[THIS MASTER AGREEMENT IS SUBJECT TO SCE MANAGEMENT REVIEW AND APPROVAL[[1]](#footnote-1)]

MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* (Version 2.1; modified 4/25/00) (“*Master Agreement*”) is made as of the following date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[[2]](#footnote-2) (“Effective Date”). The *Master Agreement*, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support, margin agreement, or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the “Agreement”. The Parties to this *Master Agreement* are the following:

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| --- | --- |
| **Name:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Party A”) | **Name:** Southern California Edison Company (“Party B”) |
| **All Notices:** | **All Notices:** |
| Street: | Street: 2244 Walnut Grove Ave., G.O.1, Quad 1C |
| City: Zip: | City: Rosemead, CA Zip: 91770 |
| Attn:  Phone:  Facsimile:  Duns:  Federal Tax ID Number: | Attn: Director, Energy Contracts Management  Phone: (626) 302-3126 Facsimile: (626) 302-1103  Email: Energycontracts@sce.com Duns: 006908818 Federal Tax ID Number: 95-1240335 |
| **Invoices:** Attn:  Phone:  Facsimile: | **Invoices:** Attn: EPM & Contract Settlements Phone: (626) 302-8908 Facsimile: (626) 302-3276 Email: [PPFDPowerSettle@sce.com](mailto:PPFDPowerSettle@sce.com) |
| **Scheduling:** Attn:  Phone:  Facsimile: | **Scheduling:** Attn: Manager or Day Ahead Operations Phone: (626) 307-4425 or (626) 307-4420 Facsimile: (626) 307-4413 E-mail: presched@sce.com |
| **Payments:** Attn:  Phone:  Facsimile: | **Payments:** Attn: EPM & Contract Settlements Phone: 626-302-8908 Facsimile: (626) 302-3276 E-mail: PPFDPowerSettle@sce.com |
| **Wire Transfer:** BNK:  ABA:  ACCT: | **Wire Transfer:** BNK: JP Morgan Chase Bank ABA: 021000021 ACCT: 323-394434 |
| **Credit and Collections:** Attn:  Phone:  Facsimile: | **Credit:** Attn: Manager of Credit Risk Phone: (626) 302-3672 |
| **Confirmations:** Attn:  Phone:  Facsimile: | Confirmations: Attn: Confirmation Coordinator Phone: (626) 302-3383 Facsimile: (626) 302-3410  Email: SCERiskControl@sce.com |
|  | Collateral: |
|  | Southern California Edison Company |
|  | Attn: Manager of Risk Operations & Collateral Management |
|  | 2244 Walnut Grove Avenue, GO1 Quad 2A |
|  | Rosemead, CA 91770 |
|  | Phone: (626) 302-3383 |
|  | Email: SCECollateral@sce.com |
|  |  |
| With additional Notices of an Event of Default or Potential Event of Default to:  Attn:  Phone:  Facsimile: | With additional Notices of an Event of Default or Potential Event of Default to:  Southern California Edison Company 2244 Walnut Grove Ave., G.O.1, Quad 1C Rosemead, CA 91770 Attn: Director, Contracts Management and Administration Phone: (626) 302-3126 Facsimile: (626) 302-8168  Email: Energycontracts@sce.com  and  Attention: Director and Managing Attorney Power Procurement Section  E-mail: PPLegalNotice@sce.com |

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff Tariff Dated Docket Number

Party B Tariff Tariff Original Vol. No. 8 Dated 09/01/2002 Docket Number ER 02-2263-000

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| **Article Two** |  | |
| Transaction Terms and Conditions | Optional provision in Section 2.4. If not checked, inapplicable. | |
| **Article Four** |  | |
| Remedies for Failure to Deliver or Receive | Accelerated Payment of Damages. If not checked, inapplicable. | |
| **Article Five** |  | |
| Events of Default; Remedies | 5.1(g) Cross Default for Party A: | |
|  | Party A: | Cross Default Amount $\_\_\_\_\_\_\_\_ [*Amount and/or Methodology To Be Negotiated*] |
|  | Other Entity: [Guarantor, if applicable] | Cross Default Amount $\_\_\_\_\_\_\_\_ [*Amount and/or Methodology To Be Negotiated*] |
|  | 5.1(g) Cross Default for Party B: | |
|  | Party B: Southern California Edison Company. | Cross Default Amount $200,000,000 |
|  | Other Entity: Not Applicable. | Cross Default Amount $\_\_\_\_\_\_\_\_ [*Amount and/or Methodology To Be Negotiated*] |
|  | 5.6 Closeout Setoff | |
|  | Option A, as amended. | |
|  | Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: | |
|  | Option C (No Setoff). | |
| **Article Eight** | **[ARTICLE EIGHT PROVISIONS TO BE NEGOTIATED BY CREDIT GROUPS]** | |
| Credit and Collateral Requirements | 8.1 Party A Credit Protection: | |
|  | (a) Financial Information: | |
|  | Option A, as amended.  Option B Specify:   Option C Specify: | |
|  | (b) Credit Assurances: | |
|  | Not Applicable.  Applicable. | |
|  | (c) Collateral Threshold: | |
|  | Not Applicable.   Applicable, as specified in **Paragraph 10 to the EEI Collateral Annex**. | |
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|  | (d) Downgrade Event: | |
|  | Not Applicable.  Applicable. | |
|  | If applicable, complete the following: | |
|  | It shall be a Downgrade Event for Party B if Party B’s Credit Rating falls below \_\_\_\_\_\_ from S&P or \_\_\_\_\_\_\_\_\_ from Moody's or if Party B is not rated by any Ratings Agency. | |
|  | Other:  Specify: | |
|  | (e) Guarantor for Party B: Not Applicable. | |
|  | Guarantee Amount: Not Applicable. | |
|  | 8.2 Party B Credit Protection: | |
|  | (a) Financial Information: | |
|  | Option A, as amended.  Option B, as amended. Specify: [Guarantor or other party specified, if applicable]\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Option C Specify: \_\_\_\_\_\_\_\_\_\_\_ | |
|  | (b) Credit Assurances: | |
|  | Not Applicable.  Applicable. | |
|  | (c) Collateral Threshold: | |
|  | Not Applicable.   Applicable, as specified in **Paragraph 10 to the EEI Collateral Annex**. | |
|  |  | |
|  | (d) Downgrade Event: | |
|  | Not Applicable.  Applicable. | |
|  | If applicable, complete the following: | |
|  | It shall be a Downgrade Event for Party A if Party A’s Credit Rating falls below \_\_\_ from S&P or \_\_\_ from Moody's or if Party A is not rated by any Ratings Agency. | |
|  | Other:  Specify: | |
|  | (e) Guarantor for Party A: | |
|  | Guarantee Amount: $\_\_\_\_\_\_\_\_\_\_ | |
| **Article Ten** |  | |
| Confidentiality | Confidentiality Applicable. If not checked, inapplicable. | |
| **Schedule M** | Party A is a Governmental Entity or Public Power System. | |
|  | Party B is a Governmental Entity or Public Power System. | |
|  | Add Section 3.6. If not checked, inapplicable. | |
|  | Add Section 8.4. If not checked, inapplicable. | |

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| Other Changes | The following changes shall be applicable.  **Article One: General Definitions.** Amend Article One as follows:  Section 1.4 is amended by (i) deleting the word “or” in the first line, and (ii) inserting the words “, or the Friday immediately following the U.S. Thanksgiving holiday” immediately after “Bank holiday”.  Section 1.11 is amended by (i) deleting the words “attorneys’ fees and” and (ii) inserting the words “(excluding attorneys’ fees)” after the word “expenses” in the fifth line.  Section 1.12 is amended to read as follows:  “1.12 ‘Credit Rating’ means with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancements) by the Ratings Agencies. If no rating is assigned to such entity’s unsecured, senior long-term debt or deposit obligations the Ratings Agencies, then ‘Credit Rating’ shall mean the general corporate credit rating or long-term issuer rating assigned to such entity by the Ratings Agencies. If any entity is rated by more than one Ratings Agency and the ratings are at different levels, then ‘Credit Rating’ means the lowest such rating.”  Section 1.24 is amended by inserting the words “in accordance with Section 5.2(b)” immediately after “reasonable manner”.  Section 1.27 is amended to read as follows:  “1.27 ‘Letter of Credit’ means an irrevocable, nontransferable standby letter of credit, substantially in the form of Schedule 1 and acceptable to Secured Party, issued by a major U.S. commercial bank, U.S. financial institution, or the U.S. branch office of a foreign bank with, in either case, a Credit Rating of at least A- by S&P or A3 by Moody’s. If such financial institution or bank is rated by more than one Ratings Agency and the ratings are at different levels, the lowest rating shall be the Credit Rating for this purpose. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.”  Section 1.28 is amended by inserting the words “in accordance with Section 5.2(b)” immediately after “reasonable manner”.  Section 1.50 is amended by replacing the term “Section 2.4” with the term “Section 2.5”.  Section 1.51 is amended by (i) deleting the phrase “at the Delivery Point” and replacing it with “, from an entity that is not an Affiliate of either Party,”; (ii) in clause (ii) inserting after the phrase “at Buyer’s option,” the phrase “absent a purchase from an entity that is not an Affiliate of either Party,”; and (iii) in the last sentence thereof deleting the phrase “at the Delivery Point” and replacing it with “that is not an Affiliate of either Party”.  Section 1.53 is amended by (i) deleting the phrase “at the Delivery Point” and replacing it with “, to an entity that is not an Affiliate of either Party,”; (ii) in clause (ii) inserting after the phrase “at Seller’s option,” the phrase “absent a sale to an entity that is not an Affiliate of either Party,”; and (iii) in the last sentence thereof deleting the phrase “at the Delivery Point” and replacing it with “that is not an Affiliate of either Party”.  New Sections [**For Non-FTAA:** 1.62, 1.63, 1.64, 1.65, 1.66, 1.67, and 1.68] [**or for FTAA:** 1.62, 1.63, 1.64, 1.65, 1.66, 1.67, 1.68, and 1.69] are added to read as follows:  “1.62 ‘Forward Price Assessments’ means quotations solicited or obtained in good faith from regularly published and widely-distributed forward price assessments from a broker that is not an Affiliate of either Party and who is actively participating in markets for the relevant Products.”  “1.63 ‘Market Quotation Average Price’ means the arithmetic mean of the quotations solicited in good faith from not less than three (3) Reference Market-Makers (as hereinafter defined); provided, however, that the Party obtaining the quotes shall use reasonable efforts to obtain good faith quotations from at least five (5) Reference Market-Makers and, if at least five (5) such quotations are obtained, the Market Quotation Average Price shall be determined by disregarding the highest and lowest quotations and taking the arithmetic mean of the remaining quotations. The quotations shall be based on the offers to sell or bids to buy, as applicable, obtained for transactions substantially similar to each Terminated Transaction. The quote must be obtained assuming that the Party obtaining the quote will provide sufficient credit support for the proposed transaction. Each quotation shall be obtained in good faith by such Party, to the extent reasonably practicable, as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date, such day and time as of which those quotations will be selected shall be specified in accordance with Section 5.2. If fewer than three (3) quotations are obtained, it will be deemed that the Market Quotation Average Price in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.”  “1.64 ‘Merger Event’ means, with respect to a Party or its Guarantor, that such Party or its Guarantor consolidates or amalgamates with, merges into or with, or transfers substantially all its assets to another entity and (i) the resulting entity fails to assume all the obligations of such Party hereunder or of such Party’s Guarantor under its guaranty, or (ii) the benefits of any credit support provided by such Party pursuant to Article Eight, or any guaranty provided by such Party’s Guarantor, fail to extend to the performance of such resulting, surviving or transferee entity’s obligations hereunder, or (iii) the resulting entity’s creditworthiness is materially weaker than that of such Party or its Guarantor immediately prior to such action. The creditworthiness of the resulting entity shall not be deemed to be ‘materially weaker’ so long as the resulting entity maintains a Credit Rating of at least that of the applicable Party or its Guarantor, as the case may be, immediately prior to the consolidation, merger or transfer.”  “1.65 ‘Ratings Agency’ means any of S&P and Moody’s, and any other ratings agency agreed by the Parties (collectively the ‘Ratings Agencies’).”  “1.66 ‘Reference Market-Maker’ means a leading dealer in the relevant market that is not an Affiliate of either Party and that is selected by a Party in good faith among dealers of the highest credit standing which satisfy all the criteria that such Party applies generally at the time in deciding whether to offer or to make an extension of credit. Such dealer may be represented by a broker.”  “1.67 ‘Specified Energy Transaction’ means any transaction (including an agreement with respect to any such transaction) now existing or hereafter entered into between Party A and Party B (or any Guarantor of such Party) which is not a Transaction under this Agreement, which is a transaction under the International Swaps and Derivatives Association Master Agreement, the North American Energy Standards Board Base Contract for Purchase and Sale of Natural Gas, the WSPP Agreement, or under any other agreement with respect to the purchase, sale, or transfer of (a) wholesale physical electric energy, capacity, ancillary services or resource adequacy benefits; (b) wholesale physical natural gas; (c) transmission services or capacity, (d) emissions (including greenhouse gas emissions) related credits, allowances or offsets, or (e) financial derivative products related to any of the foregoing.”  [**For FTAA:** “1.69 ‘FTAA’ means the Fund Transfer Annex Agreement between Party A and Party B as incorporated by Addendum A to this Master Agreement.“]  **Article Two: Transaction Terms and Conditions**. Amend Article Two as follows:  Section 2.1 is amended by adding the following sentence to the end thereof “Any Transaction formed and effectuated pursuant to the foregoing shall be considered a ‘writing’ or ‘in writing’ and to have been ‘signed’ by each Party or otherwise binding on the Parties.”  Section 2.2 is amended to delete the second comma after the words “supplements hereto),” and before “the Party” in the second sentence.  Section 2.4 is amended by (i) deleting the words “either orally or” after the phrase “Section 2.3 unless agreed to” in the second to last line thereof.  Section 2.5 is amended (i) to delete the phrase “Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation,”; (ii) by capitalizing the word “each” in the first sentence; and (iii) replacing the words “Parties to this Master Agreement” with “Parties’ trading and marketing personnel”.  A new Section 2.6 is added to read as follows:  “2.6 Imaged Agreement. Any original executed Master Agreement, Confirmation or other related document may be photocopied and stored on computer tapes and disks (the ‘Imaged Agreement’). The Imaged Agreement, if introduced as evidence on paper, the Confirmation, if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper or into other written format, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Recording, the Confirmation, or the Imaged Agreement (or photocopies of the transcription of the Recording, the Confirmation, or the Imaged Agreement) on the basis that such were not originated or maintained in documentary or written form under either the hearsay rule or the best evidence rule. However, nothing in this Section 2.6 shall preclude a Party from challenging the admissibility of such evidence on some other grounds, including, without limitation, the basis that such evidence has been materially or substantially altered from the original.”  **ARTICLE THREE: OBLIGATIONS AND DELIVERIES**. Amend Article Three as follows:  A new Section 3.4 is added to read as follows:  “3.4 Index Transactions. If the Contract Price for a Transaction is determined by reference to an index, then the following provisions shall be applicable to such Transaction.  (a) Market Disruption. If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Floating Price specified in the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; provided, however, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in good faith by taking the average of the price quotations for the relevant commodity and relevant Business Days that are obtained from no more than two (2) Reference Market-Makers selected by each Party.  (b) For purposes of this Section 3.4, the following definitions shall apply:  (i) ‘Determination Period’ means each calendar month a part or all of which is within the Delivery Period of a Transaction.  (ii) ‘Exchange’ means, in respect of a Transaction, the exchange or principal trading market specified in the relevant Transaction.  (iii) ‘Floating Price’ means a price per unit in $U.S. specified in a Transaction that is based upon a Price Source.  (iv) ‘Market Disruption Event’ means, with respect to any Price Source, any of the following events: (a) the failure of the Price Source to announce or publish the specified Floating Price or information necessary for determining the Floating price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange or in the market specified for determining a Floating Price; (c) the temporary or permanent discontinuance or unavailability of the Price Source; (d) the temporary or permanent closing of any Exchange specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.  (v) ‘Price Source’ means, in respect of a Transaction, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the specified price (or prices from which the specified price is calculated) specified in the relevant Transaction.  (vi) ‘Trading Day’ means a day in respect of which the relevant Price Source published the Floating Price.  (c) Corrections to Published Prices. For purposes of determining a Floating Price for any day, if the price published or announced on a given day and used or to be used to determine a relevant price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within twelve (12) months of the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than ten (10) Business Days after the effectiveness of that notice, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.  (d) Calculation of Floating Price. For the purposes of the calculation of a Floating Price, all numbers shall be rounded to three (3) decimal places. If the fourth (4th) decimal number is five (5) or greater, then the third (3rd) decimal number shall be increased by one (1), and if the fourth (4th) decimal number is less than five (5), then the third (3rd) decimal number shall remain unchanged.”  **ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES**. Amend Article Five as follows:  Section 5.1(e) is amended by adding after the word “hereof” the phrase “or any other credit arrangement, including, but not limited to, the Collateral Annex (or any similar agreement) related to this Agreement”.  Section 5.1(f) is amended to read as follows:  “(f) a Merger Event occurs with respect to such Party or its Guarantor, if applicable;” Section 5.1(h)(iv) is amended by inserting the words “made in connection with this Agreement” after the first instance of the word “guaranty”. Section 5.1(h)(v) is amended by inserting the words “made in connection with this Agreement” after the word “guaranty”.  Section 5.1 is amended by adding the following [**For Non-FTAA:** Sections 5.1(i) and 5.1(j)][**or for FTAA:** Sections 5.1(i), 5.1(j), and 5.1(k)] at the end thereof:  “(i) an event of default occurs (howsoever determined) under a Specified Energy Transaction with respect to such Party and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of that Specified Energy Transaction; or  (j) the Party disaffirms, disclaims, repudiates, or rejects, in whole or in part, or challenges the validity of, this Master Agreement, any Confirmation executed and delivered by that Party, or any Transaction evidenced by such a Confirmation.  [**For FTAA:** (k) it shall be an Event of Default of Party A if Party A fails to comply with the terms of the FTAA.]”  Section 5.2 is amended by (i) inserting “(a)” at the beginning thereof; (ii) reversing the placement of “(i)” and “to”; (iii) inserting after the words “designate a day” the words “and time of day” in clause (i) thereof; (iv) replacing the phrase “as soon thereafter as is reasonably practicable)” with “, then each such Transaction — individually, an ‘Excluded Transaction’ and collectively, the ‘Excluded Transactions’— shall be terminated as soon thereafter as is reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction) and the Termination Payment payable in connection with all Terminated Transactions shall be calculated in accordance with this Section 5.2 and with Section 5.3 below”; and (v) adding the following paragraph at the end thereof:  “(b) The Non-Defaulting Party shall determine its Gains and Losses by determining the Market Quotation Average Price for each Terminated Transaction. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts, to obtain the Market Quotation Average Price with respect to any Terminated Transaction, then the Non-Defaulting Party shall calculate its Gains and Losses for such Terminated Transaction in a commercially reasonable manner by calculating the arithmetic mean of at least three (3) Forward Price Assessments for transactions substantially similar to each Terminated Transaction. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts to obtain at least three (3) Forward Price Assessments with respect to any Terminated Transaction, then the Non-Defaulting Party shall calculate its Gains and Losses for such Terminated Transaction in a commercially reasonable manner by reference to information supplied to it by one or more third parties including, without limitation, index prices, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads, or other relevant market data in the relevant markets; provided, however, that the provider of such information shall not be an Affiliate of either Party. Only in the event the Non-Defaulting Party is not able, after using commercially reasonable efforts, to obtain such third party information, then the Non-Defaulting Party may calculate its Gains and Losses for such Terminated Transaction in a commercially reasonable manner using relevant market data it has available to it internally.”  Section 5.3 is amended by (i) deleting the “:” in the second line thereof; (ii) replacing the words “Agreement against” with “Agreement, against” immediately before “(b)”; and (iii) inserting the phrase “any cash then available to the Defaulting Party pursuant to Article Eight,” between the words “Non-Defaulting Party,” and “plus any” in the sixth line thereof.  Section 5.4 is amended by inserting the phrase “but in no event more than fifteen (15) Business Days following the Early Termination Date,” after the phrase “liquidation,” in the second line thereof.  Section 5.6 Option A is amended by (i) inserting the following phrase “with respect to the Specified Energy Transactions,” before the words “and/or (ii)” and (ii) adding the following at the end thereof :  “Notwithstanding anything to the contrary contained in this Master Agreement, or in any other agreement, instrument, or undertaking between the Parties with respect to a Specified Energy Transaction, if an Early Termination Date has been designated pursuant to Section 5.2, then, in addition to the other remedies provided in this Master Agreement, the Non-Defaulting Party may accelerate, liquidate and terminate all, but not less than all, Specified Energy Transactions between the Parties.”  Section 5.7 is amended to capitalize the word “early” in line 6 to read “Early”.  **ARTICLE SIX: PAYMENT AND NETTING**. Amend Article Six as follows:  Section 6.3 is amended to read as follows:  “6.3 Disputes and Adjustments of Invoices. A Party may adjust any invoice rendered by it under this Agreement to correct any arithmetic or computational error or to include additional charges or claims within twenty-four (24) months after the close of the month in which the obligations being invoiced arose. A receiving Party may, in good faith, dispute the correctness of any invoice or of any adjustment to any invoice previously rendered to it by providing notice to the other Party on or before the later of (i) twelve (12) months of the date of receipt of such invoice or adjusted invoice, or (ii) twenty-four (24) months after the close of the month in which the obligation being invoiced arose. Failure to provide such notice within the time frame set forth in the preceding sentence waives the dispute with respect to such invoice. A Party disputing all or any part of an invoice or an adjustment to an invoice previously rendered to it may pay only the undisputed portion of the invoice when due, provided such Party provides notice to the other Party of the basis for and amount of the disputed portion of the invoice that has not been paid. The disputed portion of the invoice must be paid within two (2) Business Days of resolution of the dispute, along with interest accrued at the Interest Rate from and including the original due date of the invoice to but excluding the date the disputed portion of the invoice is actually paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment but excluding the date repaid or deducted by the Party receiving such overpayment. An invoice can only be adjusted or amended after it was originally rendered within the time frames set forth in this Section 6.3. If an invoice is not rendered within twenty-four (24) months after the close of the month in which the payment obligations arose, the right to payment for that month under this Agreement is waived.”  Section 6.7 is amended to replace the phrase “Section 6.1” with the phrase “Section 6.2”.  [**For FTAA:** Article 6 is amended by adding a new Section 6.9:  “6.9 Conflict of Payment Terms. To the extent there is a conflict between the payment terms of this Master Agreement and the FTAA, the FTAA shall prevail.”]**Article Seven: Limitations.** Amend Article Seven as follows:  Section 7.1 is amended to (i) delete the phrase “EXCEPT AS SET FORTH HEREIN” in the first sentence; and (ii) in the fifth sentence (a) replace in its entirety the phrase “UNLESS EXPRESSLY HEREIN PROVIDED” with “NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY”; (b) add the following phrase “set forth in this Agreement” after the words “INDEMNITY PROVISION”; and (c) add the following phrase “; PROVIDED, HOWEVER, THAT NOTHING IN THIS PROVISION SHALL AFFECT THE ENFORCEABILITY OF SECTIONS 5.2 AND 5.3 OF THIS AGREEMENT” after the words “OR OTHERWISE”.  **ARTICLE EIGHT: CREDIT AND COLLATERAL REQUIREMENTS**. Amend Article Eight as follows:  Section 8.1(a) Option A is amended to add (i) the following phrase “(income statement, balance sheet, statement of cash flows and statement of retained earnings and all accompanying notes) after the words “consolidated financial statements” in the third line; (ii) the phrase “setting forth in each case in comparative form the figures for the previous year” after the words “for such fiscal year,” in the third line; and (iii) the phrase “and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year certified in accordance with all applicable laws and regulations, including without limitation all applicable Securities and Exchange Commission rules and regulations, provided however, for the purposes of this (i) and (ii), if Party B’s financial statements are publicly available electronically on the Securities and Exchange Commission’s website or Party B’s website, then Party B shall be deemed to have met this requirement” after the words “for such fiscal quarter” in the fifth line.  **[SCE comment—The following is applicable if Option A is selected]**  Section 8.2(a) Option A is amended to add (i) the following phrase “(income statement, balance sheet, statement of cash flows and statement of retained earnings and all accompanying notes)” after the words “consolidated financial statements” in the third line; (ii) the phrase “setting forth in each case in comparative form the figures for the previous year” after the words “for such fiscal year,” in the third line; and (iii) the phrase “and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year [**if Party A is an SEC reporting company:** certified in accordance with all applicable laws and regulations, including without limitation all applicable Securities and Exchange Commission rules and regulations] [**OR if Party A is not an SEC reporting company:** certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year end audit adjustments)], provided however, for the purposes of this (i) and (ii), if Party A’s financial statements are publicly available electronically on the Securities and Exchange Commission’s website or Party A’s website, then Party A shall be deemed to have met this requirement” after the words “for such fiscal quarter” in the fifth line; and (v) at the end thereof the phrase “[**if Party A is not an SEC reporting company:** For purposes of this Section, ‘Responsible Officer’ shall mean the Chief Financial Officer, Treasurer or any Assistant Treasurer of Party A or any employee of Party A designated by any of the foregoing.]”.  **[SCE comment—The following is applicable if Option B is selected]**  Section 8.2(a) Option B is amended to add (i) the phrase “or Party A’s Guarantor [or other entity specified on the Cover Sheet]” after the words “Party A” in the first line; (ii) the following phrase “(income statement, balance sheet, statement of cash flows and statement of retained earnings and all accompanying notes)” after the words “consolidated financial statements” in the third line; (iii) the phrase “setting forth in each case in comparative form the figures for the previous year” after the words “for such fiscal year,” in the third line; (iv) is amended by replacing the phrase “for the party(s) specified on the Cover Sheet” with the phrase “and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year [**if Party A’s Guarantor [or other entity specified on the Cover Sheet] is an SEC reporting company:** certified in accordance with all applicable laws and regulations, including without limitation all applicable Securities and Exchange Commission rules and regulations] [**OR if Party A’s Guarantor [or other entity specified on the Cover Sheet]is not an SEC reporting company:** certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year end audit adjustments)], provided however, for the purposes of this (i) and (ii), if Party A’s Guarantor’s [or other entity specified on the Cover Sheet] financial statements are publicly available electronically on the Securities and Exchange Commission’s website or Party A’s Guarantor’s [or other entity specified on the Cover Sheet] website, then this requirement shall be deemed satisfied” in the fifth line; and (v) at the end thereof the phrase “[**if Party A’s Guarantor [or other entity specified on the Cover Sheet] is not an SEC reporting company:** For purposes of this Section, ‘Responsible Officer’ shall mean the Chief Financial Officer, Treasurer or any Assistant Treasurer of Party A’s Guarantor or any employee of Party A’s Guarantor designated by any of the foregoing.]”.  A new Section 8.4 is added to read as follows:  “8.4 [Uniform/California] Commercial Code Waiver. This Agreement and the Collateral Annex set forth the entirety of the agreement of the Parties regarding credit, collateral and adequate assurances. Except as expressly set forth in the options elected by the Parties in respect of Sections 8.1 and 8.2, in Section 8.3, and in the relevant portions of the Collateral Annex, neither Party:  (a) has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever, nor  (b) will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of Section 8 of this Master Agreement and of the relevant provisions of the Collateral Annex;  and all implied rights relating to financial assurances arising from Section [2-609 of the Uniform][2609 of the California] Commercial Code or case law applying similar doctrines, are hereby waived.”  **ARTICLE NINE: GOVERNMENTAL CHARGES.** Amend Article Nine as follows:  Section 9.2, is amended to add the words “, charges, or fees” after the word “taxes” in the first line thereof.  **ARTICLE TEN: MISCELLANEOUS.** Amend Article Ten as follows:  Section 10.2(vi) is amended to add the phrase “(for purposes of this Section 10.2(vi), Party B shall be deemed to have no Affiliates)” after the word “Affiliates”.  [Include the below amendments to Section 10.2(x) and Section 10.2(xi) for all CPs able to make reps re eligible commercial entity/eligible contract participant. Delete the amendments to 10.2(x) and (x) for CPs unable to make those reps]  Section 10.2(x) is amended to read as follows:  “(x) it is an ‘eligible commercial entity’ within the meaning of the Commodity Exchange Act, as otherwise amended, updated or modified from time to time;”  Section 10.2(xi) is amended to read as follows:  “(xi) it is an ‘eligible contract participant’ within the meaning of the Commodity Exchange Act, as otherwise amended, updated or modified from time to time; and ”]  Section 10.2(xii) is amended to read as follows:  “(xii) each Transaction that is not executed or traded on a ‘trading facility’, as defined in the Commodity Exchange Act, as otherwise amended, updated or modified from time to time, is subject to individual negotiation by the Parties.”  Section 10.4 is amended by adding the following sentence at the end thereof:  “Neither Party shall be liable with respect to any Claim to the extent that such Claim resulted from the negligence, willful misconduct, or bad faith of the indemnified Party.”  Section 10.5 is amended as follows:  (a) add the following phrase to the end of clause (i) immediately after the word “arrangements” the phrase “to any person or entity whose creditworthiness is equal to or higher than that of such Party”; (b) in clause (ii) replace the words “affiliate” and “affiliate’s” with, respectively “Affiliate” and “Affiliate’s”; and (c) in clause (iii) immediately after the words “substantially all of the assets” insert the words “of such Party and”.  Section 10.6 is amended to read as follows:  “10.6 Governing Law; Venue; Dispute Resolution.  (a) Governing Law and 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 LAWS. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY DISPUTE ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT. The Parties hereby consent to conduct all dispute resolution, judicial actions or proceedings arising directly, indirectly or otherwise in conjunction with, out of, related to, or arising from this Agreement in Los Angeles County, California.  (b) Dispute Resolution:  (i) Mediation. The Parties agree that any and all disputes, claims or controversies arising out of, relating to, concerning or pertaining to this Agreement, or to either Party’s performance or failure of performance under this Agreement, which disputes, claims, or controversies the Parties have been unable to resolve by informal methods after undertaking a good faith effort to do so, shall first be submitted to Judicial Arbitration and Mediation Services, Inc. (‘JAMS’), its successor, or any other mutually agreeable neutral (the ‘Mediator’) for mediation, and if the matter is not resolved through mediation, then it shall be submitted as provided below for final and binding arbitration.  The Parties agree that there will be no interlocutory appellate relief (such as writs) available. Any dispute resolution process pursuant to this Section 10.6(b) shall be commenced within one (1) year of the date of the occurrence of the facts giving rise to the dispute, without regard to the date such facts are discovered; *provided*, if the facts giving rise to the dispute were not reasonably capable of being discovered at the time of their occurrence, then such one (1) year period shall commence on the earliest date that such facts were reasonably capable of being discovered, and in no event more than four (4) years after the occurrence of the facts giving rise to the dispute. If any dispute resolution process pursuant to this Section 10.06(b) with respect to a dispute is not commenced within such one (1) year time period, such dispute shall be waived and forever barred, without regard to any other limitations period set forth by law or statute.  Either Party may initiate the mediation by providing to the other Party a written request for mediation setting forth the subject of the dispute and the relief requested.  The Parties will cooperate with one another in selecting the Mediator from the JAMS’ panel of neutrals, or in selecting a mutually acceptable non-JAMS Mediator, and in scheduling the time and place of the mediation.  Such selection and scheduling will be completed within forty-five (45) days after a Party provides a written request for mediation.  Unless otherwise agreed to by the Parties, the mediation will not be scheduled for a date that is greater than one hundred twenty (120) days after a Party provides a written request for mediation.  The Parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs (other than each Party’s individual attorneys’ fees and costs related to the Party’s participation in the mediation, which fees and costs will be borne by such Party).  All offers, promises, conduct and statements, whether oral or written, made in connection with or during the mediation by either of the Parties, their agents, representatives, employees, experts and attorneys, and by the Mediator or any of the Mediator’s agents, representatives and employees, will not be subject to discovery and will be confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding between or involving the Parties, or either of them, *provided,* evidence that is otherwise admissible or discoverable will not be rendered inadmissible or non-discoverable as a result of its use in the mediation.  (ii) Arbitration. Either Party may initiate binding arbitration with respect to the matters first submitted to mediation by making a written demand for binding arbitration before a single, neutral arbitrator (the ‘Arbitrator’) within sixty (60) days following the unsuccessful conclusion of the mediation provided for in Section 10.06(b)(i). If a written demand for arbitration is not provided by either Party within sixty (60) days following the unsuccessful conclusion of the mediation provided for in Section 10.06(b)(i), the dispute resolution process shall be deemed complete and further resolution of such dispute shall be barred, without regard to any other limitations period set forth by law or statute.  The Parties will cooperate with one another in promptly selecting the Arbitrator and shall further cooperate in scheduling the arbitration to commence no later than 180 days from the date of the initial written demand for binding 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 California Code of Civil Procedure Section 1281.6.  Unless otherwise agreed to by the Parties, the individual acting as the Mediator shall be disqualified from serving as the Arbitrator in the dispute, although the Arbitrator may be another member of the JAMS panel of neutrals or such other panel of neutrals from which the Parties have agreed to select the Mediator.  Upon a Party’s written demand for binding arbitration, such dispute, claim or controversy submitted to arbitration, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by binding arbitration before the Arbitrator, in accordance with the laws of the State of California, without regards to principles of conflicts of laws.  Except as provided for herein, the arbitration shall be conducted by the Arbitrator in accordance with the rules and procedures for arbitration of complex business disputes for the organization with which the Arbitrator is associated.  Absent the existence of such rules and procedures, the arbitration shall be conducted in accordance with the California Arbitration Act, California Code of Civil Procedure Section 1280 et seq and California procedural law (including the Code of Civil Procedure, Civil Code, Evidence Code and Rules of Court, but excluding local rules).  Notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, the place of the arbitration shall be in Los Angeles County, California.  Also, notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, discovery will be limited as follows:   1. Before discovery commences, the Parties shall exchange an initial disclosure of all documents and percipient witnesses which they intend to rely upon or use at any arbitration proceeding (except for documents and witnesses to be used solely for impeachment); 2. The initial disclosure will occur within thirty (30) days after the initial conference with the Arbitrator or at such time as the Arbitrator may order; 3. Discovery may commence at any time after the Parties’ initial disclosure; 4. The Parties will not be permitted to propound any interrogatories or requests for admissions; 5. Discovery will be limited to twenty-five (25) document requests (with no subparts), three (3) lay witness depositions, and three (3) expert witness depositions (unless the Arbitrator holds otherwise following a showing by the Party seeking the additional documents or depositions that the documents or depositions are critical for a fair resolution of the Dispute or that a Party has improperly withheld documents); 6. Each Party is allowed a maximum of three (3) expert witnesses, excluding rebuttal experts; 7. Within sixty (60) days after the initial disclosure, or at such other time as the Arbitrator may order, the Parties shall exchange a list of all experts upon which they intend to rely at the arbitration proceeding; 8. Within thirty (30) days after the initial expert disclosure, the Parties may designate a maximum of two (2) rebuttal experts; 9. Unless the Parties agree otherwise, all direct testimony will be in form of affidavits or declarations under penalty of perjury; and 10. Each Party shall make available for cross examination at the arbitration hearing its witnesses whose direct testimony has been so submitted.   Subject to Section 7.1, the Arbitrator will have the authority to grant any form of equitable or legal relief a Party might recover in a court action. The Parties acknowledge and agree that irreparable damage would occur if certain provisions of this Agreement are not performed in accordance with the terms of the Agreement, that money damages would not be a sufficient remedy for any breach of these provisions of this Agreement, and that the Parties shall be entitled, without the requirement of posting a bond or other security, to specific performance and injunctive or other equitable relief as a remedy for a breach of Section 10.11 of this Agreement.  Judgment on the award may be entered in any court having jurisdiction.  The Arbitrator shall, in any award, allocate all of the costs of the binding arbitration (other than each Party’s individual attorneys’ fees and costs related to the Party’s participation in the arbitration, which fees and costs shall be borne by such Party), including the fees of the Arbitrator, against the Party who did not prevail.  Until such award is made, however, the Parties shall share equally in paying the costs of the arbitration.  At the conclusion of the arbitration hearing, the Arbitrator shall prepare in writing and provide to each Party a decision setting forth factual findings, legal analysis, and the reasons on which the Arbitrator’s decision is based. The Arbitrator shall also have the authority to resolve claims or issues in advance of the arbitration hearing that would be appropriate for a California superior court judge to resolve in advance of trial. The Arbitrator shall not have the power to commit errors of law or fact, or to commit any abuse of discretion, that would constitute reversible error had the decision been rendered by a California superior court. The Arbitrator’s decision may be vacated or corrected on appeal to a California court of competent jurisdiction for such error. Unless otherwise agreed to by the Parties, all proceedings before the Arbitrator shall be reported and transcribed by a certified court reporter, with each Party bearing one-half of the court reporter’s fees.”  Section 10.8 is amended to replace in the penultimate sentence thereof the phrase “twelve (12) months” with the phrase “two (2) years”.  Section 10.10 is amended to read as follows:  “10.10 Bankruptcy Issues.  The Parties intend that (i) all Transactions constitute a ‘forward contract’ within the meaning of the United States Bankruptcy Code (the ‘Bankruptcy Code’) or a ‘swap agreement’ within the meaning of the Bankruptcy Code; (ii) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute ‘settlement payments’ within the meaning of the Bankruptcy Code; (iii) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute ‘margin payments’ within the meaning of the Bankruptcy Code; (iv) this Agreement constitutes a ‘master netting agreement’ within the meaning of the Bankruptcy Code; and (v) each of Party A and Party B are “forward contract merchants” within the meaning of the Bankruptcy Code.  Each Party further agrees that, for purposes of this Agreement, the other Party is not a ‘utility’ as such term is used in 11 U.S.C. Section 366, each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort to the extent such term relates to 11 U.S.C. Section 366 or another provision of 11 U.S.C. Section 101-1532.”  Section 10.11 is amended to read as follows:  “10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose the terms or conditions of this Agreement to a third party (other than the Party’s or the Party’s Affiliates’ officers, directors, employees, lenders, counsel, accountants, advisors, or rating agencies who have a need to know such information and have agreed to keep such terms strictly confidential and to take reasonable precautions to protect against disclosure of such terms) except (i) in order to comply with any applicable law, order, regulation, ruling, summons, subpoena, exchange rule, or accounting disclosure rule or standard, or to make any showing required by any applicable governmental authority; (ii) to the extent necessary for the enforcement of this Agreement or to implement any Transaction; (iii) as may be obtained from a non-confidential source that disclosed such information in a manner that did not violate its obligations to the non-disclosing Party or its Guarantor in making such disclosure; (iv) to the extent such disclosure to a third party is for the sole purpose of calculating a published index, so long as such third party (1) has agreed prior to the disclosure to protect the specific information disclosed from public disclosure and (2) is a party engaged in the business of collecting such information for the purpose of establishing, creating, or formulating a published index; (v) to the extent such information is or becomes generally available to the public prior to such disclosure by a Party; (vi) when required to be released in connection with any regulatory proceeding (provided that the releasing Party makes reasonable efforts to obtain confidential treatment of the information being released); or (vii) with respect to Party B, as may be furnished to its duly authorized regulatory and governmental agencies or entities, including without limitation the California Public Utilities Commission (the “CPUC”) and all divisions thereof, and to Party B’s Procurement Review Group (the “PRG”), a group of participants including members of the CPUC and other governmental agencies and consumer groups established by the CPUC in D.02-08-071 and D.03-06-071; provided, Party B shall have no liability to Party A in the event of any unauthorized use or disclosure by such entities. The existence of this Agreement is not subject to this confidentiality obligation; provided that neither Party shall make any public announcement relating to this Agreement unless required pursuant to subsection (i) or (vi) of the foregoing sentence of this Section 10.11. 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. With respect to information provided in connection with a Transaction, this obligation shall survive for a period of three (3) years following the expiration or termination of such Transaction. With respect to information provided under this Agreement, this obligation shall survive for a period of three (3) years following the expiration or termination of this Agreement. For the purposes of this Section 10.11, “Affiliate” for Party A shall mean \_\_\_\_\_\_\_\_\_\_ and “Affiliate” for Party B shall mean Edison International.”  New Sections 10.12, 10.13, 10.14, 10.15, 10.16, and 10.17 shall be added as follows:  “10.12 No Agency. Except as otherwise provided explicitly herein, in performing their respective obligations under this Agreement, neither Party is acting, or is authorized to act, as the other Party’s agent.”  “10.13 Mobile Sierra Doctrine.  (a) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall be the ‘public interest’ standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), *Federal Power Commission v. Sierra Pacific Power Co*., 350 U.S. 348 (1956), and clarified by *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish,* 554 U.S. 527 (2008), and *NRG Power Marketing LLC v. Maine Public Utility Commission*, 558 U.S. 527 (2010) (the ‘Mobile Sierra’ doctrine).  (b) Notwithstanding any provision of Agreement, and absent the prior written agreement of the Parties, each Party, to the fullest extent permitted by applicable laws, for itself and its respective successors and assigns, hereby also expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Sections 205, 206, or 306 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation, supporting a third party seeking to obtain or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any Section of this Agreement specifying any rate or other material economic terms and conditions agreed to by the Parties.”  “10.14 Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission, Portable Document Format (i.e., PDF) or by other electronic means constitutes effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes.”  “10.15 Independent Contractors. The Parties are independent contractors. Nothing contained herein shall be deemed to create an association, joint venture, or partnership relationship between the Parties or to impose any partnership obligations or liability on either Party in any way.” “10.16 Severability. If any term, section, provision or other part of this Agreement, or the application of any term, section, provision or other part of this Agreement, is held to be invalid, illegal or void by a court or regulatory agency of proper jurisdiction, all other terms, sections, provisions or other parts of this Agreement shall not be affected thereby but shall remain in force and effect unless a court or regulatory agency holds that the provisions are not separable from all other provisions of this Agreement.” “10.17 Rules of Construction.   1. The word “or” when used in this Agreement includes the meaning “and/or” unless the context unambiguously dictates otherwise. 2. Where days are not specifically designated as Business Days, they will be considered as calendar days. 3. All references to time shall be in PPT unless stated otherwise.”   **SCHEDULE P: PRODUCTS AND DEFINITIONS**. Amend Schedule P as follows:  The following definitions are added:  “ ‘CAISO Energy’ means with respect to a Transaction, a Product under which the Seller shall sell and the Buyer shall purchase a quantity of energy equal to the hourly quantity without Ancillary Services (as defined in the Tariff) that is or will be scheduled as a schedule coordinator to schedule coordinator transaction pursuant to the applicable tariff and protocol provisions of the CAISO (as amended from time to time, the ‘Tariff’) for which the only excuse for failure to deliver or receive is an Uncontrollable Force (as defined in the Tariff).”  The following products are added:  “Other Products and Service Levels.  If the Parties agree to a service level or product defined by a different agreement, set of rules, tariff, or protocol (herein, the ‘agreement’) (i.e., the WSPP Agreement) for a particular Transaction, then, unless the Parties expressly state and agree that all the terms and conditions of such other agreement will apply, such reference to a service level or product defined by such other agreement means that the service level or product for that Transaction is subject to the applicable regional independent system operator and/or utility reliability requirements and guidelines as well as the permitted excuses for performance, Force Majeure, Uncontrollable Forces, or other such excuses applicable to performance under such other agreement, to the extent inconsistent with the terms of this Agreement, provided, however, that all other terms and conditions of this Agreement shall and do remain applicable including, without limitation, Section 2.2; and provided, further that with respect to any Transaction for a product or service level defined by such other agreement, the methodology for calculating the payments for failure to deliver or receive shall be in accordance with Sections 4.1 and 4.2 of the Master Agreement; provided, further that the ‘Accelerated Payment of Damages’ addressed in Article Four and agreed to in the Cover Sheet of the Master Agreement shall continue to apply.”  “Into \_\_\_\_\_\_\_\_\_\_ (the ‘Receiving Transmission Provider’), Seller’s Daily Choice” is deleted in its entirety. |

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first above written.

Party A: Party B: **Southern California Edison Company**

By: By:

Name: Name:

Title: Title:

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting there from. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.

**SCHEDULE 1 – Form of Letter of Credit**

IRREVOCABLE NONTRANSFERABLE STANDBY LETTER OF CREDIT

Bank Reference Number:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Issuance Date:

Issuing Bank:

[insert bank name and address]

Applicant:

[insert applicant name and address]

Beneficiary:

[insert beneficiary name and address]

Available Amount: [insert amount and spell out]

Expiration Date: [insert date]

Ladies and Gentlemen:

(the “Bank”) hereby establishes this Irrevocable Nontransferable Standby Letter of Credit (“Letter of Credit”) in favor of Southern California Edison Company, a California corporation (the “Beneficiary”), for the account of, a \_\_\_\_\_\_\_\_\_\_\_\_ corporation, also known as ID# \_\_\_\_ (the “Applicant”), for the amount stated above (the “Available Amount”), effective immediately.

This Letter of Credit shall be of no further force or effect at 5:00 p.m., California time on the expiration date stated above or, if such day is not a Business Day (as hereinafter defined), on the next Business Day (as may be extended pursuant to the terms of this Letter of Credit) (the “Expiration Date”).

For the purpose hereof, “Business Day” shall mean any day other than:

1. A Saturday or a Sunday,
2. A day on which banking institutions in the city of Los Angeles, California, are required or authorized by Law to remain closed, or
3. A day on which the payment system of the Federal Reserve System is not operational.

It is a condition of this Letter of Credit that the Expiration Date shall be automatically extended without amendment for one (1) year from the Expiration Date hereof or any future Expiration Date unless at least sixty (60) days prior to such Expiration Date, we send notice to you by certified mail or hand delivered courier, at the address stated below, that we elect not to extend this Letter of Credit for any such additional period.

Subject to the terms and conditions herein, funds under this Letter of Credit are available to Beneficiary by complying presentation on or before 5:00 p.m. California time, on or before the Expiration Date of the following:

1. A copy of this Letter of Credit and all amendments;

2. A copy of the Drawing Certificate in the form of Attachment “A” attached hereto and which forms an integral part hereof, duly completed and bearing the signature of an authorized representative of the Beneficiary signing as such; and

3. A copy of the Sight Draft in the form of Attachment “B” attached hereto and which forms an integral part hereof, duly completed and bearing the signature of an authorized representative of the Beneficiary.

Drawings may also be presented by telecopy (“Fax”) to fax number [insert number] under telephone pre-advice to [insert number] or alternatively to [insert number]; provided that such Fax presentation is received on or before the Expiration Date on this instrument in accordance with the terms and conditions of this Letter of Credit. It being understood that any such fax presentation shall be considered the sole operative instrument of drawing. In the event of presentation by fax, the original documents should not also be presented.

Partial drawing of funds shall be permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance; provided, the Available Amount shall be reduced by the amount of each such drawing.

This Letter of Credit is not transferable or assignable. Any purported transfer or assignment shall be void and of no force or effect.

All correspondence and any drawings (other than those made by facsimile) hereunder are to be directed to [Bank address/contact].

All notices to Beneficiary shall be in writing and are required to be sent by certified letter, overnight courier, or delivered in person to: [insert Beneficiary name and address]. Only notices to Beneficiary meeting the requirements of this paragraph shall be considered valid. Any notice to Beneficiary which is not in accordance with this paragraph shall be void and of no force or effect.

Banking charges shall be the sole responsibility of the Applicant.

This Letter of Credit sets forth in full our obligations and such obligations shall not in any way be modified, amended, amplified or limited by reference to any documents, instruments or agreements referred to herein, except only the attachment referred to herein; and any such reference shall not be deemed to incorporate by reference any document, instrument or agreement except for such attachment. Except in the case of an increase in the Available Amount or extension of the Expiration Date, this Letter of Credit may not be amended or modified without the Beneficiary’s prior written consent.

The Bank engages with the Beneficiary that Beneficiary’s drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to the Bank on or before the Expiration Date.

Except so far as otherwise stated, this Letter of Credit is subject to the International Standby Practices ISP98 (also known as ICC Publication No. 590), or revision currently in effect (the “ISP”). As to matters not covered by the ISP, the laws of the State of California, without regard to the principles of conflicts of laws thereunder, shall govern all matters with respect to this Letter of Credit.

AUTHORIZED SIGNATURE for Bank

By

Name: [print name]

Title: [print title]

**ATTACHMENT A**

*Drawing Certificate*

TO [ISSUING BANK NAME & ADDRESS]

IRREVOCABLE NONTRANSFERABLE STANDBY LETTER OF CREDIT REFERENCE NUMBER: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

DATE: \_\_\_\_\_\_\_\_\_

*[insert Beneficiary name]* (the “Beneficiary”), demands *[Issuing Bank Name]* (the “Bank”) payment to the order of the Beneficiary the amount of U.S. $\_\_\_\_\_\_ (\_\_\_\_\_\_\_\_\_ U.S. Dollars), drawn under the Letter of Credit referenced above (the “Letter of Credit”), for the following reason(s) [check applicable provision]:

[ ] A. An Event of Default (as defined in the Edison Electric Institute Master Power Purchase & Sale Agreement Version 2.1 (modified on 4/25/00) between *[insert Counterparty name]* or its successor (the “Counterparty”) and Beneficiary, dated as of *[Date of Execution]*, as may be amended from time to time, (the “EEI Agreement”), with respect to the Counterparty has occurred and is continuing.

[ ] B. The Letter of Credit will expire in fewer than twenty (20) Business Days (as defined in the EEI Agreement) from the date hereof, and the Counterparty or its successor has not provided Beneficiary alternative Performance Assurance (as defined in the EEI Agreement) acceptable to Beneficiary.

Unless otherwise provided herein, capitalized terms which are used and not defined herein shall have the meaning given each such term in the Letter of Credit.

Authorized Signature for Beneficiary:

*[insert Beneficiary name]*

By:

Name: [print name]

Title: [print title]

**ATTACHMENT B**

*SIGHT DRAFT*

[Insert Date]

TO:

[Issuing bank name & address]

PAY AT SIGHT TO THE ORDER OF [insert Beneficiary name] (the “Beneficiary”) THE AMOUNT OF USD [insert amount] DRAWN UNDER [Issuing Bank Name] IRREVOCABLE NONTRANSFERABLE STANDY LETTER OF CREDIT NUMBER [insert number] ISSUED ON [insert date].

FUNDS PAID PURSUANT TO THE PROVISIONS OF THE LETTER OF CREDIT SHALL BE WIRE TRANSFERRED TO THE BENEFICIARY IN ACCORDANCE WITH THE FOLLOWING INSTRUCTIONS:

[insert wiring instruction]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature [insert Beneficiary name]

Name: [print name]

Title: [print title]

1. [SCE Comment: Green highlights are comments or instructions to be deleted prior to final execution.] [↑](#footnote-ref-1)
2. [SCE Comment: Blue highlights indicate required information to be completed prior to final execution.] [↑](#footnote-ref-2)