

**Describe any outages required to implement this project:**

**Other comments:**

## SCHEDULE L-2

### CAPITAL ITEM AND REPAIR PROGRESS REPORT

CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
RELIABILITY MUST-RUN UNIT  
CAPITAL ITEM AND REPAIR PROGRESS REPORT

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**Date:**

**CA ISO Project Number:**

**Facility:**

**Unit:**

**Owner:**

**Location:**

**Capital Item or Repair:**

**Original In-Service Date:**

**Current In-Service Date:**

**If Current In-Service Date has changed, describe the reason why:**

**Describe any additional costs or savings resulting from the change in the Current In-Service Date:**

**Describe what portion of any additional costs Owner is requesting ISO to pay, and why Owner believes that ISO should be obligated to pay those additional costs:**

## SCHEDULE M

### Mandatory Market Bid for Condition 2 Units When Dispatched by the ISO

#### Energy Bid

The bid the Owner of a Condition 2 Fossil Fuel Unit must submit into Energy markets when dispatched by the ISO is given in Equation M-1a (for Units with input/output data in polynomial form) or Equation M-1b (for Units with input/output data in exponential form):

#### Equation M-1a

$$\text{Energy Bid (\$/MWh)} = \frac{(AX^3 + BX^2 + CX + D)}{X} * P * E$$

+ [Variable O&M Rate + Emissions Rates + Scheduling Coordinator Charge + ACA Charge]

#### Equation M-1b

$$\text{Energy Bid (\$/MWh)} = \frac{A \times (B + CX + De^{FX})}{X} * P * E$$

+ [Variable O&M Rate + Emissions Rate + Scheduling Coordinator Charge + ACA Charge]

Where:

- for Equation M-1a, A, B, C, D and E are the coefficients given in Table C1-7a;
- for Equation M-1b, A, B, C, D, E and F are the coefficients given in Table C1-7b;
- X is the Unit Availability Limit, MW;
- P is the Hourly Fuel Price as calculated by Equation C1-8 in Schedule C using the Commodity Prices most recently published before the day the bid is submitted.
- Scheduling Coordinator Charge (\$/MWh): The PX Administration Charge under the PX Tariff.
- ACA Charge (\$/MWh): The applicable annual charge for short-term sales under 18 CFR Section 382.201 of the FERC Regulations.
- Variable O&M Rate (\$/MWh): as shown on Table C1-18

For Units in the SCAQMD only

Emissions Rate (\$/MWh) = Emissions Cost / Unit Availability Limit

Emissions Cost = (a) RECLAIM Cost + (b) NOx Emissions Cost + (c) Organic Gases Cost + (d) Sulfur Oxides Cost + (e) Particulate Matter Cost + (f) Carbon Monoxide Cost

- (a) RECLAIM Cost =  $((AX^2+BX+C) * \text{RECLAIM NOx Trading Credit Rate})$
- (b) NOx Emissions Cost =  $\frac{(AX^2+BX+C)}{2000} * \text{NOx Emissions Fee}$

Where:

A, B and C are the coefficients from Table C1-13;

X = Unit Availability Limit;

- (c) Organic Gases Cost =  
 $4.76 \times 10^{-7} * (\text{Gas Fuel}) * \text{Associated Emission Factor for Organic Gases} * \text{Associated Emissions Fee for Organic Gases}$
- (d) Sulfur Oxides Cost =  
 $4.76 \times 10^{-7} * (\text{Gas Fuel}) * \text{Associated Emission Factor for Sulfur Oxides} * \text{Associated Emissions Fee for Sulfur Oxides}$
- (e) Particulate Matter Oxides Cost =  
 $4.76 \times 10^{-7} * (\text{Gas Fuel}) * \text{Associated Emission Factor for Particulate Matter} * \text{Associated Emission Fee for Particulate Matter}$
- (f) Carbon Monoxide Cost =  
 $4.76 \times 10^{-7} * (\text{Gas Fuel}) * \text{Associated Emission Factor for Carbon Monoxide} * \text{Associated Emission Fee for Carbon Monoxide}$

Where:

Gas Fuel =  $AX^3 + BX^2 + CX + D$  or  $A \times (B + CX + De^{Fx})$ , depending on the form of heat input the Owner is using

- A, B, C, D are the coefficients from C1-7a or C1-7b;
- F is the coefficient from C1-7b;
- X = Unit Availability Limit;
- Factors and Associated Emission fees are determined in Schedule C, Section D.3.

The bid the Owner of a geothermal Condition 2 Unit must submit into Energy markets when dispatched by the ISO is given in Equation M-2.

#### Equation M-2

$$\text{Energy Bid (\$/MWh)} = \text{Fuel Cost} + [\text{Variable O\&M Rate} + \text{Scheduling Coordinator Charge} + \text{ACA Charge}]$$

Where:

- The Fuel Cost is the Steam Price identified in Equation C2-1 in Schedule C. However, for purposes of this mandatory market bid, the value for the Steam Price will be zero

for Geysers Main Units until the cumulative Hourly Metered Total Net Generation during the Contract Year from all Units exceeds the Minimum Annual Generation given in Equation C2-2.

- Variable O&M Cost (\$/MWh): the cost shall be as shown on Table C2-1.
- Scheduling Coordinator Charge: The PX Administration Charge under the PX Tariff.
- ACA Charge (\$/MWh): The applicable annual charge for short-term sales under 18 C.F.R. Section 382.201 of the FERC Regulations.

**Ancillary Services Bid**

The bid the Owner of a Condition 2 Unit must submit into Ancillary Service markets when dispatched by ISO is as follows:

$$\text{Ancillary Services Bid (\$/MW per hr)} = \frac{\left[ \frac{\text{Annual Fixed Revenue Requirement (\$)}}{\left( \frac{30 \text{ minutes} \times \text{Unit's Highest Ramp Rate from Schedule A, MW/min}}{\right)} * \left( \frac{\text{Target Available Hours}}{\right)} \right] + \left[ \frac{\text{Annual Fixed Revenue Requirement (\$)}}{\left( \frac{\text{Maximum Net Dependable Capacity}}{\right)} * \left( \frac{\text{Target Available Hours}}{\right)} \right]}{2}$$

Annual Fixed Revenue Requirement is shown in Schedule B.

Target Available Hours is shown in Schedule B.

The product of 30 minutes times the Unit's highest Ramp Rate in Schedule A shall not exceed the Unit's Maximum Net Dependable Capacity.

## Schedule N-1

### NON-DISCLOSURE and CONFIDENTIALITY AGREEMENT for RESPONSIBLE UTILITY

**[Name of Responsible Utility]** (the "Responsible Utility") acknowledges that **[Name of Owner]** ("Owner") and the California Independent System Operator Corporation ("ISO") (jointly, the "Providing Parties" and severally, the "Providing Party") have agreed to provide certain information to the Responsible Utility pursuant to certain provisions of the Must-Run Service Agreement ("MRSA") between Owner and ISO and as required for settlement and billing of charges under Article 9 of such Agreement. In order to permit the Responsible Utility to receive such Confidential Information from Owner or ISO pursuant to the above-referenced provisions of the MRSA, the Responsible Utility and the Providing Parties hereby agree as follows:

- (1) For purposes of this Non-Disclosure and Confidentiality Agreement, the term "Confidential Information" shall have the same meaning it has in Section 12.5 of the MRSA, a copy of which is appended;
- (2) The Providing Parties shall provide such Confidential Information pursuant to the terms of this Non-Disclosure and Confidentiality Agreement;
- (3) The Responsible Utility shall keep such Confidential Information confidential, shall use it only for the purposes related to the MRSA, and shall limit the disclosure of any such Confidential Information to only those personnel within its organization with responsibility for using such information in connection with the MRSA. Such personnel may not include any person whose duties include (i) the marketing or sale of electric power or natural gas or gas transportation capacity at wholesale or retail, (ii) the purchase of electric power or natural gas or gas transportation capacity at wholesale or retail, (iii) the direct supervision of any employee with such responsibilities, or (iv) the provision of electricity or natural gas marketing consulting services to any employee with such responsibilities;
- (4) The Responsible Utility shall assure that personnel within its organization read and comply with the provisions of this Non-Disclosure and Confidentiality Agreement;
- (5) The Responsible Utility shall use all reasonable efforts to maintain the confidentiality of the Confidential Information in any litigation, and shall promptly notify the providing Party of any attempt by a third party to obtain the Confidential Information through legal process or otherwise;
- (6) The Responsible Utility may use Confidential Information in litigation or regulatory proceedings related to the Must-Run Service Agreement between Owner and ISO but only after notice to the Providing Party and affording the Providing Party an opportunity to obtain a protective order or other relief to prevent or limit disclosure of the Confidential Information.

The Responsible Utility agrees to be bound by the terms of Section 12.5 of the MRSA in the same manner and to the same extent as the Providing Parties. The person signing on behalf of the Responsible Utility represents that he/she is authorized to bind the Responsible Utility to the terms of this Non-Disclosure and Confidentiality Agreement.

The undersigned signatory represents that he/she is authorized to bind the Responsible Utility, to the terms of this Non-Disclosure and Confidentiality Agreement.

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

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

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

Responsible Utility: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

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

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

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

Owner: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

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

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

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

California Independent System Operator Corporation

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

## Schedule N-2

### NON-DISCLOSURE and CONFIDENTIALITY AGREEMENT for PERSONS OTHER THAN THE RESPONSIBLE UTILITY

**[Name of]** (the "Receiving Party") acknowledges (a) that **[Name of Owner]** ("Owner") has agreed to provide Confidential Information to the California Agency pursuant to certain provisions of the Must-Run Service Agreement ("MRSA") between Owner and the California Independent System Operator Corporation ("ISO"), and (b) that Owner and ISO (jointly, the "Providing Parties" and severally, the "Providing Party") may provide Confidential Information on a need-to-know basis to Owner's Scheduling Coordinator, financial institutions, agents and potential purchasers of interests in a Unit; and, as required for settlement and billing, to Scheduling Coordinators responsible for paying for services provided under the MRSA between Owner and ISO. In order to permit the Receiving Party to receive such Confidential Information from Owner or ISO, the Receiving Party and the Providing Parties hereby agree as follows:

- (1) For purposes of this Non-Disclosure and Confidentiality Agreement, the term "Confidential Information" shall have the same meaning it has in Section 12.5 of the MRSA between Owner and ISO, a copy of which is appended;
- (2) The Providing Parties shall provide such Confidential Information pursuant to the terms of this Non-Disclosure and Confidentiality Agreement;
- (3) The Receiving Party shall keep such Confidential Information confidential, shall use it only for the purposes related to the MRSA, and shall limit the disclosure of any such Confidential Information to only those personnel within its organization with responsibility for using such information in connection with the MRSA upon their execution of this Non-Disclosure and Confidentiality Agreement. Such personnel may not include any person whose duties include (i) the marketing or sale of electric power or natural gas or gas transportation capacity at wholesale or retail, (ii) the purchase of electric power or natural gas or gas transportation capacity at wholesale or retail, (iii) the direct supervision of any employee with such responsibilities, or (iv) the provision of electricity or natural gas marketing consulting services to any employee with such responsibilities;
- (4) The Receiving Party shall assure that personnel within its organization authorized to receive Confidential Information read and comply with the provisions of this Non-Disclosure and Confidentiality Agreement;
- (5) The Receiving Party shall use all reasonable efforts to maintain the confidentiality of the Confidential Information in any litigation, and shall promptly notify the providing Party of any attempt by a third party to obtain the Confidential Information through legal process or otherwise;

The Receiving Party agrees to be bound by the terms of Section 12.5 of the MRSA in the same manner and to the same extent as the Providing Parties. The person signing on behalf of the Receiving Party represents that he/she is authorized to bind the Receiving Party to the terms of this Non-Disclosure and Confidentiality Agreement.

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Company: \_\_\_\_\_  
Title: \_\_\_\_\_  
Receiving Party: \_\_\_\_\_



Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

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

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

Owner: \_\_\_\_\_

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

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

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

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

California Independent System Operator Corporation

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

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_

## SCHEDULE O

### RMR Owner's Invoice Process

The following principles and practices shall govern the submission of invoices to the ISO for Energy and Ancillary Services provided under this Agreement ("RMR services"):

1. Invoices submitted by Owner to the ISO for RMR services shall be clear, understandable and complete.
2. The ISO, all RMR Owners and Responsible Utilities shall agree on the RMR invoice template, which agreement shall not be unreasonably withheld, prior to its implementation. The ISO shall publish the current version of the RMR invoice template by including it on the ISO Home Page. The ISO will specifically tell each Owner and Responsible Utility where on the ISO Home Page this RMR invoice template can be found. Each Owner shall use the then current RMR invoice template for invoicing RMR services for each Facility. The RMR invoice template may change from time to time. The ISO shall notify the California Agency, all RMR Owners and Responsible Utilities when a new agreed upon RMR invoice template has been placed on the ISO Home Page.
3. Subject to the provisions of paragraph 4 below, a Completed RMR invoice based on the version of the RMR invoice template posted on the ISO's Home Page seven days prior to submission of the invoice shall be deemed to satisfy the requirements of this Agreement. As used herein, the term "Completed RMR invoice" means that: (a) all of the raw data required to calculate debits and credits have been included; (b) all calculations have been performed in accordance with the formulae in the current RMR invoice template, or in the event that Owner believes a conflict exists between one or more formula(s) in the RMR Owner's invoice and the corresponding formula in the RMR invoice template, such conflict has been identified and substitute equations have been documented and used at the appropriate location(s) in the invoice; (c) linkages between invoice levels are identified; (d) all billing and service assumptions, data inputs and formulae reasonably necessary to understand the derivation of each charge on the invoice has been included; and (e) the invoice has been provided to the ISO and the Responsible Utility.
4. The Estimated RMR invoice or the Adjusted RMR invoice timeline set forth in the ISO's RMR Payments Calendar (for the appropriate invoice) shall not commence, payments shall not be made and interest shall not begin to accrue until a Completed RMR invoice has been submitted to the ISO and Responsible Utility.
5. In the event of any conflict between the RMR invoice template and this Agreement, this Agreement shall govern. The Owner or Responsible Utility detecting the conflict shall promptly give notice to the ISO. The ISO shall notify all RMR Owners and all Responsible Utilities as soon as practicable after a conflict has been identified.
6. If Owner identifies a conflict, Owner shall identify the conflict in its letter transmitting its completed Estimated or Adjusted RMR invoice to the ISO and include therein Owner's revised formula, which will be effective until agreement has been reached among the ISO, Owner, the other RMR Owners and the Responsible Utilities on the correct formula, or a decision has been rendered through ADR from which no further appeal is possible.
7. An RMR Invoice Task Force has been formed with representatives from each of the RMR Owners, the Responsible Utilities and the ISO. When a conflict has been identified, the ISO, Owner, the other RMR Owners and the Responsible Utility will participate in meetings of the RMR Invoice Task Force to reach agreement on a revised RMR invoice template. The RMR Invoice Task Force shall meet at least monthly until all conflicts are resolved. Once all conflicts

have been resolved, the RMR Invoice Task Force will meet approximately every six months to address invoicing and payment issues.

8. The RMR Invoice Task Force also shall be responsible for simplifying the RMR invoices so that they are easier to process and less burdensome to prepare.
9. To the extent that the Owner, the ISO and the Responsible Utility have agreed, certain columns in the Owner's RMR invoice template shall be standard for the Facility and shall not change. The Owner shall not be required to complete such columns each month on its invoice for it to be considered a Completed RMR invoice, unless the underlying information requirements change.
10. Owner shall supply monthly RMR Level 0-3 invoice information in accordance with the RMR invoice template for each Responsible Utility service territory as follows:
  1. Level 0: the summary invoice for Owner's total amount invoiced to the ISO for all of Owner's Facilities;
  2. Level 1: the summary invoice for all RMR Units at a Facility;
  3. Level 2: the detailed calculated information for individual RMR Units at the Facility; and
  4. Level 3: the detailed hourly data for individual RMR Units at each Facility.

Each invoice shall contain such other information as is necessary to perform the calculations, including indicated netted meter reads, ISO Dispatch Notice information (both day-ahead, real time, and adjustments), Owner's Availability Notice information and final market schedule information. No quantities shall be left blank. Each assumption made by the Owner to perform a calculation shall be listed and explained either in the appropriate Level 0-3 template under Notes or in a transmittal letter accompanying the invoice.

The methods described shall be used to calculate quantities such as Hourly Fuel Price, Hourly Emissions Cost and Start-up calculations used as input data in the RMR invoice template.

Owner shall indicate any data appearing on the invoice which it considers confidential. Responsible Utility may use the data in accordance with Section 12.5 and Schedule N of this Agreement.

## SCHEDULE P

### Reserved Energy for Air Emissions Limitations

This Schedule P applies only to Units located within the San Diego Air Quality Control Basin ("Basin").

1. For purposes of this Schedule P, the term Emission Limitation means present or future limitations on the discharge of air pollutants or contaminants into the atmosphere specified by any federal, state, regional or local law ("Clean Air Law"), by any regulation, air quality implementation plan, or permit condition promulgated or imposed by any agency authorized under any such Clean Air Law or by the judgment of any court of competent jurisdiction.
2.
  - (a) Except as set out in Sections 2 (b) and (c), if a Facility is located in the Basin and is subject to an Emission Limitation that would limit the MWh that can be produced from the Facility during the Contract Year or part thereof (such Contract Year or part being referred to as the "Limitation Period"), Owner shall, so long as some or all of the Units at the Facility are operating under Condition 1, reserve for the Facility for each Month of the Limitation Period for dispatch under this Agreement, a quantity of MWh equal to the average monthly Requested MWh for the Facility for that Month in the 36 Months preceding the next Contract Year (the "Monthly Reserved MWh").
  - (b) If there are less than 36 Months of Requested MWh preceding the next Contract Year, the Monthly Reserved MWh for the Limitation Period shall be determined by agreement between ISO and Owner. If Owner and ISO are unable to reach agreement by October 31 preceding the next Contract Year, Owner or ISO may refer the matter to ADR under a schedule (specified by the arbitrator if the participants cannot agree) requiring a decision within 30 days following appointment of the arbitrator.
  - (c)
    - (i) If the Monthly Reserved MWh has been determined in accordance with Section 2(a) and this Agreement terminates as to a Unit at the Facility, the Monthly Reserved MWh shall be adjusted downward to the average of the Requested MWh for the Units that remain subject to this Agreement for the same 36 Month period previously used to calculate the Monthly Reserved MWh.
    - (ii) If the Monthly Reserved MWh has been determined in accordance with Section 2 (b) and the Agreement terminates as to a Unit at the Facility, the adjustment shall be determined by agreement of Owner and ISO. If the Parties are unable to reach agreement at least 45 days before the Agreement terminates as to the Unit, Owner or ISO may refer the matter to ADR under a schedule (specified by the arbitrator if the participants cannot agree) requiring a decision within 30 days following appointment of the arbitrator
3. The Monthly Reserved MWh are set forth on Schedule A. No less than 15 days before the beginning of each Contract Year, Owner shall make a Section 205 filing limited to changing the terms of Schedule A to revise the Monthly Reserved MWh determined in accordance with Section 2. The revised Monthly Reserved MWh shall be effective from the first day of the Contract Year.
4. If the sum of the Billable MWh and Hybrid MWh during a Month is less than the Monthly Reserved MWh, ISO may:
  - (a) carry forward into the following Months of the Limitation Period all unused Monthly Reserved MWh, provided the cumulative unused MWh that are carried forward into the following Months may not exceed 20% of the aggregate Monthly Reserved MWh for the remainder of the Limitation Period including the Monthly Reserved MWh for the Months

into which unused Monthly Reserved MWh are to be carried forward, or

- (b) carry forward less than all unused Monthly Reserved MWh and release to Owner the Monthly Unused Reserved MWh not carried forward.

ISO shall notify Owner of the amount of unused Monthly Reserved MWh to be carried forward within 3 Business Days after the beginning of the next Month.

5. ISO may elect to reduce the aggregate Monthly Reserved MWh for the remainder of the Limitation Period by notifying Owner not less than 5 days prior to the beginning of the Month in which the reduction is to be effective. Notwithstanding the foregoing, if ISO or Owner forecasts that usage will approach the Emission Limitation in the last Month of the Limitation Period, ISO and Owner shall closely coordinate to release any unused Monthly Reserved MWh as soon as possible.
6. If there are unused Monthly Reserved MWh for the Facility remaining at the end of the Limitation Period, ISO shall pay the Unused Emission Reserve Payment. The Unused Emission Reserve Payment shall be the product of (a) the Unused Monthly Reserved MWh Payment Rate and (b) the lesser of (i) the unused Monthly Reserved MWh carried forward by the ISO into the last Month of the Limitation Period and (ii) the unused Monthly Reserved MWh remaining at the end of the Limitation Period. The Unused Monthly Reserved MWh Payment Rate shall be \$10 per MWh. The Unused Emission Reserve Payment shall be included in the invoice for the last Billing Month of the Limitation Period.
7. If the ISO determines that the Monthly Reserved MWh have become insufficient due to a Force Majeure Event at the Facility or at Reliability Must-Run Units at another facility or because of an outage on the ISO Controlled Grid or the Distribution Grid due to a Force Majeure Event, ISO may request Owner to undertake, and if so requested, Owner shall undertake all such necessary and commercially reasonable measures approved in advance by ISO and the Responsible Utility to (a) obtain, where possible, a modification or variance from applicable Emission Limitations, or (b) procure necessary emission reduction credits or allowances sufficient to offset emissions in excess of Emission Limitations to enable Owner to provide additional MWh dispatched by the ISO to meet reliability requirements arising by reason of such Force Majeure Event. ISO shall reimburse Owner for all reasonable costs of procuring such emission reduction credits or allowances.
8. If the ISO wishes to dispatch a Unit at a Facility that is within 5% of exceeding its Monthly Reserved MWh for the Limitation Period, the ISO shall first dispatch Units at other Facilities that are not within 5% of the Monthly Reserved MWh during the Limitation Period if the other Unit(s), in the ISO's sole judgment, provide equivalent reliability benefits.
9. If any Emission Limitation affecting the Facility materially changes, ISO and Owner promptly shall renegotiate this Schedule P to reflect such change. If ISO and Owner are unable to agree on revisions to this Schedule P, the Owner may file a revised Schedule P with FERC under Section 205 of the Federal Power Act for the limited purpose of taking such changes in the Emissions Limitation into account. Such filing may be with or without the concurrence of the ISO, but ISO reserves its right to protest any such filing.