



SOUTHERN CALIFORNIA
EDISON[®]

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SCE RENEWABLES STANDARD CONTRACTS PROGRAM

REQUEST FOR OFFERS

for

**Renewable Energy from Generating Facilities
Not Greater than 20 MW,
Located within the CAISO Controlled Grid**

RFO Participant Instructions
Revision 2 – August 16, 2010

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ARTICLE ONE. GENERAL INFORMATION.

1.01 Introduction.

Southern California Edison Company (“SCE”) is issuing its 2010 Renewables Standard Contracts Program (“RSC Program”) Request For Offers (“RFO”) to solicit offers (“Offers”) from owners of eligible renewable resource (“ERR”)¹ Generating Facilities to supply up to 250 megawatts (“MW”) of Product² under standard Power Purchase and Sale Agreements (“RSCs”) for execution in 2010 in accordance with these RSC-RFO Participation Instructions (“RSC-RFO Instructions”).

SCE’s goal in the RSC Program is to provide a standardized procurement process for projects not greater than 20 MW that leads to quick execution (relative to other procurement processes).

All purchases will be made according to the terms and conditions set forth in the applicable RSCs. These RSC-RFO Instructions set forth the procedures an applicant should follow in order to participate in the program. Capitalized terms used in these RSC-RFO Instructions, but not otherwise defined herein, have the meanings set forth in the RSCs.

1.02 Available Renewables Standard Contracts.

Participants may submit offers to sell Product to SCE from ERRs (“Offers”) in one or more of the following two categories:

- RSC for Projects not greater than 5 MW (“RSC5”), a copy of which is attached hereto as Appendix B.1.
- RSC for Projects not greater than 20 MW (“RSC20”), a copy of which is attached hereto as Appendix B.2.

In general, RSC5 and RSC20 contain similar terms and conditions. RSC5 has a lower development security deposit and no requirement to post Performance Assurance.

*** *End of ARTICLE ONE* ***

¹ For purposes of this RSC-RFO and any final Renewables Standard Contract executed pursuant thereto, an ERR is a generating facility that meets all the criteria set forth in Public Utilities Code Section 399.12, Public Resources Code Section 25741, and the CEC’s “Renewables Portfolio Standard (RPS) Eligibility Guidebook” (January 2008, Publication #CEC-300-2007-006-ED3-CMF, available at <http://www.energy.ca.gov/renewables/documents/>) (“CEC RPS Eligibility Guidebook”).

² “Product” means (i) all energy produced by the Generating Facility, net of Station Use, and (ii) all Green Attributes, Capacity Attributes, and Resource Adequacy Benefits (each as defined in the RSC).

ARTICLE TWO. ELIGIBILITY REQUIREMENTS.

2.01 Renewable Resource Eligibility.

SCE will consider all timely Offers from any new, existing or repowered ERR. An existing Generating Facility must be certified by the California Energy Commission (“CEC”) as an ERR prior to the Offer due date. For new or repowered Generating Facilities, SCE encourages Participant to seek “pre-certification” as an ERR prior to the Offer due date.

2.02 Location Restrictions.

In order to be eligible for the RSC-RFO, Generating Facilities must be located within the electric power system under the operational control of the California Independent System Operator Corporation.

2.03 Term.

The Term of any RSC can be 10, 15 or 20 years. The Generating Facility must be scheduled to commence Operation within three years from CPUC approval of the RSC.

*** *End of ARTICLE TWO* ***

ARTICLE THREE. RSC-RFO PROCESS AND EVALUATION OF OFFERS.

3.01 RSC-RFO Schedule.

<i>Date</i>	<i>Day</i>	<i>Event</i>
August 2	Monday	SCE posts pro forma RSCs and other RSC-RFO materials on SCE's web site. Participants may begin providing feedback on pro forma RSCs.
August 10	Tuesday	SCE hosts RSC-RFO Web Conference.
August 18	Wednesday	Last day for Participants to provide feedback on pro forma RSCs.
September 1	Wednesday	SCE posts final pro forma RSCs.
September 3	Friday	SCE hosts Web Conference on pro forma RSCs.
September 15	Wednesday	Last day for Participants to submit Offers and RSC project-specific redlines.
September 30	Thursday	SCE advises Offerors on the short-list status of their Offers.
October 5	Tuesday	Last day for SCE to submit draft RSCs and NDAs to short-listed Offerors. During the next approximately 3 weeks, parties prepare final RSCs for execution.
October 6-15		Meetings with short-listed Offerors to discuss project-specific RSC terms
October 22	Friday	Last day for Offerors to submit proposed changes to draft RSCs.
October 29	Friday	Last day for SCE to submit final RSCs to Offerors.
November 5	Friday	Last day for Offerors to submit executed RSCs.
November 15	Monday	SCE to execute final RSCs.
January 31	Monday	SCE to submit Tier 3 Advice Letters seeking CPUC Approval for executed RSCs.

3.02 RSC-RFO Web Conference.

On August 10, 2010, SCE will host a web conference to discuss the RSC-RFO process with participants. Information on how to attend the conference will be made available on the website (www.sce.com/rsc) by August 4, 2010.

NOTE: We will not discuss any feedback, nor respond to any questions, regarding the pro forma RSCs during this conference.

3.03 Comments and Questions on Pro Forma RSCs.

Beginning on August 2, 2010, participants may submit comments or proposed revisions to the pro forma RSCs. All comments or proposed revisions must be

submitted in the form of a redline of either the RSC5 or RSC20 and in accordance with Article Five of the RSC-RFO Instructions.

August 18, 2010 will be the last day for Participants to provide feedback on the pro forma RSCs. SCE will post final pro forma RSCs on September 1, 2010.

Following SCE's posting of final pro forma RSCs, SCE will host a web conference to discuss the pro forma RSCs with participants on September 3, 2010. Information on how to attend the conference will be made available on the website (www.sce.com/rsc) by August 27, 2010.

3.04 Submission of Offer(s).

SCE must receive each complete Offer, conforming to these RSC-RFO Instructions, by 11:00 a.m. Pacific Standard Time on September 15, 2010. Participants must submit Offer(s) to SCE and the Independent Evaluator in accordance with Article Five. SCE is not responsible for Offers received after the submittal deadline due to unsuccessful delivery or otherwise. SCE will only consider submissions that, as of the submittal deadline, constitute a complete and conforming Offer.

In order to be eligible for short-list selection, all Offers must include all of the following documents, which must be completely filled out electronically and returned by email in accordance with the provisions of Article Five of these RSC-RFO Instructions:

- (1) An executed Offer Template, including the Revenue Calculator (Attached hereto as Appendix A).
- (2) A redlined RSC with all proposed project-specific changes, which must include at a minimum Exhibits B (Generating Facility and Site Description), C (Notice List) and Exhibit G (Seller's Milestone Schedule).
- (3) If Offeror desires to meet or have a conference call with SCE in the event that Offeror's Offer is short listed, the Offer must include a schedule of available dates and times as described below in Section 3.06 of these RSC-RFO Instructions. For Offerors submitting multiple Offers, Offeror may propose availability for a meeting or conference call with respect to each Offer.

3.05 Evaluation and Short-Listing of Offers.

SCE will evaluate and select eligible Offers based on levelized Product Price (i.e., Offers will be ranked and selected based on the Product Price (\$/MWh AC)), up to a maximum total capacity of 250 MW. Eligible Offers with a lower Product Price will be accepted before eligible Offers with a higher Product Price. SCE reserves the right

to evaluate and select offers on other quantitative and qualitative metrics depending on market response.

SCE will notify each Offeror by email no later than close of business September 30, 2010 of whether or not Offeror's Offer has been short-listed. If necessary, SCE may request additional information prior to short-listing. SCE will also provide a Non-Disclosure Agreement ("NDA") which Seller must execute and return before SCE will provide a draft RSC to Offeror. SCE will also notify short-listed Offerors of the date and time of the meeting or conference call with SCE if Offeror requested to do so at the time Offeror submitted its Offer. If multiple Offers from a single Offeror are short listed, SCE reserves the right to consolidate meetings or discussions of such Offers into a single meeting of a duration to be mutually agreed between the parties.

NOTE: Offeror is under confidentiality obligations upon submittal of an Offer in accordance with the terms specified in the Offer Template.

3.06 Preparation and Execution of Final RSCs.

By October 5, 2010, a short-listed Offeror will receive from SCE a draft RSC filled in with the Project and Offer information provided in the Offer Template and in the RSC redline. Offerors should carefully review the draft RSC. SCE is willing to consider changes to the draft RSC that are *unique* to the Project.

On October 6-8 and October 12-15, 2010, SCE will host a meeting or conference call with each Offeror (at Offeror's request as set forth above in Section 3.04 of these RSC-RFO Instructions). Available times for such meetings and conference calls will be 8:30 a.m. – 10:00 a.m., 10:30 a.m. – 12:00 p.m., and 1:30 p.m. – 3:00 p.m. Los Angeles time on each of those dates. The parties will discuss project-specific terms and conditions to be included in each RSC.

October 22, 2010 will be the last day for Offerors to submit proposed changes to the draft RSCs.

October 29, 2010 will be the last day for SCE to submit final RSCs to Offerors.

Once the RSC is in a final form acceptable to both Parties, Offerors must, on or before November 5, 2011, execute the RSC(s) and return two (or more, at Offeror's discretion) executed originals of the RSC(s) to SCE by overnight delivery to the following:

Renewable and Alternative Power
Southern California Edison
Quad 4-D
2244 Walnut Grove
Rosemead, CA 91770

Attn: George Wiltsee
626-302-4945

On or before November 15, 2010, SCE will execute each final RSC and return one (or more, at Offeror's discretion) fully executed RSC to the applicant. By January 31, 2011, SCE will submit a Tier 3 advice letter to the California Public Utilities Commission ("CPUC") seeking approval of the RSCs entered into pursuant to the RSC-RFO.

*** *End of ARTICLE THREE* **

ARTICLE FOUR. APPLICANT'S ACKNOWLEDGEMENT.

By submitting an Offer to SCE pursuant to the RSC-RFO, the Offeror acknowledges the following:

4.01 SCE's Rights.

SCE reserves the right to modify any dates and terms specified in these RSC-RFO Instructions, or abandon the program, in its sole discretion and at any time without notice and without assigning any reasons and without liability of Edison International, SCE or any of their subsidiaries, affiliates or representatives. SCE also reserves the right to select zero offers as an outcome of this RSC-RFO.

4.02 SCE's Acceptance of Offers.

SCE will not be deemed to have accepted any Offer, and will not be bound by any term thereof, unless and until authorized representatives of SCE and Seller execute an RSC and, if appropriate, related collateral and other required agreements.

4.03 Expenses in Event of Termination by SCE.

In the event that the 2010 RSC-RFO is terminated by SCE, each participant will be responsible for expenses it incurs as a result of its participation in the RSC-RFO.

4.04 Waived Claims.

Offeror knowingly, voluntarily, and completely waives any rights under statute, regulation, state or federal constitution, or common law to assert any claim, complaint, or other challenge in any regulatory, judicial, or other forum, including, without limitation, the CPUC, (except as expressly provided below), the FERC, the Superior Court of the State of California or any U.S. District Court concerning or related in any way to the RSC Program or any documents related thereto.

*** *End of ARTICLE FOUR* ***

ARTICLE FIVE. COMMUNICATIONS.

Unless otherwise stated in these RSC-RFO Instructions, any exchange of any material information concerning the RSC-RFO, including any such exchange concerning the preparation or submission of Offers or other submissions to SCE related to the RSC-RFO, must be submitted to both SCE and the Independent Evaluator for the RSC-RFO in the form of an email at the following email addresses:

- (a) To SCE: RenewablesStandardContracts@sce.com; and
- (b) To SCE's Independent Evaluator at Merrimack Energy:
Wayne Oliver, waynejoliver@aol.com

Note: The maximum size of any email submitted to SCE is 8 MB.

The website address for the RSC-RFO is <http://www.sce.com/rsc>.

SCE may, in its sole discretion, decline to respond to any email or other inquiry without liability or responsibility.

*** *End of ARTICLE FIVE* **

APPENDIX A

Offer Template

The Offer Template is a separate Microsoft Excel file, posted separately on the SCE web page for the RSC Program (<http://www.sce.com/rsc>). The template includes the Revenue Calculator and the RSC Exhibit B Attachment Checklist.

APPENDIX B

Renewables Standard Contracts

APPENDIX B.1

Renewables Standard Contract

Not Greater than 5 MW (RSC5)

This standard contract is a separate file, posted separately on the SCE web page for the RSC Program (<http://www.sce.com/rsc>).

APPENDIX B.2

Renewables Standard Contract Not Greater than 20 MW (RSC20)

This standard contract is a separate file, posted separately on the SCE web page for the RSC Program (<http://www.sce.com/rsc>).

APPENDIX C

Non-Disclosure Agreement

The Non-Disclosure Agreement is a separate file, posted separately on the SCE web page for the RSC Program (<http://www.sce.com/rsc>).