

ATTACHMENT D

**CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION**

AND

[Owner]

SUMMER RELIABILITY AGREEMENT

SUMMER RELIABILITY AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____, 2000, and is entered into, by and between:

(1) _____, a [corporation/limited liability company/municipal corporation] organized under the laws of the State of _____ ("Owner");

and

(2) **CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**, a California nonprofit public benefit corporation incorporated under the laws of the State of California having a principal executive office located at 151 Blue Ravine Road, Folsom, California 95630 (the "ISO").

Owner and the ISO are hereinafter referred to collectively as "Parties" and individually as "Party".

RECITALS

- A.** Under Section 345 of the California Public Utilities Code, the ISO is responsible for the efficient use and reliable operation of the ISO Controlled Grid;
- B.** On August 24, 2000, the ISO issued a Request for Bids seeking proposals to provide new Generation in the form of peaking capability to the ISO Control Area during the Summer Period, which could be dispatched under the terms and conditions of this Agreement to support the reliable operation of the ISO Control Area ;
- C.** Owner submitted a bid in response to the ISO's Request for Bids, is willing to supply Generation in accordance with the terms and conditions of this Agreement, and acknowledges that the ISO is relying on the Committed Capability supplied by Owner to support the reliable operation of the ISO Control Area during the Summer Periods of 2001, 2002 and 2003. Owner is the owner or lessee of, or is otherwise authorized

to dispatch and market the Generation produced from and provided by, the
Generating Facility described in Schedule A to this Agreement.

NOW THEREFORE, In consideration of the mutual covenants and agreements
contained in this Agreement, **THE PARTIES AGREE** as follows:

ARTICLE 1

DEFINITIONS

- 1.1 Master Definitions Supplement.** All capitalized terms and expressions used in this Agreement and not otherwise defined in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement, Appendix A of the ISO Tariff.
- 1.2 Rules of Interpretation.** The following rules of interpretation and conventions shall apply to this Agreement:
- (a) if there is any inconsistency between this Agreement and the ISO Tariff, the ISO Tariff will prevail to the extent of the inconsistency;
 - (b) the singular shall include the plural and vice versa;
 - (c) the masculine shall include the feminine and neutral and vice versa;
 - (d) “includes” or “including” shall mean “includes without limitation” or “including without limitation”;
 - (e) references to a Section, Article or Schedule shall mean a Section, Article or Schedule of this Agreement, as the case may be, unless the context otherwise requires;
 - (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;

- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (h) unless the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year; and
- (k) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

1.3 Special Agreement Definitions. In addition to terms defined in the beginning of this Agreement and in the Recitals hereto, for purposes of this Agreement the following terms shall have the meanings set forth beside them below.

“**ADR**” means alternative dispute resolution pursuant to Section 12.1.

“**Agreement**” means this Summer Reliability Agreement, including Schedules A through E (which are attached to and incorporated by reference into this Agreement), as amended from time to time.

“**Committed Capability**” means electric generating capacity that Owner agrees to Deliver in accordance with ISO Dispatch Notices and Incremental Dispatch Notices by producing associated Energy. Committed Capability of a Generating Facility shall be expressed in MWs and may be provided by one or more Generating Facilities owned or controlled by Owner. Committed Capability does

not include the Energy that a Generating Facility produces when it supplies Committed Capability to the ISO in accordance with this Agreement. It is the Owner's responsibility to arrange for the sale of such Energy.

"Commercial Operation Date" or **"COD"** means the later of June 1, 2001 or the date Owner has demonstrated the Generating Facility's capability to Deliver Committed Capability pursuant to the procedure established in Section 3.3.

"Completed Invoice" means that (a) all of the raw data required to calculate debits and credits have been included; (b) all calculations have been completed in accordance with this Agreement; and (c) all billing and service assumptions, data inputs and formulae reasonably necessary to understand the derivation of each charge on the Invoice have been included.

"Contracted Capability" means the maximum amount of Committed Capability that Owner has agreed to provide from the Generating Facility. The Contracted Capability is set forth on Schedule A.

"Deliver" means to deliver, by producing associated Energy, an amount of Committed Capability to the ISO Controlled Grid or the Distribution Grid (at the Delivery Point or such other point as the Parties may otherwise agree) pursuant to a Dispatch Notice or an Incremental Dispatch Notice, and the terms "Delivered" and "Delivering" shall be construed accordingly.

"Delivery Point" means the point identified in Item 5 of Schedule A where Committed Capability is Delivered from a Generating Facility.

"Dispatch Notice" means a notice issued by the ISO to Owner's Scheduling Coordinator in accordance with Section 4.2 requesting the Generating Facility to provide Committed Capability under this Agreement.

“Distribution Grid” means the radial lines, distribution lines and other facilities, other than the ISO Controlled Grid, used to transmit Energy from the Generating Facility to the ISO Controlled Grid.

“Due Date” means the date that is the 30th day after the date a Completed Invoice is issued under Article 10 of this Agreement. If the 30th day is not a Business Day, the Due Date shall be the next Business Day.

“Effective Date” means the date this Agreement becomes effective pursuant to Section 2.1.

“Failed Dispatch Hour” means an hour in which Owner fails to Deliver at least ninety percent (90%) of the Energy associated with the Requested MW from the Generating Facility identified in a Dispatch Notice and/or an Incremental Dispatch Notice.

“Final Summer Period Invoice” means the complete invoice issued by Owner to the ISO under Section 10.5.

“Fixed Charge” means the price at which Owner has agreed to provide Committed Capability, up to the amount of Contracted Capability during the Summer Period, subject to all provisions of this Agreement, expressed in dollars (\$). The Fixed Charge for each Summer Period is set forth in Item 4 of Schedule A.

“Force Majeure Event” means any occurrence beyond the reasonable control of a Party which causes the Party to be unable to perform an obligation under this Agreement in whole or in part and which could not have been avoided by the exercise of Good Industry Practice. Force Majeure Event includes an act of God, war, civil disturbance, riot, strike or other labor dispute, acts or failures to act of Governmental Authority, fire, explosion, flood, earthquake, storm, lightning and other natural catastrophes. A Force Majeure Event shall not include lack of

finances or the price of natural gas or the price of any other fuel input required by a Party to perform an obligation.

“Generating Facility” or “GF” means the Generating Unit or Generating Units, together with all protective and other associated equipment and improvements owned, maintained and operated by Owner, which are designated to produce electrical power and provide Committed Capability under this Agreement, excluding land, land rights and interest in land. A GF may consist of the aggregated capability of a number of Generating Units, provided that (i) all such Generating Units are ultimately interconnected with the ISO Controlled Grid or the Distribution Grid; and (ii) all such Generating Units are aggregated to a single transmission or distribution substation. The GF or GFs providing Committed Capability under this Agreement are identified in Schedule A.

“Good Industry Practice” means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric power industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgement in the light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, method, or act, but only requires use of practices, methods, or acts generally accepted in the region covered by the Western Systems Coordinating Council.

“Governmental Authority” means the government of any nation, any state or other political subdivision thereof, including any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to a government.

“Incremental Dispatch Notice” means a notice issued by the ISO to Owner’s Scheduling Coordinator in accordance with Section 4.2.

“Interest Rate” means the rate of interest per annum calculated in accordance with 18 C.F.R. 35.19a of the FERC’s regulations.

“Invoice” means an invoice issued by Owner to the ISO under Section 10.1(b).

“Market Transaction” means a delivery of Energy from the Generating Facility pursuant to a bilateral contract or a successful bid into markets run by the California Power Exchange, the ISO or any similar entity.

“Maximum Commitment Period” means five hundred (500) hours during Peak Hours in the Summer Period and the Maximum Commitment Period remaining shall be the Maximum Commitment Period less the sum of hours (other than Failed Dispatch Hours) that the Generating Facility has actually been Dispatched by the ISO during Peak Hours in the Summer Period under Dispatch Notices or Incremental Dispatch Notices (other than test Dispatch Notices pursuant to Section 3.3) issued under this Agreement.

“Month” or “Monthly” means a calendar month.

“Monthly Payment” is defined in Section 9.1.

“MW” means one megawatt.

“MWh” means one megawatt hour.

“Non-Performance Payment Offset” means an amount computed pursuant to Section 9.2.

“Peak Day” means a Business Day during the Summer Period.

“Peak Hour” means an hour within Peak Hours.

“Peak Hours” mean each of the hours from 10:00 a.m. to 8:00 p.m. on a Peak Day.

“Performance Payment” is defined in Section 9.1.

“Project Development Schedule” means the Generating Facility project development schedule of milestone activities, milestone completion dates, and Commercial Operation Date set forth in Item 7 of Schedule A to this Agreement.

“PX Day Ahead Market” means the California Power Exchange’s Day-Ahead Market or, if such market no longer exists, a comparable forward energy market agreed to by both Parties.

“PX Day-Of Market” means the California Power Exchange’s Day-Of Market or, if such market no longer exists, a comparable forward energy market agreed to by both Parties.

“Request for Bids” means the Request for Bids To Provide Summer Reliability Generation To California Independent System Operator Corporation issued by the ISO on August 24, 2000.

“Requested MW” means the MW of Committed Capability the ISO requests Owner to Deliver pursuant to a Dispatch Notice and/or an Incremental Dispatch Notice, which shall not exceed the Contracted Capability.

“Requested Operation Period(s)” means the hour(s) specified in a Dispatch Notice and/or an Incremental Dispatch Notice during which the ISO requests Delivery of Committed Capability from the Generating Facility. A Requested Operation Period shall commence with the hour specified by the ISO in the Dispatch Notice or Incremental Dispatch Notice, as applicable, and shall have a duration as so specified, provided that such duration shall not be less than one (1) hour except for the duration of a Requested Operation Period in an Incremental Dispatch Notice that changes the Requested MW and/or extends the duration of a Requested Operation Period specified in a previously issued Dispatch Notice. There may be one or more than one Requested Operation Period associated with a Dispatch Notice and/or an Incremental Dispatch Notice.

“**Summer Period**” means the period from June 1 through October 31, annually, except as provided in Section 9.1 of this Agreement for Summer Period 2001.

“**Unavailability Payment Offset**” means an amount computed pursuant to Section 9.3.

ARTICLE 2

TERM

2.1 Term. This Agreement shall become effective as of the date it is executed by the Parties; provided, however, that if this Agreement is subject to FERC or Local Regulatory Authority jurisdiction, Articles 4 through 10 shall not become effective until the date this Agreement is accepted for filing and made effective by FERC as a rate schedule or the date that any necessary approval of this Agreement is received from the Local Regulatory Authority having jurisdiction. This Agreement shall continue in full force and effect until the end of the Summer Period 2003, unless extended in accordance with Section 2.5 or until terminated in accordance with the provisions of Section 2.2.

2.2 Termination. This Agreement may be terminated:

- (i) by the ISO pursuant to Section 3.1 (if Owner fails to make a timely deposit of the required amount), Section 3.4 (if the Commercial Operation Date has not occurred by October 31, 2001), or Section 12.3 (in the event of default by Owner after the Commercial Operation Date); or
- (ii) by Owner pursuant to Section 12.3 (in the event of default by the ISO after the Commercial Operation Date).

2.3 Notice of Termination. The terminating Party must supply the other Party with written notice of termination. If this Agreement is subject to FERC jurisdiction, the Owner must file a timely notice of termination with FERC. The filing of the

notice of termination will be considered timely if: (1) the notice of termination is filed after the preconditions for termination have been met, and (2) the Owner files the notice of termination within thirty (30) days of issuance of the termination notice. In such case, this Agreement shall terminate upon acceptance by FERC of the notice of termination.

- 2.4 Effect of Expiration or Termination.** Expiration or termination of this Agreement shall not affect the accrued rights and obligations of either Party, including either Party's obligations to make all payments to the other Party pursuant to this Agreement.
- 2.5 Extension of the Agreement.** This Agreement may be extended by mutual agreement.
- 2.6 Participating Generator Agreement.** The ISO may not terminate the Owner's Participating Generator Agreement ("PGA") for the Generating Facility if this Agreement is in effect.

ARTICLE 3

PROJECT DEVELOPMENT

- 3.1 Deposit.** Within two weeks of execution of this Agreement, Owner shall deposit with the ISO a sum equal to one percent (1%) of the Fixed Charge for the Summer Period of 2001, which sum the ISO shall hold in an interest-bearing escrow account separate from all other funds. If Owner fails to timely deposit such sum, the ISO may terminate this Agreement by written notice to Owner. If Owner deposits such sum, the ISO shall hold such sum in the escrow account until the first to occur of the following: (i) Owner notifies the ISO in writing that it is discontinuing project development activities in connection with the Generating Facility, in which case the ISO shall return fifty percent (50%) of such sum and

the associated accrued interest thereon to Owner if such notice is received by the ISO on or before February 28, 2001; (ii) the Commercial Operation Date, in which case the ISO shall return such sum and accrued interest to Owner, or (iii) October 31, 2001, in which case the ISO shall keep such sum and accrued interest. Notwithstanding anything to the contrary in this Agreement, prior to the Commercial Operation Date, Owner's liability to the ISO under this Agreement will be limited to the amount of such deposit.

3.2 Project Development Schedule.

- (a) At the time of the signing of this Agreement, the expected Commercial Operation Date is June 1, 2001. Prior to Owner's demonstration of the Generating Facility's Contracted Capability under Section 3.3, each month by the 10th day of the Month (or the next Business Day if the 10th day is not a Business Day) Owner shall provide the ISO with a written report of its Generating Facility development activities during the preceding month. Each such monthly report shall describe Owner's progress with respect to each milestone activity specified in the Project Development Schedule, including the milestones completed that month, and shall identify any event or circumstance that will adversely affect, or may reasonably be expected to adversely affect, Owner's ability to successfully complete the activity by the associated milestone completion date.
- (b) If Owner fails to complete a Major Milestone Activity specified in the Project Development Schedule provided in Section 7 of Schedule A by the associated milestone completion date, Owner shall explain in writing to the ISO the reason for missing the milestone completion date and the actions Owner is taking to meet the milestones. In addition, if Owner

misses a milestone completion date, it shall within three (3) Business Days of the missed milestone completion date provide the ISO a written statement of whether its expected Commercial Operation Date has changed. If the expected Commercial Operation Date has changed, Owner shall state in writing the new expected Commercial Operation Date and provide its revised Project Development Schedule.

- (c) After receiving the information from Owner described in Section 3.2(b), or if Owner misses a milestone completion date but does not provide the information required by Section 3.2(b), the ISO may request additional information and Owner shall promptly provide such information. Alternatively, the ISO may require Owner to meet with the ISO within a time certain to discuss whether Owner can meet Owner's milestone completion dates and current expected Commercial Operation Date and still can Deliver Committed Capability in the Summer Period of 2001.

3.3 Demonstration of Contracted Capability of the Generating Facility.

- (a) Owner shall notify the ISO whenever Owner is or will be prepared for the ISO to test Owner's ability to Deliver Contracted Capability. Such notice shall not be less than two (2) weeks prior to when Owner intends that the Generating Facility would be available to Deliver Contracted Capability. Thereafter, on a date to be mutually agreed upon between Owner and the ISO, the ISO shall issue a test Dispatch Notice to a Scheduling Coordinator designated by Owner and Owner shall cause the Generating Facility to supply Committed Capability in the amount of the Requested MW specified in the test Dispatch Notice, which shall equal the Contracted Capability, for the Requested Operation Period designated in the test Dispatch Notice, which shall commence no sooner than ten (10)

minutes after the issuance of the test Dispatch Notice. If the Generating Facility fails to demonstrate its capability to provide Contracted Capability in this manner, the ISO and Owner may repeat the test. If such repeated test(s) fail to demonstrate the Generating Facility's capability to provide Contracted Capability, the Fixed Charge shall be adjusted downward based on the ratio of demonstrated capability to the Contracted Capability and the demonstrated capability shall become the Contracted Capability for all purposes of this Agreement.

- (b) Owner shall be responsible for the sale and scheduling of all Energy produced by the Generating Facility in response to a test Dispatch Notice as set forth in Section 5.1 of this Agreement and shall be entitled to retain all associated revenues. Nothing in this Agreement shall affect settlement between Owner and the ISO for any Energy produced by the Generating Facility in response to a test Dispatch Notice. Such settlement shall be governed by the terms of Owner's bilateral contract for the sale of such Energy to a third party or the ISO Tariff, whichever is applicable.
- (c) The hours for which a Generating Facility is Dispatched by a test Dispatch Notice pursuant to this Section 3.3 shall not count against the Maximum Commitment Period for any Summer Period.

3.4 If the Commercial Operation Date has not occurred by October 31, 2001, the ISO may terminate this Agreement by written notice to Owner.

ARTICLE 4**DISPATCH OF GENERATING FACILITY**

- 4.1 ISO's Right to Dispatch.** The ISO shall have the right during each Summer Period to Dispatch Contracted Capability from the Generating Facility, for up to the Maximum Commitment Period, by issuing Dispatch Notices and/or Incremental Dispatch Notices to Owner's Scheduling Coordinator taking into account the relationship between temperature and the Committed Capability. The ISO may not Dispatch Contracted Capability principally for economic purposes.
- 4.2 Timing of Dispatch Notices and Incremental Dispatch Notices.** Subject to the limitations of this Agreement, the ISO may issue a Dispatch Notice for any Peak Day during the Summer Period if it determines that it will require Committed Capability from the Generating Facility during the Peak Day. Each such Dispatch Notice shall be issued not less than two (2) hours before the close of the PX Day Ahead Market for the Peak Day (the "dispatch deadline"), if the ISO has identified the need for such dispatch by the dispatch deadline, but may be issued after the dispatch deadline if due to changed circumstances the ISO first identifies the need for such dispatch after the dispatch deadline. If, subsequent to such issuance, the ISO determines that it will require a different level of Committed Capability (increase or decrease) than that Dispatched, or a different duration of the Requested Operation Period, the ISO may issue Incremental Dispatch Notices.
- 4.3 Form and Content of Dispatch Notices and Incremental Dispatch Notices.**
- (a) All Dispatch Notices and Incremental Dispatch Notices shall be in writing if circumstances permit. If circumstances require that a Dispatch Notice or an Incremental Dispatch Notice be given orally, the Dispatch Notice or

Incremental Dispatch Notice shall be confirmed in writing within twenty-four (24) hours after the oral notice was given.

- (b) Each Dispatch Notice shall specify the Generating Facility, Peak Hour for commencement and conclusion of the Requested Operation Period(s) and, for each hour of the Requested Operation Period(s), the Requested MW. An Incremental Dispatch Notice shall specify the new Requested MW and/or duration of the new Requested Operation Period(s), which may be extended at its (or their) beginning or end provided that each hour within the extended period(s) is a Peak Hour.

4.4 Dispatch Notices and Incremental Dispatch Notices to a Generating Facility Scheduled in Market Transactions. The ISO shall issue Dispatch Notices and Incremental Dispatch Notices for all Committed Capability that it determines to be required from the Generating Facility even if the Generating Facility is scheduled in a Market Transaction to operate at or above the determined level of required operation.

4.5 ISO Tariff Authority and Obligations. Nothing in this Agreement shall limit: (a) the authority of the ISO under the ISO Tariff to direct the Dispatch of the Generating Facility or to exercise supervisory control over the Generating Facility in the same manner and under the same circumstances that the ISO may direct the Dispatch of or exercise supervisory control over other Participating Generators, or (b) the obligations of the Owner under the ISO Tariff to obey any Dispatch instructions issued by the ISO with respect to the Generating Facility.

ARTICLE 5

SCHEDULING OF COMMITTED CAPABILITY BY OWNER

5.1 Owner's Scheduling of Committed Capability. Except as provided below, Owner shall cause the Final Hour-Ahead Schedule of Owner's designated Scheduling Coordinator to reflect the Energy associated with Requested MWs for the full Requested Operation Period(s) specified in each Dispatch Notice or Incremental Dispatch Notice(s). Such Energy shall not be Scheduled for export from the ISO Control Area. Owner shall not have an obligation to Schedule the Energy associated with the Requested MWs in a Dispatch Notice or Incremental Dispatch Notice(s) for any hour in the Requested Operation Period for which the deadline for submission of bids into the PX Day-Of Market falls less than one-half hour after the ISO issues the applicable Dispatch Notice or Incremental Dispatch Notice. If Owner fails to Schedule the Committed Capability associated with the Requested MW for the full Requested Operation Period(s) in accordance with this Section 5.1, Owner shall refund to the ISO, for each applicable hour, the product of the Requested MW not so Scheduled and the difference between the price of Energy in the last PX Day-Of Market in which the Owner could have Scheduled the Energy and the Uninstructed Imbalance Energy price (\$/MWh), provided that Owner shall not have a refund obligation if the Uninstructed Imbalance Energy price is less than the price for Energy for that hour for the applicable PX Market. For any hour of the Requested Operation Period for which: (i) the ISO fails to issue a Dispatch Notice or Incremental Dispatch Notice at least one-half hour prior to the deadline for submission of bids to the PX Day-Of Market; (ii) Owner has not caused to be submitted to the ISO a Day-Ahead or Hour-Ahead Schedule; and (iii) Owner delivers the Requested MW, the Energy Delivered will be settled at the Instructed Imbalance Energy price under the ISO Tariff.

ARTICLE 6**DELIVERY OF COMMITTED CAPABILITY BY OWNER****6.1 Owner's Delivery of Committed Capability.**

- (a) Subject to the limits in this Agreement, Owner shall Deliver Committed Capability from the Generating Facility in the amount of the Requested MW and for the full Requested Operation Period specified in each Dispatch Notice and/or Incremental Dispatch Notice.
- (b) Owner shall Deliver the Requested MW at the Delivery Point or such other point designated by Owner that is reasonably acceptable to the ISO.
- (c) Owner shall comply with the metering and related arrangements set forth in the ISO Tariff and Schedule A to this Agreement.
- (d) Owner shall comply with the telemetry, Dispatch, control and scheduling requirements set forth in Schedule B to this Agreement.

6.2 Market Transactions for Dispatch Notices and Incremental Dispatch Notices.

Owner shall be deemed to satisfy its obligation to provide Requested MWs during a Requested Operation Period by Scheduling and Delivering Energy (but not Ancillary Services) pursuant to a Market Transaction from the Generating Facility identified in a Dispatch Notice and/or Incremental Dispatch Notice, as long as the Generating Facility provides Committed Capability at or above the Requested MW level for the duration of the Requested Operation Period and such Energy is not Scheduled for export from the ISO Control Area. Settlement of such Market Transactions shall be governed by the terms of the applicable bilateral contract or the ISO Tariff, whichever is applicable.

6.3 Owner's Inability To Deliver Requested MW. Upon receipt of a Dispatch

Notice or Incremental Dispatch Notice, Owner shall promptly notify the ISO if, for any reason, Owner will not be able to Deliver all of the Requested MW from the Generating Facility identified in the Dispatch Notice and/or Incremental Dispatch Notice for all of the Requested Operation Period. Whether or not Owner notifies the ISO as required by the preceding sentence, for each Failed Dispatch Hour the ISO may calculate a Non-Performance Payment Offset pursuant to Section 9.2 and deduct the calculated amount from payments otherwise due Owner pursuant to Section 9.1(b), even if the reason for a Failed Dispatch Hour is a Force Majeure Event. If Owner notifies the ISO as required by the first sentence of this subsection, the ISO may not issue additional Dispatch Notices for the Committed Capability that Owner has notified the ISO that it cannot Deliver until Owner has provided notice to the ISO that it again can Deliver Committed Capability. Following a Failed Dispatch Hour or Hours, and until Owner has provided notice to the ISO that it can Deliver the Contracted Capability, the Unavailability Payment Offset described in Sections 6.4 and 9.3 shall be applied to the Final Summer Period Invoice, even if the reason for the Failed Dispatch Hour(s) was a Force Majeure Event.

- 6.4 Unavailability of Committed Capability.** Owner shall promptly notify the ISO if Owner becomes incapable of Delivering any part of the Contracted Capability for any reason and shall keep the ISO apprised of any subsequent change(s). Whether or not Owner provides the notice required by the preceding sentence, for each Peak Hour during which Owner was incapable of Delivering some part of the Contracted Capability, ISO may calculate an Unavailability Payment Offset pursuant to Section 9.3 and deduct the calculated amount from payments otherwise due Owner pursuant to Section 9.1(b), even if the reason for Owner's

being incapable of Delivering some part of the Contracted Capability was a Force Majeure Event.

ARTICLE 7

MARKET TRANSACTIONS

- 7.1 Right To Engage in Market Transactions.** Owner may enter into Market Transactions at any time, provided doing so does not in any way affect Owner's ability to furnish service under this Agreement or otherwise violate Owner's obligations under Section 5.1 and Article 6. If the ISO issues a Dispatch Notice and/or an Incremental Dispatch Notice for Committed Capability under this Agreement, Owner must comply with such Dispatch Notice and/or Incremental Dispatch Notice. Settlement of Market Transactions shall be governed by the terms of Owner's bilateral contract or the ISO Tariff, whichever is applicable.

ARTICLE 8

OPERATION AND MAINTENANCE

- 8.1 Owner's Obligation.** Owner shall, as applicable, fuel, operate and maintain each Generating Facility, or cause the GF to be fueled, operated and maintained, in accordance with applicable law and Good Industry Practice so as to enable the GF to comply with Dispatch Notices and Incremental Dispatch Notices and with due regard for the reliability purpose of this Agreement. Owner shall coordinate its planned maintenance program with the ISO Outage Coordination Office to ensure, to the maximum extent feasible, that the Generating Facility will not be scheduled for planned maintenance during the Peak Hours of the Summer Period. Owner shall be subject to an Unavailability Payment Offset as described in Section 6.4 and calculated pursuant to Section 9.3 if planned maintenance

causes Owner to be incapable of Delivering Contracted Capability during Peak Hours.

ARTICLE 9

PAYMENT

9.1 Payment. Subject to Section 9.4, commencing as of the Commercial Operation Date, the ISO shall pay Owner the sum of the following payments:

- (a) subject to clause (c), below, each Month during the Summer Period, a Monthly Payment which shall be equal to 0.20 times the Fixed Charge times 0.6;
- (b) subject to clause (c), below, at the end of each Summer Period, a Performance Payment, which shall be equal to (a) 0.4 times the Fixed Charge; plus (b) the sum of Imbalance Energy Charges incurred by Owner during the Summer Period as a direct result of an Incremental Dispatch Notice issued by the ISO that reduces the Requested MW from the quantity previously requested in a Dispatch Notice reflected in a Final Hour-Ahead Schedule; less (c) (i) the amount of any refunds due the ISO pursuant to Section 5.1; (ii) the Non-Performance Payment Offset calculated pursuant to Section 9.2; and (iii) the Unavailability Payment Offset calculated pursuant to Section 9.3.
- (c) for purposes of Summer Period 2001, if the Commercial Operation Date is later than June 1, 2001, the Summer Period 2001 shall commence on the COD. If the COD occurs on or prior to June 15, 2001, the Summer Period 2001 shall be extended into November, 2001, day for day, by the number of days from and including June 1 to the COD. Under such circumstances, (i) the Monthly Payment for June, 2001, under clause (a),

above, will be reduced by an amount equal to the product of the Monthly Payment times (x / y) , where “ x ” is the number of days from and including June 1 to the COD and “ y ” is thirty (30); and (ii) a Monthly Payment will be made for November, 2001, which will be equal to the reduction made from the June 2001 Monthly Payment. If the COD occurs after June 15, 2001, the Monthly Payment under clause (a), above, for the month in which the COD occurs will be reduced by an amount equal to the product of the Monthly Payment times (a / b) , where “ a ” is the number of days from the start of the month to the COD and “ b ” is the number of days in the month; and the Performance Payment for Summer Period 2001 shall be calculated as provided in clause (b), above, but the product of 0.4 times the Fixed Charge shall be reduced by multiplying such product times the fraction (c / d) , where “ c ” is the number of days from and including the COD to and including October 31, 2001 and “ d ” is one hundred and fifty-three (153).

- (d) If this Agreement is terminated by either Party during a Summer Period pursuant to Section 12.3, the Performance Payment for such Summer Period shall be calculated as provided in clause (b), above, but the product of 0.4 times the Fixed Charge shall be reduced by multiplying such product times the fraction (e / f) , where “ e ” is the number of days from and including the day on which the Summer Period began to and including the day on which notice of termination is given under such Section 12.3 and “ f ” is one hundred and fifty-three (153).

- (e) The Performance Payment shall be included in the Final Summer Period Invoice. The Performance Payment shall be invoiced as provided in Section 10.5.

- 9.2 Non-Performance Payment Offset.** In accordance with Section 6.3, the Non-Performance Payment Offset shall be the product of the number of Failed Dispatch Hours that occurred during the Summer Period times 0.004 times the Fixed Charge.
- 9.3 Unavailability Payment Offset.** In accordance with Section 6.4, an Unavailability Payment Offset shall be calculated for each Peak Hour in which Owner was incapable of Delivering Contracted Capability from the Generating Facility, by multiplying (a) the fraction which is the Committed Capability in MW that Owner was incapable of Delivering from the Generating Facility divided by the Contracted Capability; times (b) the Fixed Charge; and dividing the resulting quantity by (c) 1,100 minus the number of Failed Dispatch Hours. The summation of this calculation for all Peak Hours in which Owner was incapable of Delivering Contracted Capability from the Generating Facility shall be the total Unavailability Payment Offset.
- 9.4 Payment Condition.** The ISO's obligation to make any payments required under this Article 9 is expressly conditioned on the ISO's recovery under the ISO Tariff of costs it incurs under this Agreement. The ISO agrees not to amend or otherwise modify the ISO Tariff in a manner that would prevent the ISO's recovery of such costs. In addition to Owner's other remedies under this Agreement, Owner's obligations under this Agreement shall be immediately suspended if the ISO Tariff is amended or otherwise modified to prevent the ISO from recovering costs incurred under this Agreement.

ARTICLE 10**STATEMENTS AND PAYMENTS****10.1 Invoicing.**

- (a) The billing, invoicing and payment of charges under this Agreement shall be as specified in this Article 10.
- (b) Subject to Section 9.4, commencing with the Commercial Operation Date, within ten (10) days after the end of each Month during each Summer Period, Owner shall issue a Completed Invoice to the ISO for the amount due Owner for the Month in accordance with Section 9.1.
- (c) Within ten (10) days after the receipt by Owner's Scheduling Coordinator of the Final Settlement Statement for the last day of the Month in each Summer Period, or the Month in which this Agreement expires or terminates, Owner shall issue a Final Summer Period Invoice, that meets the requirements of a Completed Invoice, as provided in Section 10.5, for the amount owed Owner (or owed to the ISO) in accordance with Section 9.1.
- (d) If the day on which an Invoice or Final Summer Period Invoice is to be issued is not a Business Day, such Invoice or Final Summer Period Invoice shall be issued on the next succeeding Business Day.
- (e) The thirty (30) days to a Due Date shall not commence to run and no payment shall be made until a Completed Invoice or a Final Summer Period Invoice meeting the requirements of a Completed Invoice has been submitted to the ISO.

10.2 Payment. Subject to Section 9.4, the ISO shall pay Owner all invoiced amounts on the Due Date by wire transfer in accordance with instructions from Owner. Owner shall establish and maintain a settlement account at a commercial bank

located in the United States, reasonably acceptable to the ISO, and capable of effecting money transfers via Fed-Wire. Payments to and from Owner shall be made to and from this settlement account. Owner shall notify the ISO of its settlement account details prior to May 1, 2001. Owner may from time to time change its settlement account details, provided that Owner shall give the ISO fifteen (15) days notice before making changes.

10.3 Interest. If the ISO or Owner fails to make any payment on the Due Date, the amount due but not paid shall accrue interest at the Interest Rate from the Due Date until the amount is paid.

10.4 Errors. If a Party discovers an error in the amount of an Invoice, Final Summer Period Invoice or payment under this Agreement and notifies the other Party, the error shall be corrected within thirty (30) days of such notice; *provided that* a Party shall not be entitled to have an error corrected unless the Party notifies the other Party within sixty (60) days after the date of the Invoice, Final Summer Period Invoice, or payment with respect to which the error is discovered, or within sixty (60) days after issuance of the final report with respect to an audit pursuant to Section 13.1.

10.5 Payment of Final Summer Period Invoice.

- (a) Within ten (10) days of the receipt by Owner's Scheduling Coordinator of the Final Settlement Statement for the last day of the Month in each Summer Period or the Month in which this Agreement expires or terminates, Owner shall submit a Completed Invoice to the ISO for the Performance Payment then due to or payable by Owner under clause (b) of Section 9.1 of this Agreement (the "Final Summer Period Invoice").
- (b) If the Performance Payment under clause (b) of Section 9.1 is negative, the negative amount shall be reflected in the Final Summer Period

Invoice. Payment of any amount by which the Performance Payment is less than zero shall be secured by the security required in accordance with Section 13.7. (c) The ISO shall pay Owner, or Owner shall pay the ISO, as appropriate, the amount stated in the Final Summer Period Invoice in accordance with this Article 10.

ARTICLE 11

FORCE MAJEURE EVENTS

- 11.1 Notice of Force Majeure Event.** If either Party is unable to perform its obligations under this Agreement due to a Force Majeure Event, the Party unable to perform shall notify the other Party of the Force Majeure Event promptly after the occurrence thereof. The Party's notice may be given orally but shall promptly be confirmed in writing or electronically.
- 11.2 Effect of Force Majeure Event.** If, after the COD, a Force Majeure Event prevents a Party from performing, in whole or in part, its obligations under this Agreement, such Party's obligations, other than obligations to pay money (unless the means of transferring funds is affected), shall be suspended and such Party shall have no liability with respect to such obligations; provided, that the suspension of the Party's obligations is of no greater scope and of no longer duration than is required by the Force Majeure Event; and provided further, that a Force Majeure Event shall not relieve Owner of the Non-Performance Payment Offset pursuant to Sections 6.3, 9.1(b) and 9.2 and/or an Unavailability Payment Offset pursuant to Sections 6.4, 9.1(b) and 9.3 .
- 11.3 Remedial Efforts.** The Party that is unable to perform by reason of a Force Majeure Event shall use commercially reasonable efforts to remedy its inability to perform and to mitigate the consequences of the Force Majeure Event as soon as reasonably practicable; provided that no Party shall be required to obtain

replacement power or to settle any strike or other labor dispute on terms which, in the Party's sole discretion, are contrary to its interest. The Party unable to perform shall, on a weekly basis, advise the other Party of its efforts to remedy its inability to perform and to mitigate the consequences of the Force Majeure Event and the date it believes it will be able to resume performance of its obligations under this Agreement.

ARTICLE 12

REMEDIES

12.1 Dispute Resolution. The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall use the ISO ADR Procedures specified in Section 13 of the ISO Tariff, which is incorporated by reference, except that any reference in Section 13 of the ISO Tariff to Market Participants shall be read as a reference to Owner and references to the ISO Tariff shall be read as references to this Agreement. Any award shall be treated by the ISO in accordance with Section 13.5 of the ISO Tariff.

12.2 Waiver and Limitation of Damages.

- (a) Except for the obligations set forth in Section 3.1, Article 9, Section 12.3 and Section 13.5, neither Party shall be liable to the other Party for any claim, loss or damage of any nature arising out of or relating to the performance or breach of this Agreement including replacement power costs, loss of revenue, loss of anticipated profits or loss of use of, or damage to, plant or other property, personal injury, or death; provided, however, that this waiver of liability shall not include or cover any claim, damage or loss arising out of the willful misconduct of either Party.

Amounts that are specifically payable or reimbursable by the other Party under the terms of this Agreement, and offsets to such amounts provided by the terms of this Agreement, shall not be considered "claims, losses or damages" for purposes of this Section.

- (b) Except for the obligations set forth in Section 12.3(b), neither Party shall be liable to the other for any special, indirect, incidental or consequential damages suffered by the other Party or by third parties arising out of, or relating to, this Agreement or the performance or breach of any obligation under this Agreement, or the negligence of any Party. This limitation shall apply even if the Party is advised of the possibility of these damages.
- (c) The ISO's maximum aggregate liability for any and all claims arising out of or relating to performance or breach of this Agreement, except for its payment obligations under Article 9, whether based upon agreement, tort (regardless of degree of fault or negligence), strict liability, warranty or otherwise, shall not exceed one (1) million dollars (\$1,000,000.00). With respect to any breach of its payment obligations, the ISO's liability shall be limited to Owner's uncompensated loss after Owner has mitigated such loss to the extent reasonable.
- (d) Notwithstanding anything to the contrary in this Agreement, Owner's maximum aggregate liability to the ISO for any and all claims arising out of or relating to performance or breach of this Agreement, whether based upon agreement, tort (regardless of degree of fault or negligence), strict liability, warranty or otherwise, shall not exceed the amount of the Fixed Charge for the Summer Period of 2001 as set forth in Item 4 of Schedule A to this Agreement.

12.3 Termination for Default.

- (a) If, after the Commercial Operation Date, either Party shall fail to perform any material obligation imposed on it by this Agreement and that obligation has not been suspended due to a Force Majeure Event pursuant to Article 11, the other Party, at its option, may terminate this Agreement by giving the Party in default notice setting out specifically the circumstances constituting the default and declaring its intention to terminate this Agreement. If the Party receiving the notice disputes the notice, it shall notify the other Party in writing within seven (7) days after receipt of the notice setting out specifically the grounds of such dispute. Time is of the essence in remedying a default. If the Party receiving the notice does not, within ten (10) days after receiving the notice, remedy the default or refer the dispute to ADR, the Party not in default shall be entitled by a further written notice to terminate this Agreement. The Party not in default shall have a duty to mitigate damages. Material obligations under this Agreement shall include, without limitation, Owner's obligation to Deliver Committed Capability under Article 6.
- (b) Termination of this Agreement pursuant to this Section 12.3 shall be without prejudice to the right of Owner or the ISO to collect any amounts due to it prior to the time of termination. If the ISO terminates this Agreement due to Owner's default, Owner shall, subject to Section 12.2(d), reimburse to the ISO the amount, if any, by which costs incurred by the ISO as a direct result of the termination through the end of the term of this Agreement exceed the costs which the ISO would have incurred absent such termination. Such reimbursement obligation shall be secured by the security required under Section 13.7.

12.4 Cumulative and Nonexclusive. Each remedy provided for in this Agreement shall be cumulative and not exclusive.

12.5 Beneficiaries. Except as is specifically set forth in this Agreement, nothing in this Agreement, whether express or implied, confers any rights or remedies under, or by reason of, this Agreement on any persons other than the Parties and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligations or liability of any third party, nor give any third person any rights of subrogation or action against any Party.

ARTICLE 13

COVENANTS OF THE PARTIES

13.1 Books and Records.

- (a) For a period of thirty-six (36) months from creation of the records, Owner shall maintain and make available for audit by the ISO complete operations records for the Generating Facility(ies). Such records shall include, where applicable:
 - (i) information for each Dispatch Notice and Incremental Dispatch Notice issued by the ISO under this Agreement regarding the availability of the Generating Facility and the MWs delivered in response to such Dispatch Notice and/or Incremental Dispatch Notice;
 - (ii) Generating Facility Outages during the term of this Agreement;
 - (iii) Generating Facility licenses and permits;
 - (iv) copies of operating and maintenance agreements for the Generating Facility;

- (v) a list of citations filed against the Generating Facility by any environmental, air quality, health and safety, or other regulatory agency in the last thirty-six (36) months;
- (vi) a list of any resolved and unresolved WSCC log items from the last thirty-six (36) months pertaining to the Generating Facility;
- (vii) Generating Facility maintenance, overhauls and inspections performed; and
- (viii) books, accounts and all documents required to support Owner's statements, invoices, charges and computations made pursuant to this Agreement.

The ISO may audit Owner's books, accounts and documents and operating records pertaining to the Generating Facility relating to Invoices and underlying computations, no more frequently than once, and only one time following expiration or termination of this Agreement.

- (b) For a period of thirty-six (36) months from the creation of the records, the ISO shall maintain and make available for audit by Owner all operations records required to permit Owner to verify that the ISO has complied with its obligations to Owner under this Agreement.
- (c) Any Party exercising its right to audit under this Section 13.1 shall give the audited Party not less than thirty (30) days prior written notice of the audit. Books or records requested in any audit shall be available for inspection by the auditing entity at the offices of the Party being audited between 9:00 a.m. and 5:00 p.m. on Business Days. Any audit under this Section 13.1 shall be completed not more than thirty-six (36) months after the records were created, although the final audit report may be issued later. Any audit right herein shall be limited to the books and accounts of

Owner or the ISO and shall not extend to the books and accounts of the parent or any other affiliate of Owner or the ISO. The expense of the auditing party related to any audit shall be borne solely by the auditing Party .

- (d) No adjustments to payments shall be required as a result of an audit unless, and then only to the extent that the ISO or Owner making such an audit under this Section 13.1 takes written exception to the books and accounts and makes a claim upon Owner or the ISO for any discrepancies disclosed by such audit within sixty (60) days following issuance of the final audit report.
- (e) All information provided during the course of an audit shall be treated as confidential information in accordance with Section 13.4.
- (f) Nothing in this Agreement shall override any obligation Owner or the ISO may have under applicable law to maintain books and records for periods longer than thirty-six (36) months nor shall this Agreement override any obligation Owner or the ISO may have to make books and records available for audit by FERC or any other entity. Nothing in this Agreement is intended to limit in any manner (i) the authority of FERC to audit the books and records of Owner or the ISO or the manner in which such audit is noticed or conducted or (ii) the ISO's right to audit Market Participants (including Owner) under the ISO Tariff.

13.2 Representations and Warranties.

- (a) **Representation and Warranties.** Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.

- (b) **Necessary Approvals.** The Owner represents that all necessary leases, approvals, permits, licenses, easements, rights of way or access to install, own and/or operate its Generating Units have been or will be obtained by the Owner prior to the Commercial Operation Date.
- (c) **Tariff Approval.** The ISO represents that the ISO Tariff provides for the ISO's ability to recover the costs associated with this Agreement from Market Participants.

- 13.3 Responsibilities.** Each Party shall be responsible for protecting its facilities in accordance with Good Industry Practice from possible damage by reason of electrical disturbances or faults caused by the operation, faulty operation, or non-operation of the other Party's facilities. The other Party shall not be liable for any damages so caused.
- 13.4 Confidentiality.** All documents, data and information provided by the Parties to one another pursuant to this Agreement shall be treated in accordance with Section 20.3 of the ISO Tariff.
- 13.5 Indemnity.** Subject to Section 12.2 (d), Section 14.3 of the ISO Tariff shall apply to this Agreement, except that references to Market Participant shall be read as references to Owner.
- 13.6 Insurance.** Owner shall maintain during the term of this Agreement the insurance required by Schedule C. Self-insurance may be utilized by mutual agreement of the Parties.
- 13.7 Performance Security.** On or before the Commercial Operation Date, Owner shall post with the ISO and shall thereafter maintain during the term of this Agreement performance security required by Schedule D (a corporate guarantee acceptable to the ISO, or a letter of credit or bond) to secure the performance of its obligations under Section 10.2, Section 10.5, Section 12.3 and Section 13.5 of

this Agreement. Any such letter of credit or bond shall be in an amount equal to sixty percent (60%) of the Summer Period 2001 Fixed Charge.

ARTICLE 14

ASSIGNMENT

- 14.1 Assignment Rights and Procedures.** Either Party may assign its rights or delegate its duties under this Agreement with the prior written consent of the other Party, which shall not be unreasonably withheld, in accordance with Section 17 of the ISO Tariff. Any such assignment or delegation shall be conditioned upon the successor in interest accepting the rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.

ARTICLE 15

MISCELLANEOUS PROVISIONS

- 15.1 Notices.** Except as otherwise expressly provided in this Agreement or required by law, all notices, consents, requests, demands, approvals, authorizations and other communications provided for in this Agreement shall be in accordance with Section 20.1 of the ISO Tariff. A Party must update the information in Schedule E. Such changes shall not constitute an amendment to this Agreement.
- 15.2 Effect of Invalidation.** If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant,

or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to comply with such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that the affected provisions are not separable from all other provisions of this Agreement.

15.3 Governing Law. This Agreement shall be interpreted and construed under and pursuant to the laws of the State of California, without regard to conflict of laws principles. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement to which the ISO ADR Procedures do not apply, shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.

15.4 Parties' Representatives. Both Parties shall ensure that throughout the term of this Agreement a duly appointed representative (the Party's "Representative") is available for communications between the Parties. The Representatives shall have full authority to deal with all day-to-day matters arising under this Agreement. If a Party's Representative becomes unavailable, the Party shall promptly appoint another Representative. Acts and omissions of a Representative shall be deemed to be acts and omissions of the Party that appointed the Representative. Owner and the ISO shall be entitled to assume that the Representative of the other Party is at all times acting within the limits of the authority given by the Representative's Party. Owner's Representative and the ISO's Representative shall be identified on Schedule E.

- 15.5 Independent Contractors.** Nothing contained in this Agreement shall create any joint venture, partnership or principal/agent relationship between the Parties. Neither Party shall have any right, power or authority to enter into any agreement or commitment, act on behalf of, or otherwise bind the other Party in any way.
- 15.6 Waiver.** Any waiver exercised at any time by either Party shall be governed by Section 20.2 of the ISO Tariff, with references to Market Participant being read as references to Owner and references to the ISO Tariff being read as references to this Agreement.
- 15.7 Merger.** This Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 15.8 Headings.** Article and Section headings used in this Agreement are inserted for convenience only and are not intended to be a part hereof or in any way to define, limit, describe or to otherwise be used in interpreting the scope and intent of the particular provisions to which they refer.
- 15.9 Amendments.** This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing, except that either Party may amend its respective portion of Schedule E by notice to the other Party. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. If the amendment does not require FERC approval, the amendment will be filed with FERC for information.
- 15.10 Counterparts.** This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.

—
IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

[OWNER]

By: _____
Name:
Title:
Date:

CALIFORNIA INDEPENDENT
SYSTEM OPERATOR
CORPORATION

By: _____
Name:
Title:
Date:

Schedule A

Generating Facility Characteristics and Owner Commitments

1. Description of Generating Facility:
2. Contracted Capability:
3. Unit(s) providing Contracted Capability:

<u>Unit Name</u>					
<u>Manual Minimum Load (MW)</u>					
<u>AGC Minimum Load (MW)</u>					
<u>Maximum Load (MW)</u>					
<u>Heat Input at Manual Minimum Load, mmBTu/Hour</u>					
<u>Heat Input at AGC Minimum Load, mmBTu/Hour</u>					
<u>Heat Input at Maximum Load, mmBTu/Hour</u>					

4. Fixed Charge:

2001
2002
2003

5. Delivery Point:

Interconnection Point*	Voltage

*Designate Delivery Point for Committed Capability.

6. Metering and Related Arrangements

Meter Location	Meter (Manufacturer & Model No.)

7. Project Development Schedule*

<u>Major Milestone Activity</u>	<u>Milestone Completion Date</u>
<u>Acquisition of Land Use Permit</u>	
<u>Acquisition of Air Permit</u>	
<u>Approval of the Gas Interconnection</u>	
<u>Approval of the Electrical Interconnection</u>	
<u>Delivery of all Required Equipment</u>	
<u>Start of Construction</u>	
<u>Completion of Gas interconnection</u>	
<u>Completion of Electric Interconnection</u>	
<u>Facility ready for test</u>	
<u>Commercial Operation Date</u>	
<u>Additional Milestone Activity</u>	<u>Milestone Completion Date</u>

* To be based on Owner's response to the Request for Bids. This Schedule will specify milestone dates for significant Generating Facility development activities, including, without limitation, but only where applicable, milestone dates for the date construction of the Generating Facility is to begin and the date it is to be completed; the date construction of any necessary interconnection facilities is to begin and the date it is to be completed; the dates by which Owner is to obtain necessary land rights, permits, fuel and water arrangements, interconnection and metering and telemetry arrangements, and any necessary contractual commitments with third parties; and the Commercial Operation Date.

- 8. Temperature and Committed Capability.** If the unit's output varies as a function of air temperature, provide, for each unit, the relationship between temperature (F) and the unit's output (MW) over the expected range of temperatures under which this unit could be called to provide service under this Agreement. This table should be filled in after the completion of the test specified in Section 3.3.

Temperature (°F)	Committed Capability (MW)
120	
119	
118	
117	
116	
115	
114	
113	
112	
111	
110	
109	
108	
107	
106	
105	
104	
103	
102	
101	
100	
99	
98	
97	
96	
95	
94	
93	
92	
91	
90	
89	
88	
87	
86	
85	
84	
83	
82	
81	
80	

Schedule B

Telemetry, Dispatch and Control Requirements

Telemetry:

- Each GF must meet the telemetry requirements for a Participating Generator (as defined in the ISO Tariff) providing Spinning Reserve (as defined in the ISO Tariff) to the ISO at a minimum, and any greater standards required by the ISO if applicable in accordance with the ISO Tariff. In cases where no ISO telemetry requirements have been developed by the ISO for a Participating Generator, a GF must at a minimum meet the ISO's telemetry requirements applicable to a Participating Load (as defined in the ISO Tariff) providing Replacement Reserve to the ISO.
- Each GF must be visible to the ISO's Energy Management System at all times during each Summer Period irrespective of whether or not a Dispatch Notice and/or an Incremental Dispatch Notice has been issued for the resource.

Dispatch, Control and Scheduling:

- Each GF must be ISO certified as capable of responding to Incremental Dispatch Notices within ten (10) minutes.
- Each GF must be capable of receiving Dispatch Notices and Incremental Dispatch Notices in accordance with Article 4 of this Agreement, within one minute from the time the ISO Control Center elects to dispatch the resource in accordance with this Agreement, and must ensure that its resource can be at the dispatched operating level or condition within thirty minutes after issue of an Incremental Dispatch Notice.

Schedule C

Insurance Requirements

Owner shall furnish the ISO a certificate of insurance for the Generating Facility. Owner shall name the ISO as an additional insured on its commercial general liability insurance policies. Owner shall have the right to self-insure if the Parties mutually agree.

Commercial General Liability

Commercial general liability insurance covering personal injury and property damage to third parties in connection with the activities at the Generating Facility. The coverage and per occurrence limit must be reasonably acceptable to the ISO given the nature of the Generating Facility and the reliability purposes of this Agreement.

Property

Property insurance for direct physical loss or damage to the Generating Facility, in an amount not less than the probable maximum loss at the Generating Facility.

Schedule D

Performance Security

Schedule E**Notices****Owner**

Name:
Title:
Address:
City/State/Zip Code:
Telephone:
Facsimile:
E-mail:

With a copy to: Owner's Representative:

Name:
Title:
Address:
City/State/Zip Code:
Telephone:
Facsimile:
E-mail:

ISO:

Mr. Brian Theaker
Manager of Reliability Contracts
California Independent System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Phone: (916) 608-5804
Facsimile: (916) 351-2487
E-mail: btheaker@caiso.com

With a copy to: ISO's Representative:

Name:
Title:
Address:
City/State/Zip Code:
Telephone:
Facsimile:
E-mail: