all Performance Assurance, including any such rights and remedies under Law then in effect; (ii) exercise its rights of setoff against such collateral and any and all proceeds resulting therefrom or from the liquidation thereof; (iii) draw on any outstanding Letter of Credit issued for its benefit; and (iv) liquidate all or any portion of any Performance

Assurance 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 the Seller's obligations under the Agreement (Seller remaining liable for any amounts owing to Buyer after such application), subject to Buyer's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

8.4 Performance Assurance.

(a) ***[For Agreements with Delivery Terms greater than two years:*** CPUC Approval Security,] Development Period Security, Construction Period Security, Delivery Term Security. To secure its obligations under this Agreement Seller agrees to deliver to Buyer and maintain in full force and effect for the period set forth below, the following Performance Assurance:

(i) ***[For Agreements with Delivery Terms greater than two years:*** CPUC Approval Security, in the amount of [_____] in the form of cash or a Letter of Credit [or a Guaranty] from the Execution Date of this Agreement until the return date specified in Section 8.4(b)(i) below;]

(ii) Development Period Security in the amount of [_____] in the form of cash or a Letter of Credit [or a Guaranty] from ***[For Agreements with Delivery Terms greater than two years:*** the CPUC Approval Date] ***[For all other Agreements:*** the Execution Date of this Agreement] until the return date specified in Section 8.4(b)[(i)/(ii)] below;

(iii) Construction Period Security in the amount of [_____] in the form of cash or a Letter of Credit [or a Guaranty] from the CP Satisfaction Date until the return date specified in Section 8.4(b)[(ii)/(iii)] below; and

(iv) Delivery Term Security in the amount of [_____] in the form of cash or a Letter of Credit [or a Guaranty] from the commencement of the Delivery Term until the return date specified in Section 8.4(b)[(iii)/(iv)] below.

Except as set forth in Section 2.2 as it pertains to the Development Period Security, any such Performance Assurance shall not be deemed a limitation of damages.

(b) Return of Performance Assurance.

(i) ***[For Agreements with Delivery Terms greater than two years:*** Buyer shall promptly return to Seller the unused portion of the CPUC Approval Security after the earlier of (A) the date on which Seller has delivered the Development Period Security or the Construction Period Security, as applicable, and (B) termination of the Agreement under Section 2.4(b)(ii).

(ii) Buyer shall promptly return to Seller the unused portion of the Development Period Security after the earlier of (A) the date on which Seller has delivered the Construction Period Security, and (B) termination of the Agreement under Section 2.4(b)(ii).

(iii) Buyer shall promptly return to Seller the unused portion of the Construction Period Security after the earlier of (A) the date on which Seller has delivered the Delivery Term Security, and (B) the date that all payment obligations of the Seller arising under this Agreement, including compensation for penalties, Termination Payment, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting) after an Early Termination Date.

(iv) Buyer shall promptly return to Seller the unused portion of the Delivery Term Security after the following have occurred: (A) the Delivery Term has expired or terminated early; and (B) all payment obligations of the Seller arising under this Agreement, including compensation for penalties, Termination Payment, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting).

8.5 Interest on Cash. If Seller provides Performance Assurance in the form of cash, Buyer shall pay interest on such cash held as ***[For Agreements with Delivery Terms greater than two years:*** CPUC Approval Security,] Development Period Security, Construction Period Security, or Delivery Term Security, as applicable, at the Interest Rate. On or before each Interest Payment Date, Buyer shall transfer the sum of all accrued and unpaid Interest Amounts due to Seller for such security in the form of cash by wire transfer to the bank account specified under "Wire Transfer" in the Cover Sheet.

8.6 Costs of Letter of Credit. If Seller provides Performance Assurance in the form of a Letter of Credit, in all cases, the reasonable costs and expenses of (including but not limited to the reasonable costs, expenses, and attorneys' fees, including reasonably allocated costs of in-house counsel of the Buyer) establishing, renewing, substituting, canceling, increasing and reducing the amount of (as the case may be) one or more Letters of Credit shall be borne by the 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 under this Agreement arising prior to and 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 under this Agreement 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.

ARTICLE TEN: REPRESENTATIONS AND WARRANTIES; COVENANTS

10.1 General Representations and Warranties. On the Execution Date and the CP Satisfaction Date, each Party represents and warrants to the other Party that:

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

(b) it has all Governmental Approvals necessary for it to perform its obligations under this Agreement, except for as of the Execution Date (i) CPUC ~~Approval and CPUC Content Category~~ Approval in the case of Buyer, and (ii) all Governmental Approvals necessary to construct, operate and maintain the Project and related interconnection facilities in the case of Seller;

(c) 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 applicable Law;

(d) 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;

(e) 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;

(f) except as may be set forth in its reports filed with the SEC, 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;

(g) 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;

(h) 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

(i) 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.

10.2 Seller Representations and Warranties.

(a) 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.

(b) 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 CPUC Decision 08-08-028, and as may be modified by subsequent decision of the CPUC 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) [*Include other appropriate representations, warranties, and covenants to satisfy the California RPS content category requirements.*]

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 Governmental Approvals necessary for it to legally perform its obligations under this Agreement;

(iii) it shall perform its obligations under this Agreement 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 applicable Law; and

(iv) it shall not dispute its status as a "forward contract merchant" within the meaning of the United States Bankruptcy Code.

(b) Seller Covenants.

(i) Seller covenants throughout the Delivery Term that it, or its permitted successors or assigns, shall maintain ownership of a fee, easement, long-term leasehold interest, or other similar asset ownership interest in the Project.

(ii) Seller covenants throughout the Delivery Term that it shall maintain market based rate authority from FERC to sell Product to Buyer under the terms of this Agreement.

(iii) If at any time during the Delivery Term, Seller's representations and warranties set forth in Section 10.2 become materially false or misleading, Seller covenants that it shall provide prompt Notice to Buyer describing such default along with a description of its efforts to cure such default.

(iv) [*Include other appropriate representations, warranties, and covenants to satisfy the California RPS content category requirements.*]

(v) [*Include other appropriate covenants regarding the use of contractors that may be diverse business enterprises.*]

ARTICLE ELEVEN: TITLE, RISK OF LOSS, INDEMNITIES

11.1 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 arising prior to or at the Delivery Point.

11.2 Indemnities.

(a) Indemnity by Seller. Seller shall release, indemnify, defend, and hold harmless Buyer, its Affiliates, and its and their directors, officers, employees, agents, and representatives against and from any and all actions, suits, losses, costs, damages, injuries, liabilities, claims, demands, penalties and interest, including reasonable costs and attorneys' fees ("Claims") resulting from, or arising out of or in any way connected with (i) any event, circumstance, act, or incident relating to the Product delivered under this Agreement up to and at the Delivery Point, (ii) Seller's development, permitting, construction, ownership, operation and/or maintenance of the Project, (iii) the failure by Seller or the failure of the Project to comply with applicable Law, including without limitation the CAISO Tariff, (iv) any Governmental Charges for which Seller is responsible hereunder, or (v) any liens, security interests, encumbrances, or other adverse claims against the Product delivered hereunder made by, under, or through Seller, in all cases including, without limitation, any Claim for or on account of injury, bodily or otherwise, to or death of persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such Claim to the extent caused by the willful misconduct or gross negligence of Buyer, its Affiliates, and its and their directors, officers, employees, agents, and representatives.

(b) Indemnity by Buyer. Buyer shall release, indemnify, defend, and hold harmless Seller, its Affiliates, and its and their directors, officers, employees, agents, and representatives against and from any and all Claims resulting from, or arising out of or in any way connected with (i) any event, circumstance, act, or incident relating to the Product received by Buyer under this Agreement after the Delivery Point, (ii) the failure by Buyer to comply with applicable Law, including without limitation the CAISO Tariff, or (iii) any Governmental Charges for which Buyer is responsible hereunder, in all cases including, without limitation, any

Claim for or on account of injury, bodily or otherwise, to or death of persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such Claim to the extent caused by the willful misconduct or gross negligence of Seller, its Affiliates, and its and their directors, officers, employees, agents, and representatives.

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 or any related agreement is the dispute resolution procedure set forth in this Article 12. Either Party may seek a preliminary injunction or other provisional judicial remedy if such action is necessary to prevent irreparable harm or preserve the status quo, in which case both Parties nonetheless will continue to pursue resolution of the dispute by means of the dispute resolution procedure set forth in this Article 12.

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 or any related agreements by prompt negotiations between each Party's authorized representative designated in writing as a representative of the Party (each a "Manager"). Either Manager may, by Notice to the other Party, request a meeting 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 (either in person or telephonically). 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 that have authority to settle the dispute ("Executive(s)"). Within five (5) Business Days of the Initial Negotiation End Date ("Referral Date"), each Party shall provide one another 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, which date shall not be greater than thirty (30) days from the Referral Date, to meet. 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 confidential and shall not be used or referred to in any subsequent binding adjudicatory process between the Parties.

(d) If the matter is not resolved within forty-five (45) days of the Referral Date, or if the Party receiving the Notice to meet, pursuant to Section 12.2(a) above, refuses or does not meet within the ten (10) Business Day period specified in Section 12.2(a) above, either Party may initiate arbitration of the controversy or claim by providing Notice of a demand for binding arbitration at any time thereafter.

12.3 Arbitration. Any dispute that cannot be resolved by management negotiations as set forth in Section 12.2 above shall be resolved through binding arbitration by a retired judge or justice from the [AAA][JAMS] panel conducted in San Diego, California, administered by and

in accordance with [AAA's Commercial Arbitration Rules] [JAMS [Comprehensive][Streamlined] Arbitration Rules and Procedures] ("Arbitration").

(a) Any 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. The Parties shall cooperate with one another in selecting the arbitrator within sixty (60) days after Notice of the demand for arbitration. If, notwithstanding their good faith efforts, the Parties are unable to agree upon a mutually-acceptable arbitrator, the arbitrator shall be appointed as provided for in [AAA's Commercial Arbitration Rules] [JAMS [Comprehensive][Streamlined] Arbitration Rules and Procedures].

(b) 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.

(c) 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.

(d) The arbitrator shall prepare in writing and provide to the Parties an award including factual findings and the reasons on which their decision is based.

(e) 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.

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

(g) The prevailing Party in this dispute resolution process is entitled to recover its costs. Until such award is made, however, the Parties shall share equally in paying the costs of the Arbitration.

(h) 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 the arbitrator.

(i) The arbitrator shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction for any such error.

(j) The existence, content, and results of any Arbitration hereunder is confidential information that is subject to the provisions of Section 13.1.

ARTICLE THIRTEEN: MISCELLANEOUS

13.1 Confidentiality.

(a) General. Neither Party shall disclose the non-public terms or conditions of this Agreement or any transaction hereunder to a third party, other than (i) the Party's Affiliates and its and their officers, directors, employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential, (ii) for disclosure to the 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) disclosure of terms specified in and pursuant to Section 13.1(b) 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 Federal Energy Regulatory Commission. In connection with requests made pursuant to clause (v) of this Section 13.1(a) ("Disclosure Order") each Party shall, to the extent practicable, use reasonable efforts to prevent or limit such disclosure. After using such reasonable efforts, the Disclosing Party shall not be: (i) prohibited from complying with a Disclosure Order or (ii) liable to the other Party for monetary or other damages incurred in connection with the disclosure of the confidential information. Except as provided in the preceding sentence, the Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

(b) RPS Confidentiality. Notwithstanding Section 13.1(a) of this Agreement, at any time on or after the date on which the Buyer makes its filing seeking CPUC ~~Approval and CPUC Content Category~~ Approval for this Agreement, either Party shall be permitted to disclose the following terms with respect to this Agreement: Party names, resource type, Delivery Term, Project location, Contract Capacity, anticipated Commercial Operation Date, Contract Quantity, and Delivery Point.

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(c) Publicity. Except as otherwise agreed to in this Section 13.1 above, no announcement, publicity, advertising, press release, promotional or marketing materials regarding the arrangement contemplated under this Agreement, including the existence hereof, shall be made by either Party without the prior written approval of the other Party which approval shall not be unreasonably withheld or delayed.

13.2 Assignment. 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. For purposes hereof, the transfer of more than fifty percent (50%) of the equity ownership or voting interest of Seller (or any parent entity holding directly or indirectly at least fifty percent (50%) of the equity ownership or voting interest of Seller if such interest constitutes more than twenty percent (20%) of the fair market value of the assets of such parent entity) to a person that is not an Affiliate of Seller shall also constitute an assignment of this Agreement

requiring Buyer's prior written consent. Notwithstanding the foregoing, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), transfer, sell, pledge, encumber, or assign this Agreement or the accounts, revenues or proceeds hereof to its financing providers. In connection with any financing or refinancing of the Project by Seller, Buyer shall in good faith negotiate and agree upon a consent to collateral assignment of this Agreement in a form that is commercially reasonable and customary in the industry.

13.3 Audit. Each Party has the right, at its sole expense and during normal working hours, 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 or Scheduled 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 Default 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 except to the extent any misinformation was from a third party not Affiliated with any Party and such third party corrects its information after such twelve-month period. In addition, Buyer shall have the right, at its sole expense and during normal working hours, to examine the records of Seller to the extent reasonably necessary to verify Seller's compliance with its representations and warranties set forth in Section 10.2.

13.4 Sarbanes-Oxley and SEC Requirements. The Parties acknowledge that accounting principles generally accepted in the United States of America ("GAAP") and SEC rules require Buyer and its independent auditor to evaluate whether Buyer must consolidate Seller's financial information (but not financial information of Seller's constituent members unless deemed to be included in the entity under GAAP). Buyer may require access to information concerning Seller's organizational structure, including its debt/capital structure, as well as to personnel of Seller to determine if consolidated financial reporting is required. If Buyer and its independent auditor determine at any time that the Buyer must consolidate the Seller's financial statements to comply with GAAP and/or SEC rules regarding consolidated financial reporting, then:

(a) Buyer shall require from Seller and Seller agrees to provide to Buyer the following during the Term of this Agreement:

(i) Unaudited financial statements of the Seller prepared in accordance with GAAP as of the end of the quarterly period. The financial statements should include quarter to date and year to date information and are to be provided within fifteen (15) calendar days of the end of the applicable reporting period (or the Business Day thereafter);

(ii) Unaudited financial schedules of the Seller, as deemed necessary for Buyer to prepare its consolidated financial statements and related footnotes to the financial statements in accordance with GAAP as of the end of the quarterly period. The financial schedules should include quarter to date and year to date information underlying the financial statements and footnotes to the financial statements and are to be provided within fifteen (15) calendar days of the end of the applicable reporting period (or the Business Day thereafter);

(iii) Access to Seller's accounting and other records, and accounting and management personnel as reasonably determined by both Buyer and Seller so that (A) Buyer's independent auditor or its internal auditors may conduct financial audits (in accordance with the standards of the Public Company Accounting Oversight Board (United States)) as well as internal control audits (in accordance with Section 404 of the Sarbanes-Oxley Act of 2002) and (B) Buyer can be provided analytical information, as needed, to enable Buyer to meet its SEC filing requirements, including but not limited to those under Item 2 on Form 10-Q, and Item 7 on Form 10-K, "Management's Discussion and Analysis of Financial Condition and Results of Operations;"

(iv) Upon the request of Buyer, such certifications by a duly authorized representative(s) of Seller as may be reasonably requested by Buyer (which certifications shall presumptively be reasonable if the certifications are substantially identical to those required by Buyer or its parent of business units of Buyer or its parent); and

(v) As reasonably requested by Buyer, such information or schedules, similar to the items noted in clauses (i)-(iv) above, to enable Buyer to prepare consolidated financial statements and schedules as may be required for Buyer to obtain financing or to prepare other reports as required by regulatory bodies, such as the SEC, for periods other than as of the end of the monthly, quarterly or year to date periods then ended.

(b) If Buyer (i) in its sole discretion determines that the financial statements of the Seller would be considered material to the Buyer or its parent company's financial statements, financial condition, or internal controls over financial reporting, and (ii) reasonably determines Seller's internal controls over financial reporting are not operating effectively or have resulted in a control deficiency, Buyer shall provide Notice to Seller. Upon receipt of such Notice, Seller will have thirty (30) days to remediate any deficiency in Seller's internal controls over financial reporting identified by the Buyer, which Buyer and Buyer's independent auditor deem to be necessary to ensure Seller's internal controls over financial reporting are adequate, during or as a result of the audits permitted under Section 13.4(a)(iii) or any other.

(c) As soon as possible, but in no event later than two (2) Business Days following any occurrence that would affect Seller in any material way, Seller shall provide to Buyer a Notice describing such occurrence in sufficient detail to permit the Buyer to file a report on SEC Form 8-K. Such occurrences include all reportable events on the then current Form 8-K that applies to Buyer and its parent company at such time, including but not limited to a material acquisition or disposition of assets, a material direct financial obligation or off-balance sheet financing arrangement, material litigation, and the execution or termination of a material contract.

(d) Any information provided to Buyer shall be treated as confidential except that it may be disclosed in connection with the preparation, review, certification and publication of Buyer's financial statements.

(e) Seller shall notify Buyer at any time during the term of this Agreement of any services provided or proposed to be provided to Seller by Buyer's independent auditor. Seller, and any of Seller's Affiliates, are prohibited from engaging Buyer's independent auditor

for any services or in any consulting agreement without the express written consent of partner in charge of Buyer's independent audit.

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

13.6 Recording. Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording ("Recording") of all telephone conversations between the Parties to this Agreement, and 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.

13.7 Forward Contract. The Parties acknowledge and agree that this Agreement constitutes a "forward contract" within the meaning of the United States Bankruptcy Code.

13.8 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.

13.9 Attorneys' Fees. In any proceeding brought to enforce this Agreement or because of the breach by any Party of any covenant or condition herein contained, the prevailing Party shall be entitled to reasonable attorneys' fees (including reasonably allocated fees of in-house counsel) in addition to court costs and any and all other costs recoverable in said action.

13.10 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 negotiation, drafting or execution hereof. Except to the extent provided for herein, 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. This Agreement shall be binding on each Party's successors and permitted assigns.

13.11 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.

13.12 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.

13.13 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 in herein; provided, however, that notices of Outages or other Scheduling or dispatch information or requests, shall be provided in accordance with the terms set forth in the relevant section of this Agreement. Invoices 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. 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.

13.14 Mobile Sierra. Notwithstanding any provision of this Agreement, neither Party shall seek, nor shall they support any third party in seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior 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" application of the "just and reasonable" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 US 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 US 348 (1956).

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

[_____]	SAN DIEGO GAS & ELECTRIC COMPANY
a [_____]	a California corporation
By: _____	By: _____
Name:_____	Name:_____
Title:_____	Title:_____

Exhibit A

PROJECT DESCRIPTION INCLUDING DESCRIPTION OF SITE

PROJECT DESCRIPTION

Project name _____

Project Site name: _____

Project physical address: _____

Total number of electric generating units at the Project (committed and not committed to Buyer) _____

Technology Type: _____

Substation:

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

The nameplate capacity of the Project is _____.

The electric generating units utilized as generation assets as part of the Project are described below:

[INSERT MAP]

Exhibit B

MILESTONE SCHEDULE

	Date	*Project Name*
1.		Obtains control of all lands and rights-of-way comprising the Site.
2.		Files a CEC Pre-Certification and Verification application.
3.		Receives a completed [Phase I Interconnection Study Report] [interconnection feasibility study] and CAISO Deliverability Assessment Study Report.
4.		Receives a completed [Phase II Interconnection Study Report] [interconnection system impact study] and CAISO Deliverability Assessment Study report
5.		Files CEQA/NEPA application with appropriate agency(ies).
6.		Executes interconnection agreement and/or transmission agreement and receive FERC approval.
7.		Receives CEQA/NEPA approval/permit
8.		Executes a supply contract.
9.		Executes an Engineering, Procurement and Construction ("EPC") contract.
10.		Delivers full NTP under EPC contract and begins construction of the Project.
11.		Executes Meter Service Agreement and Participating Generator Agreement.
12.		Achieves initial operation.
13.		Demonstrates the Contract Capacity.
14.		Receives all Governmental Approvals necessary to achieve COD.
15.		Receives CEC Certification and Verification.
16.	GCOD	Commercial Operation Date.

Exhibit C

FORM OF LETTER OF CREDIT

[DATE]

To: San Diego Gas & Electric Company
555 W. Fifth Street
Mail Code: GT18A3
Los Angeles, CA 90013

Re: Our Irrevocable Standby Letter of Credit No._____
In the Amount of US_____

Ladies and Gentlemen:

We hereby open our irrevocable standby Letter of Credit Number _____ in favor of [name of ~~Secured Party] ("Secured Party~~Beneficiary] ("Beneficiary"), by order and for account of [name of ~~Account Party] ("Account Party~~Applicant] ("Applicant"), [address of ~~Account Party~~Applicant], available at sight upon demand at our counters, at [location] for an amount of US$ _____ [amount spelled out and xx/100 U.S. Dollars] against presentation one of the following documents:

1- Statement signed by a person purported to be an authorized representative of ~~Secured Party~~Beneficiary stating that: "[name of ~~Account Party] ("Account Party~~Applicant] ("Applicant") is in default under the Power Purchase Agreement between ~~Secured Party~~Beneficiary and ~~Account Party~~Applicant dated _____ or under any transaction contemplated thereby (whether by failure to perform or pay any obligation thereunder or by occurrence of a "default", "event of default" or similar term as defined in such agreement, any other agreement between ~~Secured Party~~Beneficiary and ~~Account Party~~Applicant, or otherwise). The amount due to ~~Secured Party~~Beneficiary is U.S. $_____."

or

2- Statement signed by a person purported to be an authorized representative of ~~Secured Party~~Beneficiary stating that: "[name of ~~Account Party] ("Account Party~~Applicant] ("Applicant") has forfeited all or part of its ***[For Agreements with Delivery Terms greater than two years:*** CPUC Approval Security or] Development Period Security as set forth and defined in the Power Purchase Agreement between ~~Secured Party~~Beneficiary and ~~Account Party~~Applicant dated _____. The amount due to ~~Secured Party~~Beneficiary, whether or not a default has occurred, is U.S. $_____."

or

3- Statement signed by a person purported to be an authorized representative of ~~Secured Party~~Beneficiary stating that: "as of the close of business on [insert date, which is less than 60 days prior to the expiration date of the Letter of Credit] you have provided written notice to us indicating your election not to permit extension of this Letter of Credit beyond its current expiry date. The amount due to ~~Secured Party~~Beneficiary, whether or not a default has occurred, is U.S. $_____."

Special Conditions:

- All costs and banking charges pertaining to this Letter of Credit are for the account of ~~Account Party~~Applicant.

- Partial and multiple drawings are permitted.

- Fax of Document 1 or 2 or 3 above is acceptable. Notwithstanding anything to the contrary herein, any drawing hereunder may be requested by transmitting the requisite documents as described above to us by facsimile at _____ or such other number as specified from time to time by us. The facsimile transmittal shall be deemed delivered when received. It is understood that drawings made by facsimile transmittal are deemed to be the operative instrument without the need of originally signed documents.

This Letter of Credit expires on _____ at our counters.

We hereby engage with ~~Secured Party~~Beneficiary that upon presentation of a document as specified under and in compliance with the terms of this Letter of Credit, this Letter of Credit will be duly honored in the amount stated in Document 1 or 2 above. If a document is so presented by 1:00 pm on any New York banking day, we will honor the same in full in immediately available New York funds on that day and, if so presented after 1:00 pm on a New York banking day, we will honor the same in full in immediately available New York funds by noon on the following New York banking day.

It is a condition of this Letter of Credit that it shall be deemed automatically extended without an amendment for a one year period beginning on the present expiry date hereof and upon each anniversary of such date, unless at least ninety (90) days prior to any such expiry date we have sent you written notice by regular and registered mail or courier service that we elect not to permit this Letter of Credit to be so extended beyond, and will expire on its then current expiry date. No presentation made under this Letter of Credit after such expiry date will be honored.

We agree that if this Letter of Credit would otherwise expire during, or within 30 days after, an interruption of our business caused by an act of god, riot, civil commotion, insurrection, act of terrorism, war or any other cause beyond our control or by any strike or lockout, then this Letter of Credit shall expire on the 30th day following the day on which we resume our business after the cause of such interruption has been removed or eliminated and any drawing on this Letter of Credit which could properly have been made but for such interruption shall be permitted during such extended period.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce, Publication No. 600 ("UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. Matters not covered by the UCP shall be governed and construed in accordance with the laws of the State of California.

[Name of Bank]

_____
Authorized Signature(s)

Exhibit D

FORM OF GUARANTY

GUARANTY

In consideration of San Diego Gas ~~and~~& Electric Company ("Company") entering into a power purchase agreement with [NAME OF COUNTERPARTY] (hereinafter referred to as "Applicant"), [NAME OF GUARANTOR], a [TYPE OF LEGAL ENTITY i.e. California corporation], (hereinafter referred to as "Guarantor") agrees with Company as follows:

1. The term "Obligations" shall mean all obligations, liabilities and indebtedness of any kind whatsoever arising in connection with _____ or arising in connection with or under any security agreement or other agreement between the Company and Applicant. The amount of Obligations existing from time to time shall be calculated after giving effect to all contractual netting arrangements between Applicant and the Company.

2. Guarantor unconditionally and irrevocably guarantees to Company the full, prompt and faithful payment and performance when due of each and all of the Obligations.

3. This is a continuing guaranty relating to the Obligations. Guarantor acknowledges that there is a continuing consideration to Guarantor for this Guaranty and therefore Guarantor waives and relinquishes the right to revoke or terminate this Guaranty as provided in California Civil Code Section 2815.

4. Any of the Obligations may be amended, modified, waived, or increased (whether or not beyond any dollar limitation hereunder), further agreements may be entered into between Company and Applicant, Company may provide additional goods or services or credit to Applicant or increase or decrease the dollar value of such goods, services or credit, and further obligations (including, without limitation, the provision or pledging of security to Company for any obligation), indebtedness and liabilities may be entered into or incurred from time to time by Applicant and without further authorization from or notice to Guarantor and no such action shall terminate, release, impair, reduce, discharge, diminish or in any way affect any of the obligations of Guarantor hereunder or any security furnished by Guarantor or give Guarantor any recourse or defense against Company. Company need not inquire into the power of Applicant or the authority of its officers, directors, partners or agents acting or purporting to act in its behalf.

5. With respect to all Obligations, this is a guaranty of payment and performance and not of collection, and Guarantor waives and agrees not to assert or take advantage of:

(a) any right to require Company to proceed against Applicant or any other person or to resort to, proceed against or exhaust any security held by it at any time or to pursue any other remedy in its power before proceeding against any Guarantor;

(b) demand, presentment, protest and notice of any kind including, without limiting the generality of the foregoing, notice of nonperformance, protest, dishonor and acceptance of this Guaranty, notice under Section 9611 of the California Commercial Code, and

notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of Applicant, Company, a guarantor under this or any other instrument, or creditor of Applicant or any other person whomsoever, in connection with any of the Obligations or any collateral for any of the Obligations or in connection with any of the Obligations; and

(c) any suretyship defenses and suretyship rights of every nature otherwise available under California law and the laws of any other state or jurisdiction, including, without limitation, all defenses and rights arising under Sections 2787 through 2855 of the California Civil Code (the "Suretyship Provisions") and any successor provisions to those Sections. Without limiting the generality of the foregoing, Guarantor acknowledges his, her or its understanding that the Suretyship Provisions provide various partial or complete defenses to the recovery by Company from Guarantor and/or grant Guarantor rights the enforcement of which could reduce or eliminate entirely Guarantor's liability hereunder to Company. Among the defenses and rights contained in the Suretyship Provisions are the following: (1) Section 2809 of the Civil Code, which provides, in part, that the obligation of a surety must not be either larger in amount or in other respects more burdensome than that of the principal; (2) Section 2810 of the Civil Code, which provides, in part, that a surety is not liable if for any reason other than the mere personal disability of the principal there is no liability upon the part of the principal at the time of execution of the contract, or the liability of the principal thereafter ceases; (3) Section 2819 of the Civil Code, which provides, in part, that a surety is exonerated if the creditor alters the original obligation of the principal without the consent of the surety; (4) Section 2845 of the Civil Code, which provides, in part, that a surety is exonerated to the extent that the creditor fails to proceed against the principal, or to pursue any other remedy in the creditor's power which the surety cannot pursue and which would lighten the surety's burden; (5) Section 2846 of the Civil Code, which provides that a surety may compel his principal to perform the obligation when due; (6) Section 2847 of the Civil Code, which provides, in part, that if a surety satisfies the principal obligation, or any part thereof, the principal is obligated to reimburse the surety for the amounts paid by the surety; (7) Section 2848 of the Civil Code, which provides, in part, that a surety, upon satisfaction of the obligation of the principal is entitled to enforce remedies which the creditor then has against the principal; (8) Section 2849 of the Civil Code, which provides, in part, that a surety is entitled to the benefit of security held by the creditor for the performance of the principal obligation held by the creditor; (9) Section 2850 of the Civil Code, which provides, in part, that whenever the property of a surety is hypothecated with property of the principal, the surety is entitled to have the property of the principal first applied to the discharge of the obligation; and (10) Section 2822 of the Civil Code, which provides, in part, for a right to have the principal designate the portion of any obligation to be satisfied by the surety in the event that the principal provides partial satisfaction of such obligation.

6. All existing and future indebtedness of Applicant to Guarantor ("Intercompany Obligations") is subordinated to all Obligations hereby guaranteed. All of Guarantor's right, title and interest in and to the Intercompany Obligations and rights to receive any payments of the Intercompany Obligations are hereby granted and assigned to Company as continuing security for the Obligations hereby guaranteed, and, in the event of any default in the payment of any of the Obligations when due and until the Obligations guaranteed hereby have been paid in full (a) at the Company's request, Applicant shall forthwith pay to the Company all or any part of such Intercompany Obligations and any capital which Guarantor is entitled to withdraw until all of the

Obligations guaranteed hereby have been paid in full, and (b) Guarantor shall pay to Company immediately any payments of such Intercompany Obligations received by Guarantor.

7. Guarantor agrees to pay all attorneys' fees (including without limitation, reasonably allocated fees of in-house counsel) and all other costs and expenses which may be incurred by Company in the enforcement of this Guaranty against Guarantor.

8. This Guaranty is not assignable by Guarantor without Company's consent. This Guaranty shall inure to the benefit of Company and its successors and assigns, including the assignees of any Obligations, and bind the heirs, executors, administrators, successors and permitted (if any) assigns of Guarantor. This Guaranty is assignable by Company with respect to all or any portion of the Obligations, and when so assigned Guarantor shall be liable to the assignees under this Guaranty without in any manner affecting the liability of Guarantor hereunder with respect to any Obligations retained by Company.

9. This Guaranty shall be governed by and construed in accordance with the laws of the State of California, without reference to its choice of law provisions. Guarantor hereby irrevocably and unconditionally agrees that any legal action or proceeding against Guarantor or any of Guarantor's property with respect to this Guaranty may be brought in the courts of the State of California in the County of San Diego or the courts of the United States in the County of San Diego, as Company may elect, and by executing and delivering this Guaranty Guarantor hereby submits to and accepts with regard to any such action or proceeding for himself, herself or itself and in respect of his, her or its property, generally, irrevocably and unconditionally, the jurisdiction of the above mentioned courts. Guarantor hereby irrevocably appoints the Secretary of State of the State of California as his, her or its agent for service of process in any suit or proceeding if the Guarantor is located outside the State of California at the time of service or cannot reasonably be located by Company. The foregoing, however, shall not limit the right of Company as it may elect to bring any legal action or proceeding or to obtain execution of judgment in any other appropriate jurisdiction including but not limited to any other jurisdiction in which Guarantor or his, her or its property is located.

10. Except as provided in any other written agreement now or at any time hereafter in force between Company and Guarantor, this Guaranty shall constitute the entire agreement of Guarantor with Company with respect to the subject matter hereof and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Company unless expressed herein.

11. All notices, demands, requests and other communications required or permitted hereunder shall be in writing and shall be given personally, by certified or registered mail, postage prepaid, return receipt requested, or by reliable overnight courier to the address of the Company set forth below (or to such new address as Company may designate hereafter in a notice to Guarantor) in the case of a communication to the Company and to the address appearing next to Guarantor's signature on this Guaranty (or to such new address as Guarantor may designate hereafter in a notice to Company) in the case of a communication to Guarantor. Any notice served personally shall be deemed delivered upon receipt, and any notice served by certified or registered mail or by reliable overnight courier shall be deemed delivered on the date

of receipt as shown on the addressee's registry or certification of receipt or on the date receipt is refused as shown on the records or manifest of the U.S. Postal Service or such courier.

San Diego Gas ~~and~~& Electric Company
555 W. Fifth Street
Attn: Major Markets 18A3, Credit Manager
Los Angeles, CA 90013
Fax No.: (213) 244-8316

12. Until all of the Obligations guaranteed hereby have been satisfied in full, Guarantor shall have no right of subrogation or reimbursement from the Applicant which Guarantor may have as a result of any payment by Guarantor under this Guaranty, and waives any right to enforce any remedy which Company now has or may hereafter have against the Applicant as a result of such payment by Guarantor under this Guaranty and waives any right under section 2849 of the California Civil Code and any other benefit of or right to participate in any security now or hereafter held by Company.

13. All amounts payable by Guarantor hereunder shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever unless and to the extent that Guarantor shall be prohibited by law from doing so, in which case Guarantor shall pay to Company such additional amount as shall be necessary to ensure that Company receives the full amount it would have received if no such deduction or withholding had been made.

14. If any portion of this Guaranty is held to be unenforceable by a court of competent jurisdiction, the remainder of this Guaranty shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Guarantor has executed this Guaranty on [MONTH AND DAY], [YEAR].

GUARANTOR:
[NAME OF GUARANTOR]

_____
Signature

_____
Title

_____
Printed Name of Person Signing for
Guarantor

_____
Guarantor's Address

_____
City, State, Zip

_____
Guarantor's Phone No.

Exhibit E

COMMERCIAL OPERATION CERTIFICATE

The undersigned, _____ ("EPC Contractor"), _____ ("[_____] Supplier"), _____ ("Licensed Professional Engineer") and [_____] ("Owner") make the following certifications to San Diego Gas & Electric Company ("SDG&E"), dated as of _____. All capitalized terms not otherwise defined herein shall have the meaning given to them in the Power Purchase Agreement dated _____ between Owner and SDG&E (the "Agreement").

[Major Generation Equipment] Supplier hereby certifies that:

1. The [_____] comprising the Project have been erected and installed at the project site and have been commissioned as required under the Supply and Installation Agreement ("[_____] Supply Agreement") dated as of _____, by and between [_____] Supplier and Owner and each such [_____] has passed the performance testing required to be performed pursuant to the [_____] Supply Agreement.

2. The Warranty Period under the Warranty Agreement ("Warranty Agreement") dated as of _____, by and between [_____] Supplier and Owner has commenced.

EPC Contractor hereby certifies that:

All requirements necessary to achieve [Commercial Operation/Substantial Completion] as set forth in the agreement between the EPC Contractor and Owner dated _____ ("EPC Contract") have been completed and the Project has successfully passed all performance tests at a level that demonstrates satisfaction of at least the [minimum performance guarantees].

Owner hereby certifies that:

1. Except for punch list items that would not materially affect the performance, reliability or safe operation of the Project, the Project has been completed in accordance with all applicable specifications and is ready for continuous commercial operation in compliance with all applicable laws and governmental approvals. The Project has successfully passed all performance tests at a level that demonstrates satisfaction of at least the [insert minimum performance guarantees], and complete test reports have been submitted to Buyer.

2. The Operation and Maintenance Agreement (O&M Agreement), by and between Owner and _____ dated as of _____ has commenced.

3. Owner has a valid leasehold or real property interest in the Project Site for a term of at least [___] years from the Commercial Operation date.

4. The interconnection facilities have been completed in accordance with applicable specifications, tariffs, laws and governmental approvals to enable power generated by the Project to be received at the Delivery Point.

5. Owner has obtained all governmental approvals necessary for the continuous commercial operation of the Project and the Project is in compliance with all such governmental approvals and all other applicable laws.

Licensed Professional Engineer certifies that:

~~1.~~1. We have read the Agreement, the [_____] Supply Contract, and the EPC Contract and we understand the requirements for Commercial Operation under the Agreement, the specifications and performance testing requirements under the [_____] Supply Contract, and the requirements for [Commercial Operation/Substantial Completion] under the EPC Contract.

2. We have reviewed the material and data made available to us by the Owner, the [_____] Supplier, and the EPC Contractor for the Project.

3. To the extent practical, we have reviewed the engineering, procurement, construction and performance testing for the Project and in the course of this review we have not discovered any material errors or omissions in the work performed to date.

4. We have reviewed the certificates of Owner, [_____] Supplier, and EPC Contractor above, and find the representations provided to be correct in all material respects.

5. We have reviewed all Governmental Approvals and permits identified by the Owner as being required for the construction and operation of the Project and are of the opinion that the Project as completed is in compliance in all material respects with the environmental and technical requirements contained therein.

6. Based on our review of the aforementioned information and of information provided to us by others which we have not independently verified, we are of the opinion that, as of, Commercial Operation has occurred as defined in the Agreement.

Executed this ___ day of ___, 200_

[_____] SUPPLIER
[*Name of [_____] Supplier*]
a _____ corporation

By:_____
Name:
Title:

EPC CONTRACTOR
[*Name of EPC Contractor*]
a _____ corporation

By:_____
Name:
Title:

OWNER
[*Name of Owner*]
a _____ limited liability company

By:_____
Name:
Title:

LICENSED PROFESSIONAL ENGINEER:
[*Name of* Licensed Professional Engineer]
a _____

By:_____
Name:
Title:

ACCEPTED BY SAN DIEGO GAS & ELECTRIC COMPANY

By: _____
Name:_____
Title:_____
Date:_____

Exhibit F

FORM OF QUARTERLY PROGRESS REPORT

Quarterly Progress Report
of
[_____]

("Seller")

provided to
San Diego Gas & Electric Company

[Date]

Table of Contents

[Insert Table of Contents]

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1.0 Instructions.

All capitalized terms used in this report shall have the meanings set forth below and any capitalized terms used in this report which are not defined below shall have the meanings ascribed thereto in the Power Purchase Agreement by and between _____ ("Seller") and San Diego Gas & Electric Company dated _____ __, ____ (the "Agreement").

Seller shall review the status of each significant element of the Project schedule and Seller shall 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 Project or the Project schedule, and with respect to any such matters, shall state the actions which Seller intends to take to ensure that Conditions Precedent and 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 or regulation, 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 Project, attaining any Condition or Milestone, or obtaining any contemplated agreements with other parties which are necessary for attaining any Condition or Milestone or which otherwise reasonably could be expected to materially threaten Seller's ability to attain any Condition or 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 Project, attainment of any Condition or Milestone or materially threaten any contemplated agreements with other parties which are necessary for attaining any Condition or Milestone or could otherwise reasonably be expected to materially threaten Seller's ability to attain any Condition or 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 Condition or 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 Quarterly Report and any material change in the Seller's proposed actions to remedy or overcome such matter or issue.

Seller shall complete, certify, and deliver this form Quarter Quarterly Progress Report to [_____], together with all attachments and exhibits, with [3] copies of the Report delivered to [_____] and [_____].

2.0 Executive Summary.

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2.1 Major activities to be performed for each aspect of the Project during the current calendar quarter.

Please provide a brief summary of the Major[2] activities to be performed for each of the following aspects of the Project during the current calendar quarter:

2.1.1 Design

2.1.2 Engineering

2.1.3 Major Equipment procurement

2.1.4 Construction

2.1.5 Milestone report

2.1.6 Permitting (See Section 3.0)

2.2 Major activities scheduled to be performed in the previous calendar quarter but not completed as scheduled.

Please provide a brief summary of the Major activities which were scheduled to be performed in the previous calendar quarter and their status, including those activities that were not completed as scheduled:

2.2.1 Design

2.2.2 Engineering

2.2.3 Major Equipment procurement

2.2.4 Construction

2.2.5 Milestone report

2.2.6 Permitting

[2] For Purposes of this Report, "Major" shall mean any activity, event, or occurrence which may have a material adverse impact on the construction of the Facility or completion of the Project on a timely basis if such activity, event, or occurrence occurs or if such activity, event, or occurrence fails to occur as anticipated or scheduled, which material adverse impact includes, but is not limited to, Seller's inability to achieve a Milestone Date.

3.0 Permitting.

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The following describes each of the major Governmental Approvals required for the construction of the Project and the status of each:

3.1 State and/or federal Governmental Approvals.

Please describe each of the Major state and/or federal Governmental Approval (including the Permit to Construct issued by the San Diego County Air Pollution Control District) to be obtained by Seller (or EPC Contractor) and the status of each.

DESCRIPTION	STATUS

3.2 Local and/or county Governmental Approvals.

Please describe each of the Major local and/or county Governmental Approvals to be obtained by Seller and the status of each.

DESCRIPTION	STATUS

3.3 Permitting activities which occurred during the previous calendar quarter.

Please list all permitting activities which occurred during the previous calendar quarter.

3.4 Permitting activities occurring during the current calendar quarter.

Please list all permitting activities which are expected to occur during the current calendar quarter.

3.5 Permitting Notices received from EPC Contractor.

Please attach to this Quarterly Progress Report copies of any notices related to permitting activities received from EPC Contractor during the previous calendar quarter.

4.0 Design Activities.

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4.1 Table of design schedule to be followed by Seller and its subcontractors.

The following table lists the design schedule to be followed by Seller and its subcontractors.

ACTIVITY	CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

4.2 Design activities to be performed during the current calendar quarter.

Please explain in detail the design activities which are expected to be performed during the current calendar quarter.

4.3 Table of design activities completed during the previous calendar quarter.

Please explain in detail the design activities which were completed during the previous calendar quarter.

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5.0 Engineering Activities.

5.1 Table of engineering schedule to be followed by Seller and its subcontractors.

The following table lists the engineering schedule to be followed by Seller and its subcontractors:

ACTIVITY	CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

5.2 Engineering activities to be performed during the current calendar quarter.

Please explain in detail the engineering activities which are expected to be performed during the current calendar quarter.

5.3 Engineering activities completed during the previous calendar month.

Please explain in detail the engineering activities which were completed during the previous calendar quarter.

5.4 Three-month look-ahead engineering schedule.

Please provide a three-month look ahead engineering schedule.

6.0 Major Equipment Procurement.

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6.1 Table of major equipment to be procured by Seller and its subcontractors.

The following table lists major equipment to be procured by Seller and its subcontractors:

EQUIPMENT DESCRIPTION	MANUFACTURER	MODEL	CONTRACTED DELIVERY DATE	ACTUAL DELIVERY DATE	PROJECTED INSTALLATION DATE	ACTUAL INSTALLATION DATE

6.2 Major Equipment procurement activities to be performed during the current calendar quarter.

Please explain in detail the major equipment procurement activities which are expected to be performed during the current calendar quarter.

6.3 Major Equipment procurement activities completed during the previous calendar quarter.

Please explain in detail the major equipment procurement activities which were completed during the previous calendar quarter.

7.0 Construction Activities.

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7.1 Table of construction activities to be performed by Seller and its subcontractors.

The following tables lists construction activities to be performed by Seller and its subcontractors:

ACTIVITY	CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE
Civil Progress			
Structural Progress			
[Steam] Generator Progress			
Piping Progress			
IC and Electrical Progress			
Subcontractor Progress			

7.2 Construction activities to be performed during the current calendar quarter.

Please explain in detail the construction activities which are expected to be performed during the current calendar quarter.

7.3 Construction activities completed during the previous calendar quarter.

Please explain in detail the construction activities which are expected to be performed during the previous calendar quarter.

7.4 EPC Contractor Monthly Progress Report.

Please attach a copy of the Monthly Progress Reports received during the previous calendar quarter from the EPC Contractor pursuant to the EPC Contract, certified by the EPC Contractor as being true and correct as of the date issued.

7.5 Three-month look-ahead construction schedule.

Please provide a three-month look ahead construction schedule.

8.0 Milestones.

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8.1 Milestone schedule.

Please state the status and progress of each Milestone and identify any completed Milestone(s) for the previous calendar quarter.

8.2 Remedial Action Plan (applicable if Seller fails to achieve Milestone by the Milestone Date).

Please explain in detail each of the following aspects of Seller's remedial action plan:

8.2.1 Missed Milestone

8.2.2 Plans to achieve missed Milestone

8.2.3 Plans to achieve subsequent Milestone

8.2.4 Delays in engineering schedule

Please explain in detail any delays beyond the scheduled Milestone Dates stated in Section 5.1, any impact from the delays on the engineering schedule, and Seller's plans to remedy such impact.

8.2.5 Delays in Major Equipment procurement

Please explain in detail any delays beyond the contracted delivery date and/or the projected installation date stated in Section 6.1, any impact from the delays on Major Equipment procurement schedule, and Seller's plans to remedy such impact.

8.2.6 Delays in construction schedule

Please explain in detail any delays beyond the scheduled completion dates stated in Section 7.1, any impact from the delays on the construction schedule, and Seller's plans to remedy such impact.

9.0 Safety and Health Reports

9.1 Please list all accidents from the previous calendar quarter:

9.2 Any work stoppage from the previous calendar quarter:

9.3 Work stoppage impact on construction of the Project:

I, _____, on behalf of and as an authorized representative of, do hereby certify that any and all information contained in the attached Seller's Quarterly Progress Report is true and accurate, and reflects, to the best of my knowledge, the current status of the construction of the Project as of the date specified below.

By:_____

Name:_____

Title:_____

Date:_____

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RPS Project Development Status Report

Project Name
Date

Date of Latest Construction Progress Report from Counterparty:	
Project Owner/Counterparty:	
Technology:	
Capacity (MW):	Annual Energy (GWh/year):
On-Line Date:	Term/Duration (years):
Construction Start Date:	Point of Delivery:
Location:	

Status At-A-Glance

The below to be filled in w/ either: Completed, Acceptable, Unknown, or Concern. See Section B for a description of milestones. When the answer is "Concern" the milestone should be flagged with a notation number where additional detail is provided in Section A.

Milestones	Status	Initial Completion Date	Projected Completion Date
Fuel/Resource Supply:			
Financing:			
Corporate Financing			
Project Financing			
Site Control (100%):			
Permitting:			
Engineering:			
Major Equipment Procurement:			
Construction:			
Startup Testing and Commissioning:			
Transmission:			

Transmission - Detail (see Section C)
Dependent Transmission Upgrade(s):
Scheduled Completion:
Point of Interconnection:
Early Interconnection:
Gen-Tie Length:
Gen-Tie Voltage:
ISO Queue Position:
Feasibility Study (FS):
System Impact Study (SIS):
Facilities Study (FAS):
Remedial Action Plan:
Additional Comments:
Date of Preparation:

Exhibit G

OUTAGE NOTIFICATION FORM

OUTAGE NOTIFICATION FORM

OUTAGE NOTIFICATION FORM

This form may be used to comply with CAISO's outage notification requirements for both planned and forced outages. Report outages as soon as possible by submitting form via email to TSched@SempraUtilities.com or via fax at (858) 650-6191.

This form may be used to comply with CAISO's outage notification requirements for both planned and forced outages. Report outages as soon as possible by submitting form via email to TSched@SempraUtilities.com or via fax at (858) 650-6191.

Request Type:

New Scheduled Maintenance Outage

New Scheduled Maintenance Outage

Generator Name:

Location Code:

Address:

Contact Name:

Phone Number:

Email:

Alternate Name:

Alternate Number:

Email:

Previous Notification (if applicable)

Date Sent: mm/dd/yyyy

Time Sent: hh:mm

(For times, use 24hr format)

Today's Date: mm/dd/yyyy

Current Time: hh:mm

Outage Start Date: mm/dd/yyyy

Outage Start Time: hh:mm

Outage End Date: mm/dd/yyyy

Outage End Time: hh:mm

Outage Duration:

MW Available During Outage:

MW Unavailable During Outage:

RMR Unit? Yes/No

System (Select One)

- Boiler — Codes 0010-1999
- Balance of Plant — Codes 3110-3999
- Steam Turbine — Codes 4000-4499
- Generator — Codes 4500-4899
- Pollution Control Equipment — Codes 8000-8835
- External — Codes 9000-9040
- Regulatory, Safety, Environmental — Codes 9504-9720
- Others — Codes 9900-9999

Cause Code Ranges / Affected Component

(Select One)

(Select One)

Cause Code / Component Problem

(Select One)

(Select One)

Comments

EEI AGREEMENT
REC CONFIRMATION
BETWEEN
[_____]
AND
SAN DIEGO GAS & ELECTRIC COMPANY

This REC Confirmation ("Confirmation") confirms the renewable energy credit transaction ("Transaction") between [ ] ("Seller") and San Diego Gas & Electric Company ("Buyer"), each individually a "Party" and together the "Parties", effective as of [ ], 2011 (the "Confirmation Effective Date"). This Transaction is governed by the EEI Master Power Purchase & Sale Agreement effective as of 4/25/00 (attached hereto as Exhibit A with [TO BE NEGOTIATED: all elections, including credit, confidentiality, and government entity language.](the "EEI Agreement"). The EEI Agreement and this Confirmation shall be collectively referred to herein as the "Agreement." Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the EEI Agreement or in the RPS (as defined below).

ARTICLE 1
COMMERCIAL TERMS

Seller: _____		**Buyer:** San Diego Gas & Electric Company
Contact Information:	**Name:**("Seller")	**Name:** San Diego Gas & Electric Company ("Buyer")
	All Notices: Attn: Contract Administration Phone: _____ Facsimile: _____ Duns: _____ Federal Tax ID Number: _____	**All Notices:** San Diego Gas & Electric Company Street: 8315 Century Park Court City: San Diego, CA Zip: 92123 Attn: Electric & Fuel Procurement Contract Administration Phone: (858) 650-6176 Facsimile: (858) 650-6190 Duns: 006911457 Federal Tax ID Number: 95-1184800
	Invoices: _____ _____ _____ Attn: Phone: _____ Facsimile: _____	**Invoices:** San Diego Gas & Electric Company 8315 Century Park Ct. San Diego, California 92123-1593 Attn: Energy Accounting Manager Phone: (858) 650-6177 Facsimile: (858) 650-6190
	Scheduling: _____ _____ _____ Attn: Phone: _____ Facsimile: _____	**Scheduling:** San Diego Gas & Electric Company 8315 Century Park Ct. San Diego, California 92123-1593 Attn: Transaction Scheduling Manager Phone: (858) 650-6160 Facsimile: (858) 650-6191

	Payments: _____ _____ _____ Attn: Phone: _____ Facsimile: _____	**Payments:** San Diego Gas & Electric Company PO Box 25110 Santa Ana, CA 92799-5110 Attn: Mail Payments Phone: (619) 696-4521 Facsimile: (619) 696-4899
	Wire Transfer: BNK: _____ ABA: _____ ACCT: _____ Confirmation: _____ FAX: _____	**Wire Transfer:** BNK: Union Bank of California for: San Diego Gas & Electric Company ABA: Routing # 122000496 ACCT: #4430000352 Confirmation: SDG&E, Major Markets FAX:(213) 244-8316
	Credit and Collections: _____ _____ _____ Attn: Phone: _____ Facsimile: _____ **Defaults:** With additional Notices of an Event of Default or Potential Event of Default to: _____ _____ _____ Attn: Phone: _____ Facsimile:	**Credit and Collections:** San Diego Gas & Electric Company, Major Markets 555 W. Fifth Street, ML 10E3 Los Angeles, CA 90013-1011 Attn.: Major Markets, Credit and Collections Manager Fax No.: (213) 244-8316 Phone: (213) 244-4343 **Defaults:** With additional Notices of an Event of Default or Potential Event of Default to: San Diego Gas & Electric Company 8330 Century Park Ct. San Diego, California 92123 Attn: General Counsel Phone: (858) 650-6141 Facsimile: (858) 650-6106
Product:	All California RPS-eligible RECs associated with the Contract Quantity and Green Attributes from the Project for the applicable Product Vintage. The obligation of Seller to deliver the Product exclusively to Buyer, for each of the applicable Product Vintage years, is as follows: **Obligation:** (***Check One***): □ Resource Contingent □ Firm	
Contract Quantity:	[[ ] MWh REC per month for all months of the Vintage specified herein.] [All RECs associated with [the entire output of the Project/[__%] of the output from the project] for all months of the Vintage specified herein.]	
Contract Price:	[$[ ]/MWh REC]	

	mm/yy	mm/yy	mm/yy	mm/yy	Total
# RECs					

<table>
<tr><td>Product Vintage:</td><td>_____</td></tr>
<tr><td>Project:</td><td>
Name of Facility:
Location:
EIA Number:
CEC ID:
WREGIS ID:
Certification Date:
On-line Date:

[For Pooled Facilities (for use only with Firm Product): All Product sold hereunder shall be from one or more of the [type of generation] facilities listed below:
<table>
<tr><td></td><td>Name of Facility: [ ]</td><td>Name of Facility: [ ]</td></tr>
<tr><td>Location:</td><td></td><td></td></tr>
<tr><td>EIA Number:</td><td></td><td></td></tr>
<tr><td>CEC ID:</td><td></td><td></td></tr>
<tr><td>WREGIS ID:</td><td></td><td></td></tr>
<tr><td>Certification Date:</td><td></td><td></td></tr>
<tr><td>On-line Date:</td><td></td><td></td></tr>
</table>
(collectively, the “Pooled Facilities”)

The Parties acknowledge and agree that the Project consists of the Pooled Facilities and Seller is permitted to utilize the Pooled Facilities in order to satisfy its obligations hereunder.

The Parties further acknowledge and agree that, with respect to Section 3.1(a) of this Confirmation, Product shall solely be limited to the actual Product generated and delivered by the Pooled Facilities used to satisfy the Contract Quantity, and that Buyer is not entitled to any additional Product produced by the Pooled Facilities in the Project above and beyond the Contract Quantity.

Each of the Pooled Facilities shall have been certified by the CEC as an RPS-eligible resource and Seller shall have obtained LORS Certification for each of the Pooled Facilities.]
</td></tr>
<tr><td>Renewable Energy Source:</td><td>_____</td></tr>
<tr><td>Term:</td><td>The Term of this Transaction shall commence upon the Confirmation Effective Date and shall continue until the later of (i) the expiration of the Delivery Period and (ii) the satisfaction of all obligations of the Parties under this Agreement.</td></tr>
<tr><td>Delivery Period:</td><td>The Delivery Period of this Transaction shall commence on [ ], 20[ ] and shall continue until [delivery by Seller to Buyer of the Product has been completed/[ ], 20[ ]].</td></tr>
<tr><td>Delivery Point:</td><td>Buyer’s WREGIS account: SDG&E Account ID: 39</td></tr>
</table>

Conditions:	The commencement of the Delivery Period shall be contingent upon satisfaction of the condition (the "Condition") that the Buyer obtain CPUC Approval of this Confirmation and the requested relief contained in the related advice letter filing. Both Parties shall take all reasonable action to satisfy this Condition. Either Party has the right to terminate this Agreement on notice, which will be effective five (5) Business Days after such notice is given, if the Condition has not been satisfied or waived by Buyer in its sole discretion within [ ] days after Buyer files its request for CPUC Approval and a notice of termination is given on or before the [ ] day after Buyer files the request for CPUC Approval. In the event of a termination under this section, neither Party shall be liable for any Termination Payment and Article 5 of the EEI Agreement shall not apply.

ARTICLE 2
DEFINITIONS

"Accepted Electrical Practices" means (a) those practices, methods, applicable codes, and acts engaged in or approved by a significant portion of the electric power industry during the relevant time period, or (b) in the absence of such practices, methods, applicable codes, and acts, any of the practices, methods, and acts which, in exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at reasonable cost consistent with good business practices, reliability, safety, and expedition. Acceptable Electrical Practices are not intended to be limited to the optimum practices, methods, or acts to the exclusion of other, but rather refers to a spectrum of practices, methods, and acts generally accepted, or approved by a significant portion of the electric power industry in the relevant region, during the relevant time period, as described in the immediately preceding sentence.

"CPUC" means the California Public Utilities Commission or its regulatory successor.

"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 of Renewable Energy Credits that 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, 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.

"Delivered" or "Delivery" or "Deliver" means the transfer from Seller to Buyer of the Contract Quantity of the Product in accordance with the California RPS Program, including its regulations and procedures, necessary for recognition by WREGIS of the transfer to Buyer, or Seller's delivery to Buyer of a WREGIS Certificate.

"Delivery Date" means the date or dates on which the Product is Delivered pursuant to this Confirmation.

"Delivery Term" means "Delivery Period".

"Firm" means Seller has agreed to sell and Deliver, and Buyer has agreed to buy and receive the Contract Quantity of the Product during the Delivery Period consistent with the terms of this Confirmation without excuse for non-Delivery by Seller except for Force Majeure, and as such, if Seller fails to Deliver the Product for any reason other than for Force Majeure, then Seller shall be the non-performing Party as set forth in Section 4.1 of the EEI Agreement and Buyer shall be the performing Party and shall be entitled to receive from Seller an amount determined pursuant to Section 4.1 of the EEI Agreement.

"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_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants;

(2) Any avoided emissions of carbon dioxide (CO_2), methane (CH_4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;[1]

(3) The reporting rights to these avoided emissions, such as Green Tag Reporting Rights.

Green Tag Reporting Rights are the right of a Green Tag Buyer 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 Buyer'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.

"LORS Certification" means certification by the CEC of an electric generation facility not located within the state of California that such facility meets California's environmental quality laws, ordinances, regulations, and standards as set forth in the CEC's RPS Eligibility Guidebook.

"Renewable Energy Credit" or "REC" has the meaning set forth in California Public Utilities Code Section 399.12(f) and CPUC Decision 10-03-021, as modified by CPUC Decision 11-01-025 and as may be

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

amended from time to time or as further defined or supplemented by law.

"Renewable Energy Facility" means an electric generation unit or other facility or installation that produces electric energy using a Renewable Energy Source.

"Renewable Energy Source" means an energy source that is not fossil carbon-based, non-renewable or radioactive, and may include solar, wind, biomass, geothermal, landfill gas or wave, tidal and thermal ocean technologies.

"Reporting Year" means a twelve-month compliance period specified under WREGIS.

"Resource Contingent" means that Seller is obligated to Deliver the Product to the extent that the applicable Renewable Energy Source supports energy production by the applicable Renewable Energy Facility, subject to Force Majeure, curtailment ordered directly or indirectly from the CAISO, and the planned or forced outage of the Renewable Energy Facility (which is not the result of Seller's negligence or willful misconduct), [***Insert the following provision if SDG&E is not purchasing 100% of the output:*** and further subject to Seller's obligation to allocate the production among all of its purchasers of Product from the Renewable Energy Facility during the Vintage [as follows: [insert].] If Seller otherwise fails to Deliver the Product, then Seller shall be the non-performing Party as set forth in Section 4,1 of the EEI Agreement and Buyer shall be the performing Party and shall be entitled to receive from Seller an amount determined pursuant to Section 4.1 of the EEI Agreement.

"RPS" means the California Renewables Portfolio Standard Program as codified at California Public Utilities Code Section 399.11 *et seq.*, and any decisions by the CPUC related thereto.

"Vintage" means the calendar year, Reporting Year or other period specified by the Parties or WREGIS in which the Product is created or first valid for use under the RPS.

"WREGIS" means the Western Renewable Energy Generation Information System or its successor organization recognized under applicable laws for the registration or recordation of Delivery, ownership or transfer of RECs.

"WREGIS Certificate" means **"**Certificate**"** as defined by WREGIS in the WREGIS Operating Rules.

"WREGIS Operating Rules" means the operating rules and requirements adopted by WREGIS.

ARTICLE 3
CONVEYANCE OF RENEWABLE ATTRIBUTES

3.1 Seller's Conveyance of Contract Quantity of the Product and Green Attributes

(a) 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.

(b) For each month of the Delivery Period, Seller shall deliver and convey the Contract Quantity of the Product and the Green Attributes pursuant to this Article 3 within five (5) Business Days after the end of the month in which the WREGIS Certificates for such Contract Quantity of the Product and the Green Attributes are created by properly transferring such WREGIS Certificates, in accordance with WREGIS Operating Rules, equivalent to Contract Quantity of the Product and the quantity of such Green Attributes, to Buyer into Buyer's WREGIS account such that all right, title and interest in and to such WREGIS Certificates shall transfer from Seller to Buyer.

3.2 WREGIS Registration

During the Term, Seller, at its own cost and expense, shall maintain its registration of the Project with WREGIS and shall use commercially reasonable efforts to ensure that the Contract Quantity of the Product and all Green Attributes transferred to Buyer under this Confirmation count towards Buyer's RPS requirements. The Project shall be certified by the CEC as an RPS-eligible resource and the Contract

Quantity of the Product and all Green Attributes transferred by Seller hereunder shall be designated California RPS-compliant with WREGIS. Seller shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of the Contract Quantity of the Product and the Green Attributes to Buyer in accordance with WREGIS reporting protocols and WREGIS Operating Rules.

3.3 Cooperation on Delivery; Review of Records; and Audit Rights

(a) Upon either Party's receipt of notice from WREGIS that the transfer of any portion of the Product pursuant to this Confirmation will not be recognized, that Party will immediately so notify the other Party, providing a copy of such notice, and both Parties will cooperate in taking such actions as are necessary and commercially reasonable to cause such transfer to be recognized and the Delivery Obligation to be met. Each Party agrees to provide copies of its records to the extent reasonably necessary for WREGIS to perform the functions necessary pursuant to this Confirmation and to verify the accuracy of any fact, statement, charge or computation made pursuant hereto if requested by the other Party. If any fact, statement, charge or computation contained any inaccuracy, the necessary adjustments and any resulting payments will be made within 30 calendar days after the notification date, and the payments will bear interest at the Interest Rate from the date the overpayment or underpayment was made until paid.

(b) If Seller is not the owner or operator of the Project, Seller will cooperate with Buyer in any efforts to review the records of the original seller of such Product.

The obligations set forth in this Section shall terminate with respect to this Transaction on the later of 30 days following the last banking date under WREGIS for the Vintage of the Product Delivered, or the third anniversary of the Delivery Date.

(c) In addition to any audit rights that Buyer may have under the EEI Agreement, Seller shall, along with the initial invoice sent to Buyer by Seller under this Confirmation for any calendar year during the Term and at other times as may be requested by Buyer, provide documentation, including, but not limited to, meter data as recorded by a meter approved by the CAISO, sufficient to demonstrate that the Product has been conveyed and delivered, subject to the terms of this Confirmation, to Buyer. [***NOTE: CAISO meters may not be required for certain projects.]***

(d) Seller shall, at its own cost and expense, instruct WREGIS to provide Buyer with a WREGIS produced report of the generation activity from the Project following each month that the Project generates energy that is being used to Deliver the Product. Such information shall be limited to the amount of electric energy generated by the Project during the Term, and shall not include any information or reference to the transfer of WREGIS Certificates from Seller's account to any other entity.

ARTICLE 4
CPUC FILING AND APPROVAL

Buyer shall file with the CPUC the appropriate request for CPUC Approval of this Confirmation. Buyer shall expeditiously seek CPUC Approval, including promptly responding to any requests for information related to the request for CPUC Approval. Seller shall use commercially reasonable efforts to support Buyer in obtaining CPUC Approval. Buyer has no obligation to seek rehearing or to appeal a CPUC decision which fails to approve this Confirmation or which contains findings required for CPUC Approval with conditions or modifications unacceptable to either Party.

ARTICLE 5
CREDIT AND COLLATERAL

5.1 General Provisions

[Both Parties agree that Sections 8.1(b) and 8.2(b) of the EEI Agreement shall not apply to this Confirmation. All implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived.][**Credit terms will follow the policy outlined in Section 12 of the RFO.]**

5.2 Seller Collateral Requirements

[Credit terms will follow the policy outlined in Section 12 of the RFO.]

ARTICLE 6
REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Seller's Representation, Warranties, and Covenants

(a) 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.

(b) 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.

For the avoidance of doubt, the term "contract" as used in the immediately preceding paragraph means this Agreement.

(c) In addition to the foregoing, Seller warrants, represents and covenants, as of the Confirmation Effective Date and throughout the Term that:

(i) Seller has the contractual rights to sell all right, title, and interest in the Product agreed to be delivered hereunder;

(ii) Seller has not sold the Product to be delivered under this Confirmation to any other person or entity;

(iii) at the time of Delivery, all rights, title, and interest in the Product to be delivered under this Confirmation are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever; and

(iv) 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.

6.2 Seller's Representation, Warranties, and Covenants Related to the Project

Seller warrants, represents and covenants that:

(a) Seller will inspect, maintain, repair and operate the Project in accordance with applicable industry standards, the Project's permit requirements, and Accepted Electrical Practices; and

(b) Seller will abide by all applicable laws in operating the Project.

ARTICLE 7
PAYMENT

For purposes of Article 6 of the EEI Agreement, Seller shall invoice Buyer for the payment amount calculated as: (a) the Contract Price multiplied by (b) the Contract Quantity of the applicable Product specified herein. Buyer shall remit payment for the full amount on the thirtieth day of the calendar month following the month in which Buyer has verified the transfer and Delivery of the Product.

ARTICLE 8
AMENDMENTS TO EEI AGREEMENT

8.1 Force Majeure

Notwithstanding Section 3.3 of the EEI Agreement to the contrary, Buyer and Seller agree that any failure by Seller to deliver the Product pursuant to this Confirmation due to any Force Majeure shall be deemed to be a failure by Seller to perform such delivery obligation if such failure continues for a period of [ninety (90) days] or more after the time such delivery was due to be made. Otherwise, the terms of Section 3.3 of the EEI Agreement shall apply to this Confirmation. Force Majeure may include the failure or disruption in Deliveries by WREGIS that is not the fault of the Party asserting the Force Majeure.".

8.2 Governing Law/Waiver of Jury Trial/Venue

For purposes of this Confirmation, Section 10.6, Governing Law, of the EEI Agreement is amended by replacing the Section in its entirety with the following:

> "GOVERNING LAW/WAIVER OF JURY TRIAL/VENUE. 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. IN THE EVENT OF ANY LITIGATION TO ENFORCE OR INTERPRET ANY TERMS OF THIS AGREEMENT, THE PARTIES AGREE THAT SUCH ACTION WILL BE BROUGHT IN THE SUPERIOR COURT OF THE COUNTY OF SAN DIEGO, CALIFORNIA (OR, IF THE FEDERAL COURTS HAVE EXCLUSIVE JURISDICTION OVER THE SUBJECT MATTER OF THE DISPUTE, IN THE U.S. DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA), AND THE PARTIES HEREBY SUBMIT TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS."

8.3 Confidentiality Section 10.11, Confidentiality, of the EEI Agreement is amended by deleting Section 10.11 in its entirety and inserting the following:

> "10.11(a) Neither Party shall disclose the non-public terms or conditions of this Agreement or any transaction hereunder to a third party, other than (i) the Party's Affiliates and its and their officers, directors, employees, lenders, counsel, accountants or

advisors who have a need to know such information and have agreed to keep such terms confidential, (ii) for disclosure to the 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) disclosure of terms specified in and pursuant to Section 10.11(b) 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 Federal Energy Regulatory Commission. In connection with requests made pursuant to clause (v) of this Section 10.11(a) ("Disclosure Order") each Party shall, to the extent practicable, use reasonable efforts to prevent or limit such disclosure. After using such reasonable efforts, the Disclosing Party shall not be: (i) prohibited from complying with a Disclosure Order or (ii) liable to the other Party for monetary or other damages incurred in connection with the disclosure of the confidential information. Except as provided in the preceding sentence, the Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

10.11(b) RPS Confidentiality. Notwithstanding Section 10.11(a) of this Agreement, at any time on or after the date on which the Buyer makes its filing seeking CPUC Approval of this Agreement, either Party shall be permitted to disclose the following terms with respect to this Agreement: Party names, resource type, Delivery Period, Project location, Contract Quantity, and Delivery Point."

ARTICLE 9
GENERAL PROVISIONS

9.1 Prevailing Wage

To the extent applicable, Seller shall comply with the prevailing wage requirements of Public Utilities Code Section 339.14, subdivision (h).

9.2 Facility Identification [If Project consists of Pooled Facilities]

Within five (5) Business Days after the end of each month during the Delivery Period, Seller shall (a) identify the facility(s) from the Pooled Facility that the Product was delivered from for that month; (b) provide estimates of the quantity of Product that will be provided in the next month and the facility(s) from which it will be provided.

ARTICLE 10
TERMINATION

Notwithstanding anything to the contrary in the EEI Agreement, including Section 7.1, the Parties shall determine the Termination Payment for this Transaction in accordance with Section 5 of the EEI Agreement. Furthermore, with respect to this Transaction only, the following language is to be added at the end of Section 5.2:

> "If Buyer is the Non-Defaulting party and Buyer reasonably expects to incur penalties or fines from the CPUC, the California ISO or any other governmental entity for failure to meet RPS requirements due to Seller's Event of Default, then Buyer may, in good faith, estimate the amount of those penalties or fines and include this estimate in its determination of the Termination Payment, subject to accounting to Seller when those penalties or fines are finally ascertained. The rights and obligations with respect to determining and paying any Termination Payment and

any dispute resolution with respect thereto, shall survive termination of this Transaction and shall continue until after those penalties or fines are finally ascertained."

ARTICLE 11
ADDITIONAL EVENTS OF DEFAULT

It shall constitute an Event of Default as to Seller under Section 5.1 of the EEI Agreement if:

(a) Seller sells, assigns, or otherwise transfers, or commits to sell, assign, or otherwise transfer, the Product, or any portion thereof, or any benefits derived therefrom, to any party other than the Buyer; or

(b) Seller or the Project owner fails to maintain CEC Certification or LORS Certification, as applicable, for the Project from the CEC.

ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE:

By: _____	**By:** _____
Name: _____	**Name:** _____
Title: _____	**Title:** _____

Exhibit A

[attach EEI]

CONSENT FORM

This consent form ("Consent") is entered into by [PARTY NAME] as of this __ day of _____, 2011, to authorize the disclosure of [PARTY NAME]'s transmission-related information to San Diego Gas and Electric Company's marketing or merchant business unit (SDG&E).

Whereas, [PARTY NAME] and SDG&E are negotiating (i) a long-term power purchase agreement for the sale of renewable power to SDG&E or (ii) a term-sheet for SDG&E's purchase from [PARTY NAME] of a generating facility producing renewable power (collectively, the "Agreement").

Whereas, pursuant to the Federal Energy Regulatory Commission (FERC) Standards of Conduct enacted through FERC Order 2004, the interconnecting utility's transmission planning group (Transmission) is prohibited from sharing non-public transmission-related information with SDG&E.

Whereas, [PARTY NAME] recognizes that in order to facilitate the Agreement negotiation process and to permit SDG&E to diligently pursue the Agreement, Transmission should not be prohibited from sharing non-public transmission-related information with SDG&E.

THEREFORE, in consideration of the benefits to be received upon the successful negotiation and execution of the Agreement between [INSERT PARTY NAME] and SDG&E, [PARTY NAME] consents to and authorizes Transmission's disclosure of all non-public transmission-related and customer-related information to SDG&E to the extent that information relates to the Agreement.

IN WITNESS WHEROF, [PARTY NAME] has caused this Consent to be duly executed and delivered by its proper and duly authorized officer as of the date set forth above.

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~~[PARTY NAME]~~

~~By: _____~~

~~Name: _____~~

~~Title: _____~~

~~Date: _____~~

Below is the assessment methodology and process to be taken by SDG&E and the Independent Evaluator ("IE") to ensure that the bid selection process is transparent and does not favor any technology or counterparty, and is aligned with SDG&E's compliance requirements. Although SDG&E has worked diligently with its IE to develop this methodology, this document may require adjustment before issuing of the RFO in order to account for potential market, regulatory, and/or business context changes.

1. Prep-workReceive all bids prior to launching the RFO, gather data to provide a market benchmark. Analysis to be shared with the IE for input and endorsement.

    a. Compliance Period 1

- SDG&E team to obtain the SP 15 forward curve for 7x24 2013 deliveries. This curve will be used in the evaluation of short-term bundled deals to derive the implied green attribute price being offered.
- Continue to gather market quotes for unbundled RECs (quotes from brokers and etc.). This information will be used to assess whether the bids received are generally within the market range and to help identify potential areas of collusion or market manipulation.

    b. Compliance Period 3

- SDG&E team to update the CPUC approved Market Price Referent (MPR) matrixes, mainly by updating these for natural gas prices, for their use in the evaluation of above market prices, as discussed below.

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2.1. Prior to the closing date (TBD2/6/13) at Noon, receive all bids: Pacific Standard Time

a. Upon being uploadedsubmitted to SDG&E's RFO serveremail folder, all bids are concurrently emailed to the IE and the SDG&E RFO team.

b. 60-mins past noonBy Noon on the day after closing date, the RFO email will accept bids that, because of heavy traffic by the deadline, could not be uploaded via the website (if the developer shows the print screen of the error message). The IE makes the call at 1:00 pm of "no more bids". ."

3.2. BetweenAfter the closing date at Noon and the next business day after closing date, COB, organize bid data:

a. All bids are assembled into a folder taxonomy designed by the IE.

b. All bids are saved into the folder taxonomy prepared in Step 3.a. The IE and SDG&E will run a macro to compare folder structures and file sizes to ensure the bid

population of the IE is identical to the bid population to be analyzed by the SDG&E RFO team. To the extent the folders do not match, a reconciliation effort begins until folders match.

~~c. Convert all bundled bids into TOD-adjusted pricing units, categorized by pricing type (e.g: Index, fixed price and etc.). For clarity, this conversion will not be applicable to the price of unbundled REC Bids.~~

~~d.~~c. The relevant data of all bids is exported into ~~an Access~~a database for analysis.

~~4.~~3. Initial Bid Assessment

a. For bundled ~~products~~product purchase offers, convert post-TOD adjusted Bid prices into the ~~Above~~Net Market Value prices as follows:

The post TOD-adjusted (or flat) prices of ~~Traditional Structure offers and fixed-price Portfolio Structure~~ offers will be converted into ~~Above~~Net Market ~~Costs~~Values by subtracting the ~~relevant Market Referent Price (MPR)~~Energy Benefit and Capacity Benefit from each Offer Price. ~~This metric will be in the LCBF calculation and therefore is one of the key drivers of the selection process~~

~~For Portfolio Structure bids with indexed null power prices, the fixed REC price component of each bid will be directly assigned as the Above Market Cost.~~

b. For unbundled ~~RECs~~REC offers, the REC price will be directly assigned as the ~~Above~~Net Market ~~Cost~~Value to be compared against the ~~Above~~Net Market ~~Cost~~Values of all other bids.

c. A snapshot of the key statistics of the bids is produced for presentation to the PRG. These statistics will not include prices; at this stage of the process, bids have not been checked for conformance vis-à-vis the RFO requirements.

d. SDG&E and IE will jointly prepare the relevant data needed for the SDG&E Transmission Planning team to calculate Congestion Costs. This process will group together, on a no-name basis, the relevant data of bids (mainly anticipated generation and energy delivery profile) by interconnection points. The IE will then forward this information to SDG&E's Transmission Planning team.

e. Transmission Planning will run studies to determine hourly congestion costs associated with each of the proposed offer groups and provide results to SDG&E's evaluation team and IE.

f. Determine Transmission Cost Adder: For offers for new projects or projects proposing to increase the size of existing facilities, ~~-~~SDG&E performs an initial analysis of costs for transmission network upgrades or additions using the ~~Transmission Cost Ranking Reports ("TRCR") approved by the CPUC. SDG&E anticipates that some bid respondents will fail to participate in a TRCR. Rather than~~

~~considering these bids to be non-conforming, SDG&E evaluates the offers in order to determine whether the bid's all-in Price could provide a benefit to ratepayers. SDG&E will use TRCR's to estimate transmission costs for these projects. SDG&E will impute costs for these projects only if the total MWs in the applicable TRCR cluster could accommodate the offer that did not participate in the TRCR study.~~relevant transmission network upgrade cost studies submitted with the bids. Offers without transmission upgrade cost studies will be rejected as non-conforming.

g. Determine Deliverability Value: SDG&E will use the following process to establish the value of achieving full capacity deliverability status ("FCDS").

1. Determine Baseload MPR

~~g.~~ SDG&E ~~Determine Deliverability Adder: Projects that have energy-only interconnections, or that cannot interconnect directly with elements of the transmission system located within SDG&E's service territory, may be subject to a deliverability adder based upon the difference between a project's TOD-adjusted MPR with and without capacity valuation to capture costs associated with future resource acquisition needs into SDG&E's overall energy and capacity portfolio.~~

~~For the next RPS RFO, SDG&E will use a deliverability calculation based upon the differences between SDG&E's approved "Capacity Adjusted" TOD Factors and the Energy Only TOD Factors used in the past. For each TOD period, SDG&E will calculate two TOD-adjusted MPR values; one calculated with the Capacity Adjusted TOD Factors, and one calculated with the Energy Only TOD Factors. SDG&E will then calculate the difference between the two (Capacity Adjusted value minus Energy Only value), replacing any negative difference by zero. The load-weighted average, in $/MWh, is the value of full deliverability for the given bid.~~

~~Capacity Adjusted TOD Factors and TOD~~ will determine the baseload MPR applicable to each project based on the project's start date and contract term. SDG&E will use the most recent MPR value available in this evaluation process. 2011 MPR values can be found in CPUC Resolution E-4442 at http://docs.cpuc.ca.gov/WORD_PDF/FINAL_RESOLUTION/154753.PDF.

2. Establish Energy Only and FCDS Payment Streams Using MPR as Base Price

Step 1: SDG&E will establish the FCDS TOD adjusted payment streams for each year of the project's term by multiplying the applicable MPR by the total MWhs to be delivered in each TOD Period by the applicable FCDS TOD Factor. For example:

FCDS Payment Stream = (MPR) x (Annual MWhs delivered in each TOD Period) x (applicable FCDS TOD Factor)

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i. FCDS TOD Factors and Periods:[1]

TOD Period	Period Days and Hours	FCDS Time-of-day Factor
Winter On-Peak	Nov 1 - Jun 30 Weekdays 1 pm to 9 pm PST (HE 14 to HE 21)	1.089
Winter Semi-Peak	Nov 1 - Jun 30 Weekdays 6 am to 1 pm PST (HE 7 to HE 13) Weekdays 9 pm to 10 pm PST (HE 22)	0.947
Winter Off-Peak	Nov 1 - Jun 30 All Weekend Hours NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.679
Summer On-Peak	Jul 1 - Oct 31 Weekdays 11 am to 7 pm PST (HE 12 to HE 19)	2.501
Summer Semi-Peak	Jul 1 - Oct 31 Weekdays 6 am to 11 am PST (HE 7 to HE 11) Weekdays 7 pm to 10 pm PST (HE 20 to HE 22)	1.342
Summer Off-Peak	Jul 1 - Oct 31 All Weekend Hours, NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.801

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[1] Note that SDG&E intends to file for approval of updated TOD factors and periods (FCDS and energy only) in 2013 and may consider with CPUC guidance how or whether such revised factors may impact this RFO.

Step 2: SDG&E will establish the Energy Only Payment Stream by multiplying the applicable MPR by the total MWhs to be delivered in each TOD Period by the applicable Energy Only TOD Factor. For example:

Energy Only Payment Stream = (MPR) x (Annual MWhs delivered in each TOD Period) x (applicable Energy Only TOD Factor)

~~ii.~~ Energy Only TOD Factors and ~~TOD~~ Periods~~:~~

TOD Period	Period Days and Hours	Energy Only Time-of-day Factor
Winter On-Peak	Nov 1 - Jun 30 Weekdays 1 pm to 9 pm PST (HE 14 to HE 21)	1.192
Winter Semi-Peak	Nov 1 - Jun 30 Weekdays 6 am to 1 pm PST (HE 7 to HE 13) Weekdays 9 pm to 10 pm PST (HE 22)	1.078
Winter Off-Peak	Nov 1 - Jun 30 All Weekend Hours NERC Holiday Hours and Weekday Hours not already considered On-Peak or Semi-Peak	0.774
Summer On-Peak	Jul 1 - Oct 31 Weekdays 11 am to 7 pm PST (HE 12 to HE 19)	1.531
Summer Semi-Peak	Jul 1 - Oct 31 Weekdays 6 am to 11 am PST (HE 7 to HE 11) Weekdays 7 pm to 10 pm PST (HE 20 to HE 22)	1.181
Summer Off-Peak	Jul 1 - Oct 31 All Weekend Hours, NERC Holiday Hours and Weekday Hours not already considered On-Peak or	0.900

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	Semi-Peak	

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~~Projects with full deliverability interconnections are assumed to provide the full benefits of capacity, and thus will not receive a deliverability adder in the LCBF assessment of their bids. Projects that choose energy-only interconnections, or that are located outside of California ISO import points (unless dynamically scheduled), will be treated as having no deliverability benefits and the value of full deliverability will be added to their costs in the LCBF computation.~~

~~Due to constraints within the California transmission system, resources located within the California ISO but outside of the SDG&E area may not be able to provide full deliverability benefits to the SDG&E system even with a full deliverability interconnection. In such cases, the value of full deliverability for the project will be multiplied by the ratio of System Resource Adequacy payments to Local Resource Adequacy payments received or made by SDG&E prior to the beginning of the next RPS RFO. Currently, System Resource Adequacy is valued at approximately 60% of Local. The product, which is considered by SDG&E to be the current market view of the proportional value of system versus local deliverability within the California ISO, will be added to the cost in the LCBF computation.~~

~~Projects within the CAISO that seek full deliverability interconnections will not receive a deliverability adder if connecting within the SDG&E area, or a system deliverability adder if connecting to the CAISO outside of SDG&E's area but within California. Projects interconnecting with non-ISO California utilities that are located in California will receive a system deliverability adder. All energy-only interconnected projects will receive a deliverability adder. The table below indicates the type of adder that would be applied to various project types. Note that the PPA price that each project receives will reflect the project's ability to provide capacity value during the term of the contract.~~

~~INTERCONNECTION TYPE~~	~~IN SDG&E AREA~~	~~IN CALIFORNIA ISO; OUTSIDE SDG&E AREA~~	~~IMPORTS TO CAISO FROM WITHIN CALIFORNIA~~	~~IMPORTS TO CAISO FROM OUTSIDE CALIFORNIA~~
~~CAISO FULL CAPACITY DELIVERABILITY STATUS~~	~~No Deliverability Adder~~	~~40% of Deliverability Adder~~	~~40% of Deliverability Adder~~	~~Up to 40% of Deliverability Adder~~
~~ENERGY ONLY~~	~~100% of Deliverability Adder~~	~~60% of Deliverability Adder~~	~~60% of Deliverability Adder~~	~~60% of Deliverability Adder~~

3. Establish Present Value of Energy Only and FCDS Payment Streams

Step 1: Determine the Total FCDS Payment Stream for the project by calculating the sum of the FCDS Payment Streams for each TOD Period for each year of the project's term. Then calculate a present value of the total. For example:

Total FCDS Payment Stream = (Year 1 FCDS Payment Stream) + (Year 2 FCDS Payment Stream) + (Year 3 Payment Stream) + (continue through project term)

PV of Total FCDS Payment Stream =
(Year 1 FCDS Payment Stream) + (Year 2 FCDS Payment Stream) divided by (1.084) + (Year 3 FCDS Payment Stream) divided by (1.084^2) + (continue through project term)

Step 2: Determine the Total Energy Only Payment Stream for the project by calculating the sum of the Energy Only Payment Streams for each TOD Period for each year of the project's term. Then calculate a present value of the total. For example:

Total Energy Only Payment Stream = (Year 1 Energy Only Payment Stream) + (Year 2 Energy Only Payment Stream) + (Year 3 Energy Only Payment Stream) + (continue through project term)

PV of Total Energy Only Payment Stream = (Year 1 Energy Only Payment Stream) + (Year 2 Energy Only Payment Stream) divided by (1.084) + (Year 3 Energy Only Payment Stream) divided by (1.084^2)+ (continue through project term)

4. Establish FCDS Payment Premium for Each TOD Period

In order to determine the additional payments required for FCDS projects ("FCDS Payment Premium"), SDG&E will calculate the difference between the PV of Total FCDS Payment Stream and PV of Energy Only Payment Stream for each TOD Period. For example:

FCDS Payment Premium for Summer On Peak TOD Period = (PV of Total FCDS Payment Stream for Summer On Peak TOD Period) – (PV of Total Energy Only Payment Stream for Summer On Peak TOD Period). Repeat this step for each TOD Period.

Note: if the result of this calculation is less than zero, the FCDS Payment Premium for that TOD Period will be zero.

5. Establish Total FCDS Payment Premium

SDG&E will establish a Total FCDS Payment Premium by calculating the sum of the FCDS Payment Premiums for each TOD Period. For example:

Total FCDS Payment Premium = (Summer On Peak FCDS Payment Premium) + (Summer Semi-Peak FCDS Payment Premium) + (Summer Off Peak FCDS Payment Premium) + (Winter On Peak FCDS Payment Premium) + (Winter Semi-Peak FCDS Payment Premium) + (Winter Off Peak FCDS Payment Premium)

6. Establish Deliverability Value

SDG&E will use the following steps to calculate the Deliverability Value for each project based on the Total FCDS Payment Premium:

Step 1: Divide the Total FCDS Payment Premium by the PV of the total deliveries for the project over the term.

Deliverability Value = (Total FCDS Payment Premium) / (PV of total MWhs over project term)

7. Determine Energy Benefit and Capacity Benefit:

As part of the Net Market Value methodology, the Net Market Value shall be the sum of the cost factors described above (Levelized Contract Cost, Transmission Adder, Congestion Adder, and Deliverability Value) less the Energy Benefit and Capacity Benefit provided by the project.

The Capacity Benefit for projects that are interconnected to the SDG&E local area, the Sunrise Powerlink, or the Southwest Powerlink west of the Imperial Valley Substation shall be set equal to 100% of the Deliverability Value, as computed in the Deliverability Value calculation in the previous section. Projects that are interconnected to other parts of the California ISO or other California Balancing Authorities shall receive a Capacity Benefit equal to 60% of the Deliverability Value. Projects with energy-only interconnections, or that do not interconnect with a California Balancing Authority will receive zero Capacity Benefit.

The Energy Benefit shall be computed as the project-specific MPR value (as computed using the methodology used in the AMF Calculator as issued by the California Public Utilities Commission for the project) less 100% of the Deliverability Value as described previously.

The sum of the Capacity Benefit and the Energy Benefit shall not exceed the project-specific MPR as computed using the methodology used in the AMF Calculator as issued by the California Public Utilities Commission for the project.

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~~5.~~4. Develop DRAFT Short List:

The draft Short-list is a first-pass ranking that lets SDG&E determine which offers are most attractive based on a Preliminary ~~LCBF~~Net Market Value ("NMV") price, which equals:

- **For bundled products**: the ~~Above Market Costs + TRCR based transmission cost estimates +~~sum of the Levelized Contract Cost and Deliverability ~~Adder (if applicable) measured~~ Value, less the Energy and Capacity Benefits (in $/~~MW;~~MWh).
- **For unbundled RECs**: the unbundled REC price measured in $/MWh.

The "Preliminary ~~LCBF~~NMV" price does not include the congestion adder (all bids are assigned a zero congestion adder at this stage~~).~~) or Transmission Cost Adder. At this point, bids have not yet been screened to determine whether they comply with RFO requirements. ~~Note that for projects in SB2 categories 2 and 3, SDG&E's procurement will be limited by the statutory requirements and the Rim Rock settlement (if applicable).~~

a. Run query to group bids based on RPS compliance and SDG&E's identified need as follows:

~~Compliance Period~~

- For Category 1~~:~~ ~~Deliveries~~ offers, COD must be between ~~Jan~~December 1, 2016 and December 31, 2019.
- For Category 2 offers and Category 3 offers from facilities located outside of California, COD must be between January 1, 2018 and December 31, 2019.
- For Category 3 offers from facilities with their first point of interconnection to a California Balancing Authority, RECs must be generated between December 1, 2013 and December 31 ~~2013~~, 2019.

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~~Compliance Period 3: COD between 4Q2016 and 1Q2017~~

- For Category 3 offers from facilities with their first point of interconnection outside of a California balancing authority, RECs must be generated between January 1, 2018 and December 31, 2019.

Offers with deliveries outside these windows will be considered non-conforming, unless SDG&E's need assessment has changed materially between the time of issuance of this 2012 RPS Plan and the ~~launching~~determination of the ~~next RFO~~shortlist.

b. Determine RPS Compliance Period ~~1~~3 Renewable Net Short ("RNS")

SDG&E's ~~CP1~~ RNS is calculated as described in ~~Section VI of~~ its 2012 RPS Plan.

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~~Given it will be 2013 by the time the RFO yields a shortlist, which is late into CP1, SDG&E anticipates that it will place a priority on 2011-2012 unbundled RECs (e.g. no development or production risk) and then on short-term bundled offers from existing facilities (e.g. no development risk) to fulfill CP1 need, if any.~~

c. Rank all the Compliance Period ~~1~~3 Bids by preliminary LCBF price until one-third of 150% of SDG&E's ~~CP1~~CP3 RNS is fulfilled.

SDG&E will shortlist one third of 150% of its ~~CP1~~CP3 RNS in order to provide an additional volume of potential projects that will be available if higher ranked projects do not materialize. SDG&E will divide its shortlist into 3 tiers, as discussed in Section 7 below.

~~d. Determine SDG&E's Compliance Period 2 RNS.~~

~~SDG&E does not expect to have a need to procure in CP2 and expects to bank any excess procurement into CP3.~~

~~e. Determine SDG&E's Compliance Period 3 RNS~~

~~SDG&E CP3 RNS is calculated as described in Section VI of its 2012 RPS Plan.~~

~~f. Rank all the CP3 Bids by preliminary LCBF price until one third of 150% of SDG&E's CP3 RNS is fulfilled.~~

SDG&E will shortlist one third of 150% of its CP3 RNS in order to provide a list of projects that will be available if need assessment changes or higher ranked projects do not materialize[2]. ~~SDG&E will divide its shortlist into 3 tiers, as discussed in Section 7 below.~~

~~g. Sunrise Powerlink ("SPL")~~ After establishing these preliminary Shortlists, if SDG&E finds itself short of ~~the SPL~~its Sunrise Powerlink ("SPL") pledge, which is not the case today, SDG&E will consider SPL-eligible projects and add them to the shortlists to re-fill the pledge.

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~~6.~~5. Final Short -Lists:

[2] The Compliance Period 3 need is divided by three because SDG&E expects to launch three yearly RFOs over the next few years to reach RPS compliance in 2020.

a. All offers in ~~both~~the preliminary Shortlists ~~(CP 1 and CP 3)~~ are screened for conformance[3]. To the extent offers are not conforming, SDG&E will likely discard (given the high number of anticipated offers) or attempt to make it conforming via discussions with the counterparty provided that the non-conformance is minor.

b. ~~Phase 2/GIA consideration (only for CP 3 offers). SDG&E will conduct sensitivity analyses around whether or not projects that have a CAISO Phase 2 interconnection studies or a signed Generator Interconnection Agreements change their shortlist status if this data, which is typically more precise, is available. If using the Phase 2 or LGIA data (as opposed to using the TRCR data) would move a project onto the shortlist, SDG&E will do so on the basis that having a Phase 2 or an LGIA is a strong sign of viability. If the opposite were true, SDG&E will apply judgment and endorse it with the IE and the PRG.~~ Adding Transmission Cost Charges. SDG&E and the IE will add the relevant Transmission Cost Charges to the Bids once they are determined from the transmission cost studies submitted with the Bids and confirmed by both SDG&E and the IE after mutual agreement.

c. Adding Congestion Charges. SDG&E and the IE will add the relevant Congestion Charges to the Bids once obtained from SDG&E Transmission.

d. Qualitative Factors: SDG&E may differentiate offers of similar cost[4] by reviewing qualitative factors including: (in no particular order of preference)

- Project Viability[5]
- Local reliability
- Benefits to low income or minority communities
- Resource diversity
- Environmental stewardship
- Rate Impacts
- DBE factor

~~e.~~ SDG&E and the IE will then develop the preliminary Final Short-Lists that includes congestion costs and ~~Phase 2~~transmission cost study results ~~if applicable.~~.

[3] Conformance check will start earlier if possible.

[4] The term "similar cost" is used to indicate expected indifference by the PRG and CPUC as to the cost of one offer or another. The PRG will have access to SDG&E's evaluation and the quantitative and qualitative components of those offers prior to SDG&E's recommendation filing to the CPUC.

[5] SDG&E considers project viability as a qualitative factor and relies on the Energy Division's Project Viability Calculator ~~and self scores from the bidders.~~. For projects that SDG&E rejects due to low viability scores, SDG&E rescores the projects to affirm the bidder did not unfairly score itself too low. For projects that SDG&E shortlists, SDG&E rescores the project to affirm that the bidder did not unfairly score itself too high. Projects below a certain viability threshold will not be considered for the shortlist.

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Qualitative factors, including project viability, regional economic development, or Diverse Business Enterprise factors, will be used as a tie-breaker.

~~7. SDG&E's shortlists will be organized in 3 Tiers:~~

- ~~**Tier 1 "Nominal Need":** the projects that are shortlisted because they fulfill SDG&E's Nominal Need, e.g. prior to applying probability weighting. SDG&E will require exclusivity as a condition for Tier 1 shortlisting.~~

- ~~**Tier 2 "Risk Adjusted Need":** the projects that are shortlisted because they fulfill SDG&E's Risk Adjusted Need. For these, SDG&E will attempt to get exclusivity for a limited period.~~

~~-~~e. ~~**Tier 3 "Contingency Need":** the projects that are shortlisted because they fulfill SDG&E's Contingency Need (150% of the Risk Adjusted Need). These projects will be shortlisted on a "stand-by" basis and counterparties will be informed of such. Exclusivity will not be required for Tier 3 shortlisting.~~

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~~a.~~f. The preliminary Final Shortlist is prepared and shared with the PRG during next viable meeting.

~~b.~~g. SDG&E will consider PRG feedback before notifying bidders of whether they have been selected for the Final Shortlist.

RPS SHORTLIST CALCULATION

(CP1 through CP3)

~~The table below is illustrative of the methodology that SDG&E will use to determine its need by CP using the most updated data available at the time of the pre-bidders conference for the next RFO. Between now and then, there will be material changes to the position and therefore needs will be modified. The key message is that SDG&E: (i) will be seeking offers in CP1 if the portfolio underperforms between now and the next solicitation, and (ii) for CP3, it will procure any unmet need, net of CP2 into CP3 banking, over the course of 3 solicitations.~~

The table below provides an assessment of SDG&E's RFO need as of the date that these RFO documents are filed. This assessment is subject to change based on the performance of SDG&E's existing RPS portfolio or other factors impact RPS need.

For more details on SDG&E's need assessment, please refer to SDG&E's 2012 RPS Plan document.

Compliance Period	RPS Target (GWh)	TIER 1 SHORTLIST Nominal Need (~~Tier 1 Shortlist~~equal to Residual Net Short with no risk adjustment after applied bank)	TIER 2 SHORTLIST Risk Adjusted Need (~~Tier 2 Shortlist~~equal to Risk-Adjusted Net Short after applied bank)	TIER 3 SHORTLIST Contingent Need ~~(Tier 3 Shortlist~~ (equal to one-third of 150% of Risk-Adjusted Net Short, without banking)

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1	~~TBD~~[redacted]	~~TBD~~None	~~TBD~~None	~~TBD~~N/A
2	~~TBD~~[redacted]	None	None	None
3	~~TBD~~23,255	~~TBD~~None	~~TBD~~None	~~TBD~~845

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2012 RPS PROCUREMENT PLAN

APPENDIX D
IMPORTANT PLAN CHANGES FROM ~~2012~~2011 RPS PLAN TO THE ~~2011~~2012 RPS PLAN

IMPORTANT PLAN CHANGES BETWEEN 2012 RPS PROCUREMENT PLAN AND 2011 RPS PROCUREMENT PLAN

ELEMENT	2011 RPS PLAN	2012 RPS PLAN	EXPLANATION / JUSTIFICATION	LOCATION WITHIN THE 2012 PLAN OF THE CHANGES
Structure of Plan	Document was organized to include sections on Program Overview and Metrics, Work plan to Achieve RPS Goals, and other section on specific issues.	Document organized in compliance with the structure outlined by the Commission.	SDG&E followed the structure outlined by the Commission in *Assigned Commissioner's Ruling Identifying Issues and Schedule of Review for 2012 Renewables Portfolio Standard Procurement Plans Pursuant to Public Utilities Code Sections 399.11 et. seq. and Requesting Comments on New Proposals*, filed May 5, 2011.	2012 ~~PRS~~RPS Plan
RPS Program Changes	References changes in RPS law (SB 2 (1X~~))~~).	References specific RPS implementation rules required by Commission decisions, including D.11-12-052 and D. 11-12-020.	To conform with Commission decisions implementing RPS law.	Changes made to the 2012 RPS Plan and RFO Documents
Sunrise/Imperial Valley Remedial Measures	Included Imperial Valley bidders Conference and Project Development Period Security waiver.	Does not include Imperial Valley bidders Conference and Project Development Period Security waiver.	SDG&E is currently in compliance with its pledge (referenced in D. 18-12-058) to maintain a certain level of deliveries from projects in the Imperial Valley region.	Changes made to the 2012 RPS Plan and RFO Documents
Procurement Need Assessment	Based on status of portfolio and RPS obligations as of 2011 RPS Plan filing date.	~~Based on status of portfolio and RPS obligations as of May 14, 2012.~~ Based on status of portfolio and RPS obligations as of November, 29 2012. Eliminated sensitivity analysis for CP1 and CP2 that was included in subsequent versions of the 2012 RPS Plan as it has been determined the SDG&E does not have a need during these periods. Additionally, the analysis of the impact of Cabazon/Whitewater RECs on banking was no longer necessary and was	To reflect the constantly changing portfolio status and SDG&E's current need assessment methodology.	2012 RPS Plan

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		removed because these contracts were approved. Banking positions are accounted for in the RNS table, which was updated.		
Unbundled RECS	SDG&E solicited TRECs recognized by D.10-03-021. *et.sec.*	SDG&E will solicit unbundled RECs that meet content category requirements set for the in PUC Section 399.16(b)(3~~)~~).	To reflect updated Commission guidance on the purchase of unbundled RECs.	Changes made to the 2012 RPS Plan and RFO Documents
Category 2 Products	Not solicited.	SDG&E will solicit firmed and shaped products that meet content category requirements set for the in PUC Section 399.16(b)(2).	To reflect the constantly changing portfolio status and SDG&E's current need.	2012 RFO Documents
Credit Requirements	Provides credit requirements for short term (2 years or less) and long term deals (longer than 2 years~~)~~).	Provides increased credit amounts and adds an additional "CPUC Approval Security" for long term deals.	To accommodate increased market exposure for contracts signed in 2012 that will not begin deliveries until potentially 2016 or 2017.	2012 RFO Documents and Model PPA
CPUC Content Category Approval	Term not included.	~~Added term.~~Added term in prior 2012 Plan filings, and subsequently removed all references to term in PPA.	~~To make CPUC Content Category Approval a condition precedent to the effectiveness of the Model PPA~~To conform the PPA to D.12-11-016.	Various sections throughout Model PPA
Price reduction for Network Upgrade Costs in excess of cap	Term not included.	Added to section 4.1.	To conform the PPA to D.12-11-016.	Section 4.1 of the model PPA
TOD Factors for energy-only projects	Not included.	Added to section 4.1.	To conform the PPA to D.12-11-016.	Section 4.1 of the model PPA
Condition Precedent for Deliverability Status	Term not included.	Added term.	To clarify that the condition precedent for Electrical Interconnection includes consideration of deliverability status.	Model PPA Section 2.3(b)
Termination for failure to satisfy or waive conditions precedent~~.~~	Conditions precedent deemed satisfied if deadline passes and notice of termination not provided.	Contract automatically terminates if deadline passes and no termination notice is provided.	Increased focus on potential termination options.	Model PPA Section 2.4(b)

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Delivery Point	Does not specify delivery point for financial settlement purposes.	Clarifies that the delivery point for financial settlement purposes is the applicable PNode.	Clarification of financial settlement process.	Model PPA Section 3.1(d)
Curtailment Provision in Model PPA	Included Curtailment Provision.	Provides additional detail regarding when SDG&E can curtail the project.	To provide clarification.	Model PPA Section 3.4(b)
Request for information regarding use of DBEs	Term not included.	Added term.	To gather data on utilization of DBEs during project construction for potential reporting purposes.	Project Description Form, RFO Document, Bid Forms, LCBF Methodology and Model PPA Section 3.9(a)(viii)
Force Majeure	Included Force Majeure provision.	Added additional language to Force Majeure provision.	To clarify when Buyer may terminate based on a Force Majeure.	Model PPA Section 5.8
REC Agreement	Not provided.	Model REC Agreement Provided.	To accommodate potential bids for Category 3 unbundled REC products.	Model REC Agreement
LCBF Methodology	LCBF Ranking Price = Above MPR Costs as determined by AMF Calculator + Transmission Upgrade Cost Adder + Congestion Cost + Deliverability Adder Integration Cost Adder (if approved by CPUC)	~~Methodology has not materially changed, but the document has been restructured to more clearly describe process.~~LCBF Ranking Price = Energy Benefit (equal to project-specific MPR) plus Capacity Benefit (difference between energy-only and full capacity TOD-adjusted MPRs, modified) less Levelized Contract Cost less Transmission Upgrade Cost Adder less Congestion Cost less Deliverability Value	~~Clarification.~~Method changed to accommodate Commission's Net Market Value methodology. Deliverability Adder now split into two components; Deliverability Value (which can reduced to 60% of its full value for system RA, and zero for energy-only projects) and Capacity Benefit (which shall be equal to 100% of Deliverability Value for local RA projects and 60% of Deliverability Value for system RA projects). Energy Benefit will be set equal to the project-specific MPR less 100% of Deliverability Value. Integration Adder remains zero as per D.12-11-016 and is not included.	Changes made to the Evaluation Methodology (LCBF Process Document)
Pricing Forms	Sought information about capacity build out schedule, did not include space to indicate DBE (Diverse Business Enterprise) status, did not include functions for	~~No longer requests information about capacity build out schedule, includes space to indicate DBE (Diverse Business Enterprise) status, includes~~	~~To address bidder concerns, to be able to keep track of DBE status and to accommodate index price offers.~~Indexed offers not eligible in 2012 RFO (no CP1 offers to be accepted). Calculations for deliverability, capacity benefit, energy benefit and levelized costs added to increase transparency for bidders. Security amounts added for	Pricing Form

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	index pricing.	~~functions for index pricing.~~Index pricing removed from pricing forms; calculated figures for deliverability, capacity benefit, energy benefit, levelized costs and security amounts added TOD Factors for energy-only and full deliverability added.	bidder convenience. TOD Factors added for energy-only and full deliverability bids.	
RPS Bid Solicitation Protocols – CAISO GIP Phase I Study required to bid	Requirement not included.	Included requirement.	To conform with D.12-11-016.	Changes made to the Evaluation Methodology (LCBF Process Document), Bid Forms, and RFO Documents
PPA Execution must be within 12 months of the shortlist submittal date	Requirement not included.	Included requirement.	To conform with D.12-11-016.	Changes made to the RFO Documents

AFFIDAVIT

I am an employee of the respondent corporation herein, and am authorized to make this verification on its behalf. The matters stated in the foregoing **SAN DIEGO GAS & ELECTRIC COMPANY (U 902 E) 2012 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLAN COMPLIANCE FILING** are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 29th day of November, 2012, at San Diego, California

/s/ Hillary Hebert
Hillary Hebert
Partnerships and Programs Manager
Origination and Portfolio Design Department