MASTER POWER PURCHASE AND SALE AGREEMENT

Confirmation Letter

BETWEEN

[INSERT Counterparty name]

AND

SOUTHERN CALIFORNIA EDISON COMPANY

This Confirmation Letter including all appendices hereto (“Confirmation”) confirms the Transaction between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Buyer”) and \_\_\_\_\_\_\_\_\_\_\_ (“Seller”),[[1]](#footnote-2) each individually a “Party” and together the “Parties”, dated as of [Date] (the “Confirmation Effective Date”) in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in this Confirmation, in the amounts described in this Confirmation. This Transaction is governed by the Edison Electric Institute (“EEI”) Master Power Purchase and Sale Agreement between the Parties, effective as of [Date], along with the Cover Sheet, any amendments and annexes thereto (the “Master Agreement”), and including, the EEI Collateral Annex to the Master Agreement along with the Paragraph 10 to the Collateral Annex between the Parties (such Paragraph 10 and the Collateral Annex are referred to collectively herein as the “Collateral Annex”) (the Master Agreement and the Collateral Annex shall be collectively referred to as the “EEI Agreement”). The EEI Agreement and this Confirmation shall be collectively referred to herein as the “Agreement”. Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the EEI Agreement, or the CAISO Tariff (defined herein below). To the extent this Confirmation is inconsistent with any provision of the EEI Agreement, this Confirmation shall govern the rights and obligations of the Parties hereunder.

# Transaction terms

## Product; Elections

Buyer: Party [A/B][[2]](#footnote-3)

Seller: Party [A/B]

## Product: Any Remaining Import Capability (the “Product”) made available at the Delivery Point to another Load Serving Entity

## Delivery of Product

Seller shall sell and deliver to Buyer, and Buyer shall receive and purchase from Seller, the Product at the Delivery Point in the amount of the applicable Contract Quantity for each day of each month of the Delivery Period.

## Delivery Period and Term

### Delivery Period. The Delivery Period shall be: [Start Date] through [End Date], inclusive, unless terminated earlier in accordance with the terms of this Agreement.

### Term. The Term of this Transaction shall commence upon the Confirmation Effective Date and shall continue until the later of (i) the expiration of the Delivery Period or (ii) the date the Parties’ obligations under this Confirmation have been satisfied. This Confirmation shall be effective and binding as of the Confirmation Effective Date.

## Delivery Point

The Delivery Point shall be the CAISO Branch Group corresponding to the CAISO Intertie, *[SCE Comment: insert CAISO BG/MSL Name]*.

## Contract Quantity

The Contract Quantity for each day of each applicable Contract Month is as follows:

Contract Quantity (MWs for each day of such Contract Month)

| Month | 2019 |
| --- | --- |
| January |  |
| February |  |
| March |  |
| April |  |
| May |  |
| June |  |
| July |  |
| August |  |
| September |  |
| October |  |
| November |  |
| December |  |

## Contract Price

The Contract Price means, for any Contract Month, the price specified in the Contract Price table as set forth below.

CONTRACT PRICE TABLE

|  |  |
| --- | --- |
| Month, Year | Contract Price($/kW-month) |
| January, 2019 |  |
| February, 2019 |  |
| March, 2019 |  |
| April, 2019 |  |
| May, 2019 |  |
| June, 2019 |  |
| July, 2019 |  |
| August, 2019 |  |
| September, 2019 |  |
| October, 2019 |  |
| November, 2019 |  |
| December, 2019 |  |

# Delivery Obligations

## Delivery of Product

Within ten (10) Business Days from the date that Seller receives the One-Time Payment from Buyer, if Buyer is a Pre-Pay Buyer, or within ten (10) Business Days from the Confirmation Effective Date, if Buyer is not a Pre-Pay Buyer, Seller shall or shall cause the Unit’s SC to register the transfer of the Product in the amount of the Contract Quantity at the Delivery Point in CAISO’s CIRA Tool (or successor platform) in addition to completing any other actions required by the CAISO to effect such transfer (the “Registration”)

As soon as reasonably practicable thereafter, but no later than three (3) Business Days from Registration, Buyer shall accept and confirm Seller’s Registration in CAISO’s CIRA Tool and will then communicate to Buyer and the CAISO, in the form of Appendix B, whether the transfer from Seller to Buyer of the Product in the amount of the Contract Quantity at the Delivery Point was successful or unsuccessful (a successful transfer, the “Transfer Completion Email”). If the transfer from Seller to Buyer of the Product in the amount of the Contract Quantity at the Delivery Point is unsuccessful, the Parties shall begin the registration process set forth in this Section 2.1 again, until the Parties receive a Transfer Completion Email.

## Buyer’s Re-Sale of Product

Buyer may re-sell all or a portion of the Product acquired under this Confirmation.

# Payment

1.

## One-Time Payment

In accordance with the terms of Article Six of the Master Agreement, and if Buyer is a Pre-Pay Buyer, Buyer shall make a One-Time Payment to Seller for the Product within ten (10) Business Days following the Confirmation Effective Date and before Seller transfers the Product in accordance with 2.1. If Buyer is not a Pre-Pay Buyer, then Buyer shall make a One-Time Payment to Seller for the Product within fifteen (15) Business Days after the later of: (a) receipt of the Transfer Completion Email; or (b) receipt of Seller’s invoice.

The One-Time Payment is calculated as follows:

One-Time Payment = $\sum\_{i}^{n}(Ai ×Bi×1,000 )$

where:

A = Contract Price (in $/kW-month) for Contract Month *i*

B = Contract Quantity *i* (in MW) transferred by Seller for Contract Month *i*

i = Each Contract Month

n = number Contract Months

The One-Time Payment calculation shall be rounded to two decimal places.

## Offset Rights

Either Party may offset any amounts owing to it for revenues, penalties, fines, costs reimbursement, or other payments pursuant to Article Six of the Master Agreement against any future amounts it may owe to the other Party.

# Confidentiality

Notwithstanding Section 10.11 of the Master Agreement, the Parties agree that:

(a) both Parties may disclose the terms and conditions of this Agreement and any and all written or recorded or oral information, data, analyses, documents, and materials furnished or made available by a Party to the other Party in connection with this Agreement to the Independent Evaluator;

(b) both Parties and the Independent Evaluator may disclose the terms and conditions of this Agreement and any and all written or recorded or oral information, data, analyses, documents, and materials furnished or made available by a Party to the other Party in connection with this Agreement to the CAISO, the CPUC, and all divisions thereof, the CEC, any Governmental Authority, and participants of the procurement review group established pursuant to D.02-08-071 and D.03-06-071;

(c) both Parties may disclose the terms of this Confirmation to the CAISO to effectuate Seller’s performance and the transfer of the Product and the Parties acknowledge that the CAISO may publicly disclose the transfer of the Product from Seller to Buyer in accordance with the CAISO Tariff promptly following Seller’s performance; and

(d) in the event Buyer resells all or any portion of the Product, Buyer shall be permitted to disclose to the other party to such resale transaction all such information necessary to effect such resale transaction, other than the Contract Price;

provided, that each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Authority or the CAISO to further disclose such information. In addition, in the event Buyer resells all or any portion of the Contract Quantity to another party, Buyer shall be permitted to disclose to the other party to such resale transaction all such information necessary to effect such resale transaction.

*[Remainder of Page Intentionally Left Blank]*

|  |
| --- |
| In WITNESS WHEREOF, the Parties have caused this Confirmation to be duly executed as of the Confirmation Effective Date first written: |
| **[Buyer’s/Seller’s NAME],**a [[Buyer’s/Seller’s] jurisdiction of organization and type of organization]. |  | **SOUTHERN CALIFORNIA EDISON COMPANY,**a California corporation. |
| By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Name][Title] |  | By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_[Name][Title] |
| Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

# APPENDIX A

DEFINED TERMS

“Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

 “Bilateral Import Capability Transfer” is the transfer of Remaining Import Capability from one Market Participant (as defined in the CAISO Tariff) to another, as described in the CAISO Tariff.

“Branch Group” means the branch group name used by the CAISO to represent the location of an Intertie with a Maximum Import Capability.

“Buyer” has the meaning specified in the introductory paragraph of this Confirmation.

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

“CAISO Tariff” means the California Independent System Operator Corporation Tariff, Business Practice Manuals (BPMs), Operating Agreements, and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time to time and approved by FERC, if applicable.

“CEC” means the California Energy Commission.

“Collateral Annex” has the meaning specified in the introductory paragraph of this Confirmation.

“Confirmation” has the meaning specified in the introductory paragraph of this Confirmation.

“Confirmation Effective Date” has the meaning specified in the introductory paragraph of this Confirmation.

“Contract Month” means the month during the Delivery Period as set forth in the Contract Quantity Table specified Section 1.5.

“Contract Price” has the meaning set specified in Section 1.6.

“Contract Quantity” has the meaning specified in Section 1.5.

“Cover Sheet” has the meaning specified in the introductory paragraph of this Confirmation.

“CPUC” means the California Public Utilities Commission.

“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 S&P or Moody’s. If no rating is assigned to such entity’s unsecured, senior long-term debt or deposit obligations by any Ratings Agency, then “Credit Rating” means the general corporate credit rating or long-term issuer rating assigned to such entity by S&P or Moody’s. If an entity is rated by more than one Ratings Agency and the ratings are at different levels, then “Credit Rating” means the lowest such rating.

“Delivery Period” has the meaning specified in Section 1.3(a).

“Delivery Point” has the meaning specified in Section 1.4.

“EEI” has the meaning specified in the introductory paragraph of this Confirmation.

“EEI Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

“Good Utility Practice” has the meaning set forth in the CAISO Tariff.

“Governmental Authority” means any: (a) federal, state, local, municipal or other government; (b) governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and (c) court or governmental tribunal.

“Independent Evaluator” has the meaning set forth in CPUC Decision 04-12-048.

“Intertie” has the meaning set forth in the CAISO Tariff.

“Investment Grade Rating” means a Credit Rating of “BBB- or above” by S&P and “Baa3 or above” by Moody’s if rated by both S&P and Moody’s or “BBB- or above” by S&P or “Baa3 or above” by Moody’s if rated by S&P or Moody’s but not both.

“Master Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

“Maximum Import Capability” has the meaning set forth in the CAISO Tariff.

“Moody’s” means Moody’s Investor Services, Inc.

“MW” means megawatt (or 1,000 kilowatts) of alternating current electric energy generating capacity.

“One-Time Payment” has the meaning specified in Section 3.1.

“Pre-Pay Buyer” means a Buyer who fails to maintain an Investment Grade Rating or has no Credit Rating, or whose guarantor fails to maintain an Investment Grade Rating or has no Credit Rating.

“Product” has the meaning specified in Section 1.1.

“Ratings Agency” means any of S&P and Moody’s (collectively the “Ratings Agencies”).

“Registration” has the meaning specified in Section 2.1.

“Remaining Import Capability” has the meaning set forth in the CAISO Tariff.

“Scheduling Point” has the meaning set forth in the CAISO Tariff.

“SC” has the meaning set forth in the CAISO Tariff.

“Seller” has the meaning specified in the introductory paragraph of this Confirmation.

“S&P” means Standard & Poor’s Financial Services LLC.

“Term” has the meaning specified in Section 1.3(b).

“Transfer Completion Email” has the meaning specified in Section 2.1.

**APPENDIX B**

**Bilateral Import Capability Transfer Registration Email**

To: ReliabilityRequirements@caiso.com

Cc: [Seller\_Eligible\_Contact]

Subject: Transfer of Remaining Import Capability from [Seller (SCID)] to [Buyer (SCID)]

Reliability Requirements Team,

[Seller (SCID)] and [Buyer (SCID)] have transacted the following transfer of Remaining Import Capability.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Transferor** | **Transferee** | **MW** | **Branch Group** | **Start Date** | **End Date** | **Price** |
| [Seller (SCID)] | [Buyer (SCID)] | [#] MW | [XXX\_XXX] | [First Day of the Delivery Period] | [Last Day of the Delivery Period]  | [$X.XX/kW-month] |

Thank you,

[Seller\_Eligible\_Contact]

1. *Drafting Note: Please insert the appropriate names of the Parties depending upon whether the party is acting as Seller or Buyer.* [↑](#footnote-ref-2)
2. *Drafting Note: The selection of Party A or B should coincide with the Party designations in the Cover Sheet.* [↑](#footnote-ref-3)