

**ORMAT NORTHERN NEVADA GEOTHERMAL PORTFOLIO**

**POWER SALES AGREEMENT**

**BETWEEN**

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

**AND**

**THE CITY OF LOS ANGELES ACTING BY AND THROUGH THE DEPARTMENT OF  
WATER AND POWER**

**DATED AS OF OCTOBER 20, 2016**

---

## TABLE OF CONTENTS

	Page
<b>1. PARTIES</b> .....	1
<b>2. RECITALS, CONSTRUCTION AND PRELIMINARY MATTERS</b> .....	1
<b>3. AGREEMENT</b> .....	2
<b>4. DEFINITIONS</b> .....	3
4.1 Delivery Point Energy Costs.....	3
4.2 Total Monthly Costs.....	3
4.3 Power Purchase Agreement Total Monthly Costs.....	3
4.4 Project Costs.....	4
<b>5. PURCHASE AND SALE OF PROJECT ENERGY AND THE ROLES AND OBLIGATIONS OF SCPPA AND THE PURCHASER</b> .....	4
5.1 Purchase and Sale of Project Energy.....	4
5.2 Output and Deliverables.....	5
5.3 Liquidated Damages.....	5
5.4 Adoption of Annual Budget.....	5
5.5 Reports.....	5
5.6 Records and Accounts.....	6
5.7 Provide Information.....	6
5.8 Project Manager.....	6
5.9 Consultants and Advisors Available.....	6
<b>6. PROJECT MANAGEMENT</b> .....	6
6.1 Project Manager Responsibilities.....	6
6.2 Management Decisions and the Role of the Board of Directors.....	9
6.3 Periodic Audits.....	10
6.4 Additional Committees.....	10
6.5 Written Record.....	10
6.6 Costs of Consultants.....	10
6.7 Compliance with the Power Purchase Agreement.....	10
6.8 Delegation.....	10
<b>7. CHARGES AND BILLINGS</b> .....	10
7.1 Power Purchase Agreement Monthly Costs.....	11
7.2 Billing Statements.....	11
7.3 Adoption of Alternative Billing Statement Procedures.....	11
7.4 Disputed Monthly Billing Statement.....	11
7.5 Reconciliation of Monthly Costs.....	12
7.6 Other or Additional Cost Reconciliation Mechanisms.....	12
7.7 Interest on Late Payments.....	12
7.8 Prepayment of Monthly Costs.....	12

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
7.9 Credit or other Payment Attributable to Purchaser .....	12
<b>8. UNCONDITIONAL PAYMENT OBLIGATIONS; RATE COVENANT; AUTHORIZATIONS .....</b>	<b>13</b>
8.1 Unconditional Payment Obligation .....	13
8.2 Source of Payments .....	13
8.3 Rate Covenant .....	13
8.4 Authorizations .....	14
<b>9. OTHER TERMS AND SERVICES .....</b>	<b>14</b>
9.1 Delivery Procedures .....	14
9.2 Other Services and Transmission from Points of Delivery .....	14
9.3 Energy Services .....	14
9.4 Balancing Agent and Dynamic Scheduling .....	14
9.5 Transfer of Environmental Attributes to Purchaser .....	15
<b>10. RIGHTS AND OBLIGATIONS UNDER PROJECT AGREEMENTS .....</b>	<b>15</b>
<b>11. NONPERFORMANCE AND PAYMENT DEFAULT .....</b>	<b>16</b>
11.1 Nonperformance by Purchaser .....	16
11.2 Notice of Payment Default .....	16
11.3 Cured Payment Default .....	16
11.4 Failure to Cure Payment Default .....	16
11.5 Treatment of Purchasers Project Rights and Obligations upon its Payment Default .....	17
11.6 Elimination or Reduction of Payment Obligations .....	18
11.7 Use of Reserve Funds .....	18
<b>12. CHARACTER, CONTINUITY OF SERVICE .....</b>	<b>18</b>
12.1 Outages, Interruptions and Curtailment of Energy Deliveries .....	18
12.2 Uncontrollable Forces .....	19
<b>13. LIABILITY .....</b>	<b>19</b>
13.1 No Liability of SCPPA or Purchaser, or Their Directors, Officers, Employees, Etc.; SCPPA's and Purchaser's and Project Manager's (within its capacity as Project Manager) Directors, Officers, Employees Not Individually Liable .....	20
13.2 Extent of Exculpation; Enforcement of Rights .....	21
13.3 Determination or Enforcement of Rights .....	21
13.4 No Relief from Insurer's Obligations .....	21
13.5 No General Liability of SCPPA .....	21
13.6 Indemnification of Purchaser .....	21
13.7 Indemnification of Project Manager .....	22
13.8 Separate Capacities .....	22

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
<b>14. RESTRICTIONS ON DISPOSITION</b> .....	23
14.1 Restrictions on Elimination of Payment Obligations.....	23
14.2 Restrictions on Disposition of Purchaser's Entire System.....	23
14.3 Successors and Assigns.....	23
<b>15. EFFECTIVE DATE, TERM AND EXPIRATION</b> .....	23
15.1 Effective Date; Execution in Counterparts.....	23
15.2 Termination Conditions.....	23
15.3 Expiration.....	24
15.4 Termination of Agreement before Expiration Date.....	24
15.5 Final Distribution of Reserve Fund.....	24
<b>16. SEVERABILITY</b> .....	24
<b>17. REPRESENTATION AND GOVERNING LAW</b> .....	24
<b>18. ARBITRATION AND ATTORNEYS' FEES</b> .....	25
<b>19. NOTICES</b> .....	25
<b>20. AMENDMENTS</b> .....	25
APPENDIX A DEFINITIONS.....	1
APPENDIX B.....	1

**TABLE OF CONTENTS**

**Page**

**APPENDICES**

A – DEFINITIONS..... A-1

B – POWER PURCHASE AGREEMENT BETWEEN SOUTHERN  
CALIFORNIA PUBLIC POWER AUTHORITY AND ONGP LLC, DATED  
AS OF OCTOBER 20, 2016..... B-1

## ORMAT NORTHERN NEVADA GEOTHERMAL PORTFOLIO

### POWER SALES AGREEMENT

1. **PARTIES.** This Ormat Northern Nevada Geothermal Portfolio Power Sales Agreement (this "Agreement"), is dated for convenience as of this 20<sup>th</sup> day of October, 2016, by and between the SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY, a joint powers agency and a public entity organized under the laws of the State of California, hereinafter designated as "SCPPA," created under the provisions of the Act, and the CITY OF LOS ANGELES acting by and through the Department of Water and Power, a California municipality. The CITY OF LOS ANGELES is also periodically designated in this Agreement as "LADWP" or as "Purchaser." LADWP and SCPPA are also sometimes herein referred to individually as a "Party" and together as the "Parties."
2. **RECITALS, CONSTRUCTION AND PRELIMINARY MATTERS.** The Recitals set forth herein and the facts, which follow, are incorporated into this Agreement by reference for all purposes. The facts and the circumstances of the Parties contained in the Recitals, among others, represent the background and framework for this Agreement, the aim and purpose of this Agreement and the intendments of the Parties with respect thereto. This Agreement has been reviewed by attorneys for both Parties and shall not be interpreted with reference to the rules of construction providing for construction against a Party responsible for drafting or creating a particular provision or section, but should instead be interpreted in a manner which broadly carries forth the goals and objectives of the Parties as expressed herein. References to "Sections," "Annexes," "Appendices," "Schedules" and "Exhibits" shall be to Sections, Annexes, Appendices, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose nor given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. This Agreement is made with reference to the following facts among others:
  - 2.1 SCPPA was created pursuant to provisions contained in the Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of California, as amended from time to time (the "Act"), by its members, which are municipalities and an irrigation district that supply, among other things, electrical energy, in the State of California, for the purpose of jointly and cooperatively undertaking the planning, financing, development, acquisition, construction, improvement, betterment, operation, and maintenance, of projects for the generation

or transmission of electric energy, including the development and implementation of systems and frameworks for the acquisition and delivery of secure, long-term reliable supplies of renewable electric energy.

- 2.2 In pursuit of its goal of the development of renewable electric energy resources for SCPPA members desiring to participate in renewable energy projects, SCPPA has issued Requests for Proposals ("RFP") for potential renewable electric resources to address SCPPA member renewable energy needs, and as a result of responses to that RFP SCPPA and LADWP have considered the feasibility of certain geothermal electric generating facilities (the "Facilities" or the "Project") including certain existing Facilities and new Facilities to be constructed and developed. The Facilities will be under the control of ONGP LLC, a Delaware limited liability company (the "Power Purchase Provider"), an affiliate of Ormat Nevada, Inc., a Delaware corporation. The Facilities or the Project will be located in northern Nevada.
  - 2.3 SCPPA desires to enter into a Power Purchase Agreement with the Power Purchase Provider for the purchase of Energy and the associated Environmental Attributes from the Project for the purpose of selling all Project Energy to LADWP pursuant to this Agreement.
  - 2.4 LADWP has a need for an economical, reliable source of Energy and Environmental Attributes to meet the requirements of environmental and energy procurement laws, including renewables portfolio standard requirements, as well as the demands of its current and/or future customers in an environmentally responsible manner and, as such, has determined that it is desirable to enter into this Agreement to purchase a share of the Energy and Environmental Attributes of the Facilities from SCPPA.
  - 2.5 LADWP has participated with SCPPA in the negotiation of a power purchase agreement and related agreements, arrangements and mechanisms for the procurement of the Project Output of the Facilities by way of a transaction through which SCPPA will purchase the Project Output of the electric generation facilities and will pay for Project Output and Replacement Energy in connection with the delivery of the same.
  - 2.6 LADWP has concluded that the purchase of geothermal electric generation under the Power Purchase Agreement will materially assist LADWP to carry forth its critical operating and business objectives and its RPS compliance requirements to provide a long-term supply of renewable energy for LADWP. SCPPA and LADWP anticipate that the Energy produced by the Project will be utilized to serve LADWP's renewable energy needs within its service area and will materially assist LADWP in meeting the requirements of its renewable portfolio standard.
  - 2.7 LADWP has a need for the electric output and associated rights, benefits and credits with respect to the Project which comply with environmental and energy procurement laws, and has determined to enter into this Power Sales Agreement with SCPPA to purchase the Project Output from SCPPA.
3. **AGREEMENT.** For and in consideration of the promises and the mutual covenants and agreements hereinafter set forth, and in order to pay SCPPA for its costs of the Project

Energy, the Parties agree as herein set forth.

4. **DEFINITIONS.** The meaning of capitalized terms in this Agreement not otherwise defined in context shall be as defined in Section 1.1 of the Power Purchase Agreement, which is incorporated herein by this reference, or by the definitions set forth in the attached Appendix A.

4.1 Delivery Point Energy Costs. For each Power Supply Year during the Agreement Term of the Power Purchase Agreement, the Delivery Point Energy Cost Component with respect to Project Output or Replacement Energy, as applicable, delivered to LADWP at its Point of Delivery.

4.2 Total Monthly Costs. Shall consist of all of SCPPA's costs resulting from SCPPA's contracting for, providing for, accommodating, and facilitating the Project, including costs arising under the Power Purchase Agreement or other Project Agreements. Total Monthly Costs shall, as applicable, also consist of (i) the Delivery Point Energy Cost Component (described in Section 4.3.1), (ii) the Power Purchase Agreement General and Administrative Cost Component (described in Section 4.3.2), (iii) a Reserve Fund Cost Component (described in Section 4.3.3), and (iv) a Supplementary Services Cost Component to the extent SCPPA incurs such cost (described in Section 4.3.4), and Total Monthly Costs shall include, but not be limited to, the items of cost and expense referred to in the Power Purchase Agreement and this Section 4.2 that are accrued or paid by SCPPA during each Month of each Power Supply Year. In the event any Power Supply Year shall consist of fewer than twelve Months, the fraction set forth in Section 4.3.2 shall be adjusted accordingly and, in the event of any revision of the Annual Budget after the commencement of any Power Supply Year, the amount determined pursuant to Section 4.3.2 shall be appropriately adjusted so that any increase or decrease in the portion of the Annual Budget applicable to Section 4.3.2 shall be evenly apportioned over the remaining Months of such Power Supply Year.

4.3 Power Purchase Agreement Total Monthly Costs. The cost components of Total Monthly Costs during the term of the Power Purchase Agreement shall consist of the following:

4.3.1 The Delivery Point Energy Cost Component of the Total Monthly Costs for each Month with respect to the Points of Delivery shall consist of the costs of the Project Output or Replacement Energy, as calculated at the applicable Energy prices therefor set forth in the Power Purchase Agreement, as delivered at the Points of Delivery during such Month.

4.3.2 The Power Purchase Agreement General and Administrative Cost Component of the Total Monthly Costs for each Month shall consist of one-twelfth of the administrative and general costs with respect to the Project, including (i) legal fees, costs relating to litigation



(including disbursements and other amounts paid as a result of such litigation), insurance costs (including amounts to fund any self-insurance program), overhead costs, any taxes required to be paid by SCPPA with respect to Project Output or the Project, (ii) all expenses incurred in enforcing the Power Purchase Agreement and other Project Agreements, (iii) all costs of compliance by SCPPA with its indemnification obligations under Sections 13.7 and 13.8 of this Agreement, and (iv) all costs related to the conducting of the business of SCPPA with respect to the Project, including the applicable portion of salaries, fees for legal, engineering, financial and other services, all other costs attributable to miscellaneous and incidental expenses in connection with the administration of the Project, and all other expenses properly related to the conduct of such affairs of SCPPA relating to the Project.

4.3.3 The Reserve Fund Cost Component of the Total Monthly Costs shall consist of the monthly costs necessary to establish and maintain the Reserve Funds at the level deemed prudent and appropriate by the Board of Directors.

4.3.4 The Supplementary Services Cost Component of the Total Monthly Costs shall consist of all monthly costs incurred by SCPPA, if any, in connection with the transmission, dispatching, scheduling, balancing, or delivery of and otherwise facilitating the disposition, movement, crediting and accounting for Project Output from the Points of Delivery to one or more specified delivery point(s) as determined by Purchaser pursuant to Sections 9.2, 9.4 and 9.5. Absent a request by Purchaser for SCPPA to provide any such Supplementary Services during a Month, no Supplementary Services Cost Component shall be included in the Total Monthly Costs for such month.

4.4 Project Costs. For any Power Supply Year the Monthly Costs payable by Purchaser as provided in Section 7.1 and Section 7.2 hereof.

## 5. **PURCHASE AND SALE OF PROJECT OUTPUT AND THE ROLES AND OBLIGATIONS OF SCPPA AND THE PURCHASER.**

5.1 Purchase and Sale of Project Output. In accordance with the terms and conditions of this Agreement, commencing on the earliest of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the Effective Date of the Power Purchase Agreement, or (iii) the date of the first delivery of energy to Purchaser pursuant to this Agreement, and continuing through the term of this Agreement, except as otherwise provided herein, SCPPA shall provide Purchaser all products, rights, and benefits, whether tangible or intangible received or obtained by SCPPA with respect to the Project, including without limitation the Project Output or, if applicable, Replacement Energy, at Purchaser's Points of Delivery, and Purchaser shall be responsible for and pay any and all costs, liabilities and obligations

associated with the acquisition of such products, rights, and benefits, which shall include without limitation all costs, liabilities and obligations associated with Project Output or Replacement Energy, as applicable, under the Power Purchase Agreement and the applicable Project Agreements.

- 5.2 Output and Deliverables. During the Agreement Term of the Power Purchase Agreement, SCPPA shall purchase and provide to Purchaser, and Purchaser shall purchase and receive from SCPPA the Project Output or Replacement Energy as delivered at Purchaser's Designated Point of Delivery in accordance with the Power Purchase Agreement. To the extent permitted by the applicable Project Agreements, or otherwise determined by the Board of Directors, SCPPA will endeavor to take such actions or implement such measures as may be necessary or desirable for the utilization, maintenance or preservation of the rights and interests of the Purchaser in the Project including, if appropriate, such enforcement actions or other measures as the Board of Directors deems to be in the Purchaser's best interests.
- 5.3 Liquidated Damages. Any amounts paid to SCPPA as and for liquidated damages as provided under Section 3.7 of the Power Purchase Agreement shall be remitted to Purchaser as provided in Section 3.7 of the Power Purchase Agreement.
- 5.4 Adoption of Annual Budget. The Annual Budget and any amendments to the Annual Budget shall be prepared and approved in accordance with Sections 5.4.1 or 5.4.2, respectively.
- 5.4.1 SCPPA will prepare and submit to Purchaser a proposed Annual Budget at least sixty (60) days prior to the beginning of each Power Supply Year. Purchaser may then submit to SCPPA, at any time until the Annual Budget is adopted, any matters or suggestions relating to the Annual Budget. SCPPA shall adopt the Annual Budget not less than thirty (30) nor more than sixty (60) days prior to the beginning of such Power Supply Year and shall cause copies of such adopted Annual Budget to be delivered to Purchaser; provided, however, the Annual Budget for the first Power Supply Year shall be prepared, considered, adopted and delivered in the most practicable manner available.
- 5.4.2 Any adjustment, and any other or further mechanism for adjustment, as may be required to address the variability of costs of operation of the Project at any time during the Power Supply Year or the variability of or addition to any other Annual Budget component, may be incorporated into the Annual Budget, or into any amendment to an Annual Budget at any time during any Power Supply Year upon the seven (7) days written notice to Purchaser pursuant to the provisions for adopting an Annual Budget as set forth in Section 5.4.1.
- 5.5 Reports. SCPPA will prepare and issue to Purchaser the following reports each quarter of a Power Supply Year:

- 5.5.1 Financial statement relating to the Project.
- 5.5.2 Variance report comparing the costs in the Annual Budget versus actual costs, and the status of other cost-related issues with respect to the Project.
- 5.6 Records and Accounts. SCPPA will keep, or cause to be kept, accurate records and accounts of each of the Facilities and related properties comprising the Project, as applicable, all in a manner similar to generally accepted accounting methodologies associated with similar projects. All transactions of SCPPA relating to the Project with respect to each Fiscal Year shall be subject to an annual audit. Purchaser shall have the right at its own expense to examine and copy the records and accounts referred to above on reasonable notice during regular business hours.
- 5.7 Provide Information. Purchaser agrees to supply SCPPA, upon written request and being provided a reasonable amount of time to respond, with such information, documentation and certifications as SCPPA shall reasonably determine to be required and necessary or desirable for the administration and ongoing activities of the Project, including information reasonably available to allow SCPPA to respond to requests for such information from any federal, state or local regulatory body or other authority.
- 5.8 Project Manager. SCPPA shall appoint LADWP to act as Project Manager to administer the Project in accordance with the Agency Agreement or cause the Project to be administered through a project management or agency agreement with another agent on behalf of the Purchaser. So long as LADWP is not in default under this Agreement, procurement actions shall be authorized by way of LADWP procurement rules and policies unless otherwise agreed to by LADWP and the Board of Directors.
- 5.9 Consultants and Advisors Available. SCPPA shall make available to the Project Manager at the latter's request, all consultants and advisors, and such consultants and advisors shall be authorized to consult with and advise the Project Manager on Project matters.

## 6. PROJECT MANAGEMENT.

- 6.1 Project Manager Responsibilities. The Project Manager shall have the following responsibilities:
  - 6.1.1 Review, develop and, if appropriate, recommend all budgets and revisions thereof prepared and submitted by SCPPA pursuant to any applicable agreement.
  - 6.1.2 Review, develop, and, if appropriate, recommend any systems or procedures for adjustment of the Annual Budget or any alternative methodologies for budgeting or billing as set forth in Section 5 and Section 7 of this Agreement.
  - 6.1.3 Make recommendations to the Board of Directors or to the counterparties to any of the Project Agreements, as appropriate, with

respect to the development, operation and ongoing administration of the Project.

- 6.1.4 Review, develop, and if appropriate, modify rules, procedures and protocols for the administration of the Project or Project Agreements, including rules, procedures and protocols for the management of Project Costs and the scheduling, handling, tagging, dispatching and crediting of Project Output and Replacement Energy and the handling and crediting of Environmental Attributes associated with the Project.
- 6.1.5 Review, develop, and if appropriate modify rules, procedures and protocols for the monitoring, inspection and the exercise of due diligence activities in connection with the Project and the operation of the Facilities of the Project.
- 6.1.6 Review, and, if appropriate, modify or otherwise act upon, the form or content of any written statistical, administrative, or operational reports, geothermal energy related data, electric generation information, geothermal energy production data, technical information, facility reliability data, transmission information, forecasting, scheduling, dispatching, tagging, parking, firming, exchanging, balancing, movement, or other delivery information, regulatory matters or requirements, and other information and other similar records or matters pertaining to the Project which are furnished to the Project Manager by SCPA, or by parties to Project Agreements, experts, consultants or others.
- 6.1.7 In coordination with the Board of Directors, review, and, if appropriate, recommend, modify or approve rules, procedures, and protocols with respect to the Project.
- 6.1.8 Review, formulate and, if appropriate, modify, or otherwise act upon, practices and procedures to be followed by the Purchaser for, among other things, the production, scheduling, tagging, transmission, delivery, firming, balancing, exchanging, crediting, tracking, monitoring, remarketing, sale or disposition of Project Output.
- 6.1.9 Review, formulate and modify, if necessary, the schedule of planned activities with respect to the performance of any Project Agreement, including the policies for selection and utilization of contractors and consultants included in the budgets with respect to the Project. In formulating and approving such schedules, consideration may be given, if possible, to the Purchaser's electric system conditions, which may prevail during such planned activities.
- 6.1.10 Review, and if appropriate, recommend, or otherwise act upon any matters or issues associated with Operating Work and any other

matters or issues which may arise in the administration of the Project.

- 6.1.11 Review and act upon any matters involving the Project Development Security or the Delivery Term Security and any guarantee or other letter of credit delivered to or for the benefit of SCPPA by the Power Purchase Provider or any other counterparty to any Project Agreement in connection with the Project and take such actions or make such recommendations as may be appropriate or desirable in connection therewith.
- 6.1.12 Review, and, if appropriate, recommend, modify, or approve policies or programs formulated by the Project Manager or any counterparty under any Project Agreement for determining or estimating geothermal energy resources or the values, quantities, volumes or costs of renewable energy from the Project.
- 6.1.13 Review, and, if appropriate, recommend costs of Operating Work and submit to the Board of Directors any budget revisions or other provisions for the payment thereof.
- 6.1.14 Review, and, if appropriate, recommend SCPPA's insurance program with respect to the Project (as applicable) including, without limitation, the establishment of any self-insurance program and the maximum amount or amounts of any uninsured claim.
- 6.1.15 Review, and where appropriate, recommend the implementation of metering technologies and methodologies appropriate for the delivery, accounting for, transferring and crediting of Project Output or Replacement Energy to the Points of Delivery.
- 6.1.16 Review, and where appropriate, recommend the implementation of practices and procedures to carry forth the provisions of Section 9 hereof.
- 6.1.17 Review, examine, modify and where appropriate, recommend or approve the implementation of methods for addressing curtailments or other interruptions.
- 6.1.18 Identify, or develop criteria to identify, contracts or agreements relating to work or Operating Work.
- 6.1.19 Make recommendations to the Board of Directors with respect to the application of the payments, if any, received by SCPPA from the Project Development Security, the Delivery Term Security and the amounts, if any, received by SCPPA as a result of a Default by the Power Purchase Provider under the Power Purchase Agreement, provided that, such payments or amounts shall, in any event, be

applied to one or more of the following purposes: (i) a credit against Project Costs, or (ii) distribution to Purchaser.

6.1.20 Perform such other functions and duties as may be provided for under this Agreement, the Power Purchase Agreement, the Ancillary Documents, or any other applicable Project Agreement, or as may otherwise be appropriate or beneficial to the Project

6.2 Management Decisions and the Role of the Board of Directors. The rights and obligations of SCPPA under the Project Agreements shall be subject to the ultimate control at all times of the Board of Directors. The Purchaser shall be entitled to participate in the decisions of the Board of Directors with respect to SCPPA's rights and interests in the Project. SCPPA through the Board of Directors shall have, in addition to the duties and responsibilities set forth elsewhere in this Agreement, the following duties and responsibilities, among others:

6.2.1 Dispute Resolution. The Board of Directors shall endeavor to review, discuss and attempt to resolve any disputes among SCPPA, the Purchaser and counterparties under any Project Agreement.

6.2.2 Scheduling Procedures. When recommended by the Project Manager, or when otherwise appropriate, the Board of Directors shall act upon and approve or modify the practices and procedures for the scheduling, delivering and controlling of Project Output or Replacement Energy at any point prior to SCPPA's delivery and sale of Project Output or Replacement Energy to Purchaser at the Points of Delivery.

6.2.3 Project Agreements. Subject to the terms and conditions set forth in this Agreement, the Board of Directors shall have the authority to approve any future Project Agreements and to review modify and approve, as appropriate, all amendments, modifications and supplements to the Project Agreements.

6.2.4 Committees. The Board of Directors shall exercise such review, direction or oversight as may be appropriate with respect to any committees established pursuant to the Project Agreements.

6.2.5 Budgeting. The Board of Directors shall review, modify and approve each Annual Budget and the revisions thereto in accordance with Section 5.4 of this Agreement.

6.2.6 Other Matters. The Board of Directors is authorized to perform such other functions and duties, including oversight of those matters and responsibilities, as may be provided for under this Power Sales Agreement and under the other Project Agreements, or as may otherwise be appropriate.

- 6.3 Periodic Audits. The Board of Directors may arrange for the annual audit under Section 6 of this Agreement by certified accountants, selected by SCPPA and experienced in electric generation or electric utility accounting, of the books and accounting records of SCPPA, and where deemed appropriate the Project Manager (if other than SCPPA), and the Power Purchase Provider (to the extent provided under any of the Project Agreements) and any other counterparty under any Project Agreement to the extent allowable, and any cost reimbursable consultant or cost reimbursable contractor relevant to administration of the Project, and such audit shall be completed and submitted to SCPPA as soon as reasonably practicable after the close of the Fiscal Year. SCPPA shall promptly furnish to Purchaser copies of all audits. No more frequently than once every calendar year, Purchaser may, at its sole cost and expense, audit or cause to be audited the books and cost records of SCPPA, the Project Manager (if other than SCPPA), the counterparty under any Project Agreement to the extent so provided in the applicable Project Agreement, and any cost reimbursable consultant or cost reimbursable contractor relevant to the administration of the Project.
- 6.4 Additional Committees. The Board of Directors may establish as needed to administer the Power Purchase Agreement and other Project Agreements committees including, but not limited to, auditing, legal, financial, engineering, mechanical, geologic, operating, insurance, community relations, governmental relations, environmental and public information committees. The authority, membership, and duties of any committee shall be established by the Board of Directors; provided, however, such authority, membership or duties shall not conflict with the provisions of any of the Project Agreements.
- 6.5 Written Record. All actions, resolutions, determinations and reports made by the Board of Directors as required by this Agreement shall be set forth in a written record or its minutes.
- 6.6 Costs of Consultants. Costs (or the applicable portion thereof) of consultants and others employed or appointed by the Board of Directors to perform the duties required hereunder shall be included in the Total Monthly Costs, as appropriate, and shall be billed to SCPPA or the Project Manager (if other than SCPPA).
- 6.7 Compliance with the Power Purchase Agreement. It is further recognized by SCPPA and the Purchaser that notwithstanding any provision of this Agreement, no action by the Project Manager shall require or authorize SCPPA to act in any manner inconsistent with requirements of the Power Purchase Agreement or to refrain from acting in a manner required by the Power Purchase Agreement.
- 6.8 Delegation. To secure the effective cooperation and interchange of information in a timely manner in connection with various administrative, technical and other matters which may arise from time to time in connection with administration of the Project Agreements, in appropriate cases, duties and responsibilities of the Board of Directors under this Section 6 may be delegated to SCPPA's Executive Director by the Board of Directors upon notice to Purchaser.

## 7. CHARGES AND BILLINGS.

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- 7.1 Power Purchase Agreement Monthly Costs. During the Agreement Term of the Power Purchase Agreement the amount of Monthly Costs which shall be paid by Purchaser pursuant to a Billing Statement for a particular Month shall be the sum of the following, as applicable, subject to Sections 7.8 and 7.9 hereof and any applicable adjustments as provided in Section 12 hereof:
- 7.1.1 The Delivery Point Energy Costs (as provided in Section 4.1) with respect to the Points of Delivery for such Month.
  - 7.1.2 The Power Purchase Agreement General and Administrative Cost Component of Total Monthly Costs (as provided in Section 4.3.2) for such Month.
  - 7.1.3 The Reserve Fund Cost Component of Total Monthly Costs (as provided in Section 4.3.3) for such Month.
  - 7.1.4 The Supplementary Services Cost Component of Total Monthly Costs (as provided in and subject to the limitations set forth in Section 4.3.4) for such Month.
- 7.2 Billing Statements. By the fifth calendar day of each Month during each Power Supply Year, SCPPA shall bill Purchaser for the amount of Monthly Costs to be paid by Purchaser for the current Month by providing Purchaser with a Billing Statement in accordance with the charges established pursuant to the provisions of this Agreement. Such Billing Statement shall detail the costs described in Section 7.1 and shall set forth, among other things, the amounts due for such Month by Purchaser with respect to the items of Monthly Costs set forth in Section 7.1, as such Monthly Costs may be adjusted from time to time in accordance with Section 5 and this Section 7. Such Billing Statement shall be paid by Purchaser on or before twenty (20) days after receipt of such Billing Statement.
- 7.3 Adoption of Alternative Billing Statement Procedures. The Project Manager may recommend the adoption of an alternative Billing Statement billing methodology in connection with the Purchaser's Billing Statement with respect to the Project Costs and the costs associated with any Project Agreement. Such alternative Billing Statement procedures may be placed into effect with the approval of the same by resolution of the Board of Directors. Any such alternative Billing Statement billing methodology shall be fiscally prudent, financially sound and shall assure coverage of all potential and actual costs and obligations of SCPPA.
- 7.4 Disputed Monthly Billing Statement. In case any portion of any Billing Statement received by Purchaser from SCPPA shall be in bona fide dispute, Purchaser shall pay SCPPA the full amount of such Billing Statement and, upon determination of the correct amount, the difference between such correct amount and such full amount, if any, including interest at the rate received by SCPPA on any overpayment, will be credited to Purchaser by SCPPA after such determination; provided, however, that such interest shall not accrue on any overpayment that is acknowledged by SCPPA and returned to Purchaser by the fifth calendar day following the receipt by SCPPA



of the disputed overpayment. In the event such Billing Statement is in dispute, SCPPA will give consideration to such dispute and will advise Purchaser with regard to SCPPA's position relative thereto within thirty (30) days following receipt of written notification by Purchaser of such dispute.

- 7.5 Reconciliation of Monthly Costs. As soon as practicable after the end of each Power Supply Year, SCPPA will submit to Purchaser a detailed statement of the actual aggregate Monthly Costs and other amounts payable hereunder, including any credits thereto, for all of the Months of such Power Supply Year, and the adjustments of the aggregate Monthly Costs and other amounts payable hereunder, if any, for any prior Power Supply Year, based on the annual audit of accounts provided for in Section 6.3. If, on the basis of the statement submitted as provided in this Section 7.4, the actual aggregate Monthly Costs and other amounts payable by Purchaser for any Power Supply Year exceed the amount thereof which Purchaser has been billed, Purchaser shall pay SCPPA, within twenty (20) days of receipt of SCPPA's invoice requesting payment of such incremental amount, the amount of incremental payment the invoice requests. If, on the basis of the statement submitted pursuant to this Section 7.4, the actual aggregate Monthly Costs or other amounts payable by Purchaser for any Power Supply Year are less than the amount therefor which Purchaser has been billed, SCPPA shall, unless otherwise directed by Purchaser with respect to moneys owed to it, credit such excess against Purchaser's next monthly Billing Statement.
- 7.6 Other or Additional Cost Reconciliation Mechanisms. The Board of Directors may, by resolution, authorize or prescribe other billing, payment, costing and cost reconciliation mechanisms to address such billing, payment, costing and cost reconciliation issues as may from time to time arise with respect to the Project.
- 7.7 Interest on Late Payments. If Purchaser fails to pay any Billing Statement when due, interest shall accrue at a rate equal to the lesser of (i) two hundred (200) basis points above the per annum prime rate reported daily in The Wall Street Journal, or (ii) the maximum rate permitted by applicable Requirements of Law.
- 7.8 Prepayment of Monthly Costs. Purchaser may, at any time, pay moneys to SCPPA or utilize any credits due or amounts owed by SCPPA to Purchaser with respect to the Project for the purpose of prepaying its monthly Billing Statement. Such moneys and amounts owed by SCPPA under any Project Agreement shall be deposited into an account established by, or at the direction of, SCPPA. Consistent with SCPPA's investment policy, moneys in such account shall be invested pursuant to instructions provided to SCPPA by Purchaser and all investment income shall be credited to such account. Payment of the amount of any monthly Billing Statement or Default Invoice shall be made from moneys available in such account to the extent set forth in written directions from Purchaser to SCPPA received at least five (5) business days prior to the due date of such payment. Any credit or prepayment with respect to its monthly Billing Statement shall not relieve or reduce Purchaser's other obligations under this Agreement.
- 7.9 Credit or other Payment Attributable to Purchaser. Should Purchaser make or provide, through any type of payment mechanism, for a separate payment or

prepayment for Project Output or other Project purpose which results in a credit or reduction in SCPPA's obligation being credited to the purchase of Project Output, or a reduced cost of power or otherwise credited under the Power Purchase Agreement or other Project Agreement, then, to the extent that such credit is credited to an obligation of SCPPA under the Power Purchase Agreement or such other Project Agreement, such credit shall be passed through or credited to Purchaser under this Agreement. Such a credit may, at the request of Purchaser, be credited on Purchaser's subsequent Billing Statements or handled pursuant to a Billing Statement methodology which bills for and places an amount which is the equivalent of the credit into Purchaser's project stabilization account or such a credit may be otherwise handled in such manner as Purchaser may reasonably request. The provisions of this Section 7.8 shall be in addition to the terms and provisions of Section 12 and shall not be applicable to any circumstances, conditions or matters that are within the scope of Section 12.

## **8. UNCONDITIONAL PAYMENT OBLIGATIONS; RATE COVENANT; AUTHORIZATIONS.**

- 8.1 **Unconditional Payment Obligation.** Beginning with the earliest of (i) the date SCPPA incurs or becomes obligated to pay any portion of the costs of the Project, (ii) the effective date of any Project Agreements or, (iii) the date of the first delivery of Project Output to Purchaser and continuing through the term of this Agreement, Purchaser shall pay SCPPA the amounts of Monthly Costs set forth in the Billing Statements submitted by or on behalf of SCPPA to Purchaser in accordance with the provisions of Section 7 hereof and, without duplication, any amount set forth in any Default Invoices received by Purchaser as a result of the operation of Section 11 hereof, whether or not the Project or any part thereof has been completed, is functioning, producing, operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.
- 8.2 **Source of Payments.** The Purchaser hereby represents, warrants and agrees that the obligations of Purchaser to make the payments to SCPPA under this Agreement shall constitute a cost of purchased power and an operating expense of Purchaser payable solely from its electric power revenue fund, including any and all legally available electric system reserves. Purchaser will annually in each and every fiscal year of Purchaser during the term of this Agreement include in its power system budget, whether or not any other items are included, an appropriation from the revenues of its electric system sufficient to satisfy all the payments required to be made in such year under this Agreement until all payments required under this Agreement have been paid in full.
- 8.3 **Rate Covenant.** Purchaser will establish, maintain and collect rates and charges for the electric service of its electric system each year so as to provide revenues sufficient, together with any legally available electric system reserves, to enable Purchaser to pay to SCPPA all amounts payable when due under this Agreement

and to pay all other amounts payable from, and all lawful charges against or liens on, the revenues of its electric system.

- 8.4 Authorizations. Purchaser hereby represents and warrants that no order, approval, consent or authorization of any governmental or public agency, authority or person, is required on the part of the Purchaser for the execution and delivery by the Purchaser of this Agreement, or the performance by the Purchaser of its obligations under this Agreement except for such as have been obtained.

## 9. OTHER TERMS AND SERVICES.

- 9.1 Delivery Procedures. Prior to the time at which any Energy will be delivered to Purchaser from the Facility, Purchaser will schedule and shall be obligated to take delivery of the Project Energy to be delivered. The Project Output generated and produced from the Project shall be scheduled and delivered to Purchaser at the Designated Point of Delivery based upon the practices and procedures recommended by the Project Manager and approved by the Board of Directors.
- 9.2 Other Services and Transmission from Points of Delivery. It is the obligation of Purchaser to receive the Project Energy and to arrange for delivery of the Project Output to its ultimate destination or destinations after having reached its Designated Point of Delivery, as determined by Purchaser. However, to the extent specifically requested by Purchaser, and to the extent practicable for SCPPA to do so, SCPPA shall assist in arranging for Supplementary Services and for such additional transmission, interconnection arrangements, energy management, swaps, exchanges or other services, as deemed necessary and requested by Purchaser.
- 9.3 Energy Services. Nothing herein shall prevent or restrict Purchaser from providing for its own transmission, energy management services, balancing, or exchanging services or otherwise using or dispatching its Energy under this Agreement; provided, however, that such services, use or activities shall not affect any of the obligations of Purchaser under this Agreement; and provided further nothing herein shall restrict Purchaser and SCPPA from agreeing to enter into a separate agreement which may prevent or restrict Purchaser from exercising its otherwise unilateral rights to provide for its own transmission, energy management services, balancing, or exchanging services or otherwise using, dispatching, selling or remarketing its Energy, in each case, beyond its Designated Point of Delivery.
- 9.4 Balancing Agent and Dynamic Scheduling. Upon the request of Purchaser, and to the extent practicable for SCPPA to do so, SCPPA shall either (i) retain an agent to maintain and balance Purchaser's hourly Energy schedules in accordance with WECC protocols ("Balancing Agent"), including the provision or absorption of imbalance energy to accommodate intra-hour fluctuations of Project Energy as compared to Purchaser's Energy schedule and maintaining a balancing account of accumulated imbalance energy to be settled by adjusting future Purchaser Energy

schedules or (ii) arrange for Dynamic Scheduling from Purchaser's Designated Point of Delivery to Purchaser's control area or electric system, including the procurement and installation of scheduling hardware, software, and communications equipment necessary to effectuate Dynamic Scheduling (if such a scheduling methodology is deemed appropriate, applicable and otherwise feasible). In the event that Dynamic Scheduling is implemented, SCPPA and Purchaser shall cooperate to do all things necessary and appropriate to deliver to the appropriate Designated Point of Delivery or Alternate Point of Delivery Purchaser's Capacity Amounts as provided in Appendix "B" of this Agreement. Upon the request of Purchaser, and to the extent practicable for SCPPA to do so, SCPPA shall also (x) procure, contract for or otherwise arrange for any available energy balancing or integration services to address any of the above referenced imbalances, fluctuations, variability, intermittency, or like conditions or (y) address the costs, charges or consequences of such imbalances, fluctuations, variability, intermittency, or like conditions through other mechanisms or methodologies which are mutually agreeable to the Purchaser and SCPPA. Any such arrangements entered into by SCPPA at the request of Purchaser shall be with third parties and negotiated in arms' length transactions, to the extent applicable.

- 9.5 Transfer of Environmental Attributes to Purchaser. SCPPA shall transfer or pass through all Environmental Attributes received by SCPPA under the Power Purchase Agreement to Purchaser in the same manner by which SCPPA receives Environmental Attributes under the terms of the Power Purchase Agreement.

10. **RIGHTS AND OBLIGATIONS UNDER PROJECT AGREEMENTS.** Notwithstanding anything to the contrary contained herein: (i) the obligation of SCPPA to deliver to Purchaser the Project Output hereunder during the Delivery Term of the Power Purchase Agreement is limited to the Project Output which SCPPA receives from the Project (or the Power Purchase Provider, as applicable) at Designated Point of Delivery for redelivery to Purchaser hereunder during such time; (ii) the obligation of SCPPA (or the Power Purchase Provider) to deliver the Replacement Energy hereunder during the Delivery Term of the Power Purchase Agreement is limited to the Replacement Energy which SCPPA receives at the Designated Point of Delivery under the Power Purchase Agreement; (iii) the obligation of SCPPA to pay any amount to Purchaser hereunder or to give credits against amounts due from Purchaser hereunder is limited to amounts SCPPA receives in connection with the transaction to which the payment or credit relates (or is otherwise available to SCPPA in connection with this Agreement for which such payment or credit relates); (iv) any energy costs, capacity costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges for which SCPPA is responsible under the Project Agreements shall be considered energy costs, capacity costs, environmental attribute costs, transmission costs, tax costs, insurance costs, indemnifications, other costs or other charges incurred by SCPPA and payable by Purchaser as provided in this Agreement; and (v) any Force Majeure under the Power Purchase Agreement or other event of force majeure affecting the delivery of Energy pursuant to applicable provisions of the Project Agreements shall be considered an event caused by Uncontrollable Forces

affecting SCPPA with respect to the delivery of Energy and/or Environmental Attributes hereunder and SCPPA forwarding to Purchaser notices and information from the Power Purchase Provider concerning an event of Force Majeure upon receipt thereof shall be sufficient to constitute a notice that Uncontrollable Forces have occurred.

## **11. NONPERFORMANCE AND PAYMENT DEFAULT.**

- 11.1 Nonperformance by Purchaser. If Purchaser shall fail to perform any covenant, agreement or obligation under this Agreement causing SCPPA to be in default under the Power Purchase Agreement, or any other Project Agreement, as applicable, or shall cause a default to occur pursuant to such agreements, SCPPA may, in the event the performance of any such obligation remains unsatisfied after thirty (30) days' prior written notice thereof to the Purchaser and a demand to so perform, take any action permitted by law to enforce its rights under this Agreement, including but not limited to termination of this Agreement, and/or (unless SCPPA has already taken action pursuant to the immediately preceding sentence) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to recover damages and/or enforce any covenant, agreement or obligation against the Purchaser with regard to its failure to so perform.
- 11.2 Notice of Payment Default. On or promptly following the Initial Payment Default Date by Purchaser, SCPPA shall issue a Default Invoice and shall provide written notice to Purchaser that as a result of a Payment Default Purchaser is in default under this Agreement and that Purchaser's Project Rights are subject to discontinuance, termination and disposal in accordance with Sections 11.4 and 11.5 of this Agreement. In addition to the foregoing, the Notice of Payment Default shall specify that five (5) days after the issuance of the written notice of Payment Default by SCPPA, deliveries of Project Output to the Purchaser shall be thereafter suspended until such time as Purchaser is in Compliance. SCPPA may take any action through or in conjunction with the Power Purchase Provider or any other counterparty under a Project Agreement or with the Project Manager, if applicable, to carry out the provisions of this Section 11 including such suspension of delivery of Project Output.
- 11.3 Cured Payment Default. If after a Payment Default, Purchaser cures such Payment Default within the Cure Period, its Project Rights shall not be subject to discontinuance, termination or disposal as provided for in Sections 11.4 and 11.5 of this Agreement as a result of any Payment Default associated with such Cured Payment Default.
- 11.4 Failure to Cure Payment Default. If at any time thirty (30) days after an uncured Payment Default by Purchaser, Purchaser fails to be in Compliance, Purchaser's Project Rights shall immediately be discontinued and terminated and its Project Rights and Obligations shall be disposed of by SCPPA in accordance with Section 11.5 of this Agreement; provided, however, Purchaser's obligation to make payments under this Agreement shall not be eliminated or reduced except to

the extent provided in Section 11.6. SCPPA shall provide to Purchaser a separate monthly invoice of any such payment obligations under this Agreement. SCPPA shall immediately notify the Project Manager (if other than SCPPA) and such others as SCPPA deems appropriate, of such discontinuance and termination of Project Rights.

11.5 Treatment of Purchaser's Project Rights and Obligations upon its Payment Default

In the event Purchaser's Project Rights are discontinued and terminated pursuant to Section 11.4 of this Agreement, SCPPA shall undertake or cause to be undertaken the following actions in the order set forth:

11.5.1 SCPPA shall, to the extent SCPPA in its sole discretion, but with the approval of the Board of Directors, determines it appropriate, offer to convey, transfer and assign, on a temporary or permanent basis as determined by SCPPA, all of the Defaulting Purchaser's Project Rights and Obligations to third parties. Each such third party shall assume all, but not less than all, Project Rights and Obligations so conveyed, transferred and assigned to it by SCPPA. For the avoidance of doubt, the approval of the Board of Directors provided for above refers to the Project Vote of the Directors of the Board of Directors with respect to such conveyance, transfer and assignment of Defaulting Purchaser's rights and obligations under Section 10(g) of the SCPPA Joint Powers Agreement based on only one Project Vote by each Director of the Board of Directors pursuant to Section 2(g)(i) of the SCPPA Joint Powers Agreement and no further Project Votes under Section 2(g)(ii) of the SCPPA Joint Powers Agreement since the Defaulting Purchaser's Project Rights shall have been discontinued and terminated pursuant to Section 11.4, and as a result there will no longer be any existing entitlement of a right to participate in the Project.

11.5.2 If, at any time or from time to time, any of the Project Rights and Obligations of the Defaulting Purchaser are not conveyed, transferred and assigned as provided in Section 11.5.1 of this Agreement, SCPPA shall use its best efforts, to the extent reasonably possible and economically beneficial, to offer third parties, for long-term or short-term sale as determined by SCPPA, Project Output associated with such Project Rights and Obligations or to remarket or resell such Project Output, or cause the same to be remarketed or resold; provided, however, that without eliminating Defaulting Purchaser's obligation to make payments under this Agreement (notwithstanding anything to the contrary in this Agreement), including payment of SCPPA's costs and expenses related to such default and sale, such payment obligation shall be satisfied to the extent that payments are received by SCPPA from the remarketing or sale of Project

Output associated with Defaulting Purchaser's Project Rights. If at the time of any Board of Directors meeting, any of the Defaulting Purchaser's Project Rights and Obligations are not conveyed, transferred and assigned as provided in Section 11.5.1, the associated voting rights of Directors on the Board of Directors with respect to Defaulting Purchaser's Project Rights and Obligations shall remain as provided under Section 11.5.1.

Except as provided in this Section 11.5 or otherwise in this Agreement, SCPPA may not convey, transfer or assign any of Purchaser's Rights and Obligations without the prior written consent of Purchaser.

- 11.6 Elimination or Reduction of Payment Obligations. Upon termination of Defaulting Purchaser's Project Rights pursuant to Section 11.5 and conveyance, transfer or assignment of Defaulting Purchaser's Project Rights and Obligations pursuant to Section 11.5.1, Defaulting Purchaser's obligation to make payments under this Agreement (notwithstanding anything to the contrary in this Agreement) shall not be eliminated or reduced except to the extent of moneys received by SCPPA as a result of the conveyance, transfer and assignment of Defaulting Purchaser's Project Rights and Obligations, less SCPPA's related costs and expenses.
- 11.7 Use of Reserve Funds. With respect to a Payment Default by Purchaser, SCPPA may use the Reserve Funds, to the extent necessary and to the extent available, to cover any deficiency with respect to any payment due by SCPPA attributable to Purchaser's participation in the Project. Any replenishing of any Reserve Funds account held by SCPPA shall be in accordance with rules and protocols promulgated by SCPPA.

## 12. CHARACTER, CONTINUITY OF SERVICE.

- 12.1 Outages, Interruptions and Curtailment of Energy Deliveries. Under certain conditions set forth in Project Agreements or in the case of emergencies or abnormal conditions with respect to the Project or in order to take a Facility or Facilities out of service for repairs, maintenance work, replacements, equipment installation or inspections, or in the event of a failure by the Purchaser to receive or accept Project Output or Replacement Energy as delivered to SCPPA under the Power Purchase Agreement, the Power Purchase Provider may temporarily interrupt or curtail deliveries of Project Output to SCPPA which SCPPA was to deliver to Purchaser. In the event of the occurrence of any such interruption or curtailment, including any associated Facility outage, which shall cause a reduction in deliveries of Project Output, any incurrence by SCPPA of additional costs, or a receipt by SCPPA of payments or credits under any Project Agreement, certain of the rights, entitlements and obligations of Purchaser under this Agreement shall be as follows:

- 12.1.1 In the case of such an interruption or curtailment that affects deliveries of at or to the Designated Point of Delivery, and as a result thereof SCPPA shall receive any payment or credit, Purchaser shall receive a credit on its monthly Billing Statement during the term of the Power Purchase Agreement in the amount of such payment or credit received by SCPPA.
- 12.1.2 In the case where Purchaser fails to accept or receive at its Designated Point of Delivery all or any portion of or Replacement Energy delivered to such Designated Point of Delivery, Purchaser shall be solely responsible for any cost incurred by SCPPA which is attributable to such failure and the amount of such cost shall be added solely to Purchaser's monthly Billing Statement.
- 12.1.3 No such interruption or curtailment of deliveries of Project Output, including any interruption or curtailment due to a Facility outage, shall relieve Purchaser of its obligations to make payments under this Agreement; provided that, except as otherwise provided in this Agreement, Purchaser shall have no obligation to pay for Project Output not delivered to its Designated Point of Delivery.
- 12.1.4 SCPPA or the Project Manager (if other than SCPPA) or SCPPA's agent will apprise Purchaser of potential outages, interruptions or curtailments, the reason therefor and the probable duration thereof, when such outages, interruptions or curtailments can be deemed likely to occur based upon the information provided to SCPPA or the Project Manager by the Power Purchase Provider. SCPPA, its agent or the Project Manager, as applicable, will, to the best of its ability, cause such interruption or curtailment to be scheduled at a time which will cause the least interference with the system operations of Purchaser.
- 12.2 Uncontrollable Forces. SCPPA shall not be required to provide, and SCPPA shall not be liable for failure to provide Project Output, Replacement Energy or other service it may be providing under this Agreement when such failure or the cessation or curtailment of or interference with the service is caused by Uncontrollable Forces or by the inability of SCPPA, the Power Purchase Provider or other applicable counterparty to obtain any required governmental permits, licenses or approvals to enable SCPPA or the Power Purchase Provider, as applicable, to administer or operate the Project; provided, however, that Purchaser shall not thereby be relieved of its obligations to make payments under this Agreement except to the extent SCPPA is so relieved pursuant to any Project Agreement.

### 13. LIABILITY.



13.1 No Liability of SCPPA or Purchaser, or Their Directors, Officers, Employees, Etc.; SCPPA's and Purchaser's and Project Manager's (within its capacity as Project Manager) Directors, Officers, Employees Not Individually Liable. Both Parties agree that neither SCPPA, the Purchaser, the Project Manager, nor any of their respective past, present or future directors, officers, board members, agents, attorneys, advisors, employees or employees of the municipal entity of which the Purchaser is a part (collectively the "Released Parties") shall be liable to any other of the Released Parties for any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses) or disbursements of any kind or nature whatsoever in law, equity or otherwise suffered by any of the Released Parties as a result of the performance or non-performance by the Power Purchase Provider or any of the Released Parties under this Agreement or any Project Agreement (excluding gross negligence or willful misconduct which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order). Each Party releases the Released Parties from any claim or liability that either Party may have cause to assert as a result of any actions or inactions of the Released Parties under this Agreement or the performance or non-performance by the Project Manager under this Agreement or any Project Agreement (excluding gross negligence or willful misconduct which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order).

No such performance or non-performance by the Project Manager, the Power Purchase Provider, or SCPPA shall relieve SCPPA or Purchaser from their respective obligations under this Agreement, including, without limitation, Purchaser's obligation to make payments required under Section 8.1 or any other provision of this Agreement and SCPPA's obligation to make payments under Section 13.6 or any other provision of this Agreement, or under any other Project Agreements. The provisions of this Section 13.1 shall not be construed so as to relieve the Project Manager or the Power Purchase Provider from any obligation (or liability in the case of the Power Purchase Provider) under this Agreement or any other Project Agreement. It is also hereby recognized and agreed that no member of the Board of Directors, SCPPA, the Project Manager or the Purchaser, nor any of their respective past, present or future directors, officers, board members, agents, attorneys, advisors, employees or employees of the governmental entity of which the agent is a part or member of SCPPA in its capacity as a member of SCPPA, shall be individually liable in respect of any undertakings by any of the Released Parties under this Agreement or any Project Agreement. Nothing in this Section 13.1 or in any other provision of this Agreement shall affect Purchaser's or SCPPA's obligations under this Agreement, including without limitation, Purchaser's obligations to make any payment in accordance with Section 8.1 of this Agreement or to pay any other amounts or costs required to be paid by it under this Agreement and SCPPA's obligations to make payments under Section 13.6 or any other provision of this Agreement, or under any other Project Agreements.

- 13.2 Extent of Exculpation; Enforcement of Rights. The exculpation provision set forth in Section 13.1 hereof shall apply to all types of claims or actions including, but not limited to, claims or actions based on contract or tort. Notwithstanding the foregoing, either Party may protect and enforce its rights under this Agreement by a suit or suits in equity for specific performance of any obligations or duty of the other Party, and each Party shall at all times retain the right to recover, by appropriate legal proceedings, any amount determined to have been an overpayment, underpayment or other direct monetary damages owed by Purchaser, SCPPA or the Project Manager (within its capacity as Project Manager) as the case may be, including, without limitation, any costs payable to SCPPA and any costs payable to the Purchaser or the Project Manager.
- 13.3 Determination or Enforcement of Rights. Notwithstanding Section 13.1 and 13.2 hereof, Purchaser or SCPPA may determine, protect and enforce its rights under this Agreement or any other Project Agreement by a suit(s) in equity for specific performance of, or declaratory action with respect to, any obligation or duty hereunder or thereunder.
- 13.4 No Relief from Insurer's Obligations. Notwithstanding any provision in this Agreement to the contrary, including but not limited to the provisions in this Section 13, the provisions of this Section 13 shall not be construed or applied so as to relieve any insurer of its obligation to pay any insurance claims in accordance with any applicable insurance policy.
- 13.5 No General Liability of SCPPA. The Parties agree that the undertakings under this Agreement by SCPPA, or the Project Manager (within its capacity as Project Manager), shall never constitute a debt or indebtedness of SCPPA or the Project Manager (within its capacity as Project Manager) within the meaning of any provision or limitation of the Constitution or statutes of the State of California and shall not constitute or give rise to a charge against its general credit.
- 13.6 Indemnification of Purchaser. SCPPA undertakes and agrees, to the extent permitted by law, to indemnify and hold harmless Purchaser, its board, officers, agents, attorneys, advisors, employees, and the employees of the governmental entity of which the agent is a part, past, present or future (collectively, "Purchaser Indemnitees"), from and against any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses) or disbursements of any kind or nature whatsoever in law, equity or otherwise (including, without limitation, death, bodily injury or personal injury to any person or damage or destruction to any property of Purchaser, SCPPA or third persons) (collectively, "Losses") which may be imposed on, incurred by or asserted against Purchaser arising by manner of any breach of this Agreement by SCPPA, or the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement on the part of SCPPA or any of SCPPA's directors, board members, officers, employees, agents and advisors, past, present or future. At Purchaser's option, SCPPA shall defend

Purchaser Indemnitees from and against any and all Losses. If SCPPA, in response to Purchaser's request, defends any Purchaser Indemnitee, Purchaser shall approve the selection of counsel, and Purchaser shall further approve any settlement or disposition, such approval not to be unreasonably withheld. Nothing in this Section 13.6 or in any other provision of this Agreement shall affect Purchaser's obligation to make any payment in accordance with Section 8.1 of this Agreement or to pay any other amounts or costs required to be paid by it under this Agreement.

13.7 Indemnification of Project Manager. The Parties acknowledge that SCPPA is obligated to indemnify any Project Manager (when acting within its capacity as the Project Manager), including as provided under Section 16.1 of the Agency Agreement to indemnify and hold harmless LADWP, as Project Manager, its board, officers, agents, attorneys, advisors, employees, and the employees of the governmental entity of which the agent is a part, past, present or future, when acting for LADWP as Project Manager (collectively, the "Project Manager Indemnitees") from and against any and all claims, demands, liabilities, obligations, losses, damages (whether direct, indirect or consequential), penalties, actions, loss of profits, judgments, orders, suits, costs, expenses (including attorneys' fees and expenses) or disbursements of any kind or nature whatsoever in law, equity or otherwise (including, without limitation, death, bodily injury or personal injury to any person or damage or destruction to any property of LADWP, SCPPA or third persons) arising by reason of any actions, inactions, errors or omissions incident to the performance of the Agency Agreement (excluding gross negligence or willful misconduct which, unless otherwise agreed to by the Parties, are both to be determined and established by a court of competent jurisdiction in a final, non-appealable order) on the part of Project Manager Indemnitees, when acting for LADWP as Project Manager. It is further acknowledged by the Parties that all payments, costs and expenses of SCPPA with respect to compliance with any such indemnification obligations, including under Section 16 of the Agency Agreement, shall be payable as Monthly Costs by Purchaser in accordance with the terms of this Agreement. At Project Manager's option, SCPPA shall defend Project Manager Indemnitees from and against any and all Losses. If SCPPA, with Project Manager's consent, defends any Project Manager Indemnitee, Project Manager and Project Manager's City Attorney's Office (or other appropriate Project Manager counsel or authority, as appropriate) shall approve the selection of counsel, and Project Manager shall further approve any settlement or disposition, such approval not to be unreasonably withheld. Notwithstanding any provision of this Agreement which might be construed to the contrary, nothing in this Section 13.7 or in any other provision of this Agreement shall affect LADWP's obligation as Purchaser under this Agreement, to make any payment or to pay any cost required of it, or SCPPA's obligation to make any payment or to pay any cost required of it under the Agency Agreement.

13.8 Separate Capacities. The Parties acknowledge that LADWP, as Project Manager under the Ormat Northern Nevada Geothermal Portfolio Agency Agreement, acts in a legal capacity that is separate from its capacity as a Purchaser and a Party

under this Agreement. Accordingly, for purposes of this Agreement, the rights, entitlements, obligations and liabilities of LADWP, as Purchaser and a Party under this Agreement, shall not apply to or otherwise be affected by, and shall be legally separate from the rights, entitlements, obligations, and liabilities of LADWP in its capacity as Project Manager under the Agency Agreement.

#### **14. RESTRICTIONS ON DISPOSITION.**

- 14.1 Restrictions on Elimination of Payment Obligations. No sale, assignment or other disposition of Purchaser's Project Rights and Obligations to any Person ("Assignee") shall release Purchaser from its payment obligations under this Agreement; provided, however, such payment obligations may be eliminated or reduced if (i) such Assignee shall assume and agree to fully perform and discharge the Project Rights and Obligations under this Agreement, (ii) unless otherwise provided by resolution of the Board of Directors, such Assignee shall have a corporate or long-term senior unsecured credit rating not less than Standard & Poors A- or Moody's A3, and (iii) the Board of Directors, by resolution, determines in its sole discretion to eliminate or reduce such payment obligations. For avoidance of doubt, notwithstanding the forgoing, no such sale, assignment or disposition shall cause SCPPA to be in default of any term or condition of the Project Agreements.
- 14.2 Restrictions on Disposition of Purchaser's Entire System. Purchaser shall not sell, lease or otherwise dispose of all or substantially all of its electric system to any Person ("Acquiring Entity") unless the Acquiring Entity shall assume and agree to fully perform and discharge the Project Rights and Obligations under this Agreement, and such Acquiring Entity shall have a corporate or long-term senior unsecured credit rating not less than investment grade.
- 14.3 Successors and Assigns. Subject in all respects to Sections 11 and 14 hereof, the Project Rights and Obligations under this Agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Agreement.

#### **15. EFFECTIVE DATE, TERM AND EXPIRATION.**

- 15.1 Effective Date; Execution in Counterparts. This Agreement shall become effective on the first day when all of the following shall have occurred: (i) this Agreement shall have been duly executed and delivered by SCPPA and Purchaser, and (ii) the Power Purchase Agreement shall have been duly executed and delivered by SCPPA and the Power Purchase Provider. Once the Power Purchase Agreement has been executed and delivered as set forth above, SCPPA shall deliver a copy of the same to Purchaser. This Agreement may be executed in any number of counterparts, each of which shall constitute an original.
- 15.2 Termination Conditions. This Agreement shall be effective upon satisfaction of the conditions set forth in Section 15.1 and shall extend for the term specified in

Section 15.3 unless earlier terminated pursuant to an express provision of this Agreement; provided, however, that any obligation to make payments by Purchaser or by SCPPA or any outstanding liability of Purchaser or SCPPA hereunder which either exists or may exist as of the date of termination of this Agreement, or which comes into existence at any future time as a result of any activity or transaction carried forth under this Agreement, shall survive such termination.

15.3 Expiration. The term of this Agreement shall begin on the day this Agreement becomes effective pursuant to Section 15.1 hereof. Unless terminated earlier pursuant to Section 15.4 the term of this Agreement shall expire on the date on which the Power Purchase Agreement is terminated and all of Parties' obligation(s) under the Project Agreements have been fully satisfied or otherwise adequate provision for satisfaction of such obligation(s) have been made and no other such obligation(s) under the Project Agreements is outstanding; provided, however, except as provided in Section 15.4, in no event shall the term of this Agreement expire so long as the Power Purchase Agreement is of any force or effect.

15.4 Termination of Agreement before Expiration Date. Notwithstanding the expiration date set forth in Section 15.3 hereof, this Agreement shall terminate on the date SCPPA notifies Purchaser that this Agreement is superseded as a result of Purchaser having (i) succeeded to SCPPA's rights through another agreement or agreements; or (ii) entered into a replacement power sales agreement or other agreement with SCPPA. The purchase price and consideration to be paid to SCPPA by Purchaser with respect to any such superseding arrangement shall consist of the payments and satisfaction of all obligations by Purchaser under and pursuant to this Agreement prior to the effective date of the superseding arrangement plus any remaining costs or obligations incurred by SCPPA in connection with the Project.

15.5 Final Distribution of Reserve Fund. Following the expiration or earlier termination of this Agreement, and upon payment and satisfaction of any and all liabilities and obligations to make payments by Purchaser under this Agreement and upon satisfaction of all remaining costs and obligations of SCPPA under this Agreement and in connection with the Project, any amounts then remaining in the Reserve Fund shall be paid to Purchaser.

16. **SEVERABILITY.** In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the Parties hereto that such illegality or invalidity shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein unless a court holds that the provisions are not separable from all other provisions of this Agreement.

17. **REPRESENTATION AND GOVERNING LAW.** The Parties acknowledge that each Party was represented by counsel in the negotiation and execution of this Agreement.

This Agreement was made and entered into in the County of Los Angeles and shall be governed by, interpreted and enforced in accordance with the laws of the State of California. All litigation arising out of, or relating to this Agreement, shall be brought in a State or Federal court in the County of Los Angeles in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

18. **ARBITRATION AND ATTORNEYS' FEES** If a dispute arises between the Parties which the Board of Directors is unable to resolve, the Parties may by mutual agreement submit the dispute to mediation or non-binding arbitration. With respect to any such dispute the Parties agree that each Party shall bear its own attorneys' fees and costs. Notwithstanding the foregoing, Purchaser and SCPPA recognize and agree that SCPPA's attorneys' fees associated with any matter relating to the Project or this Agreement, including any dispute relating thereto, shall constitute a Project Cost under Section 4.4 which shall be allocated and billed as set forth in Sections 4 and 7 of this Agreement.
19. **PURCHASER'S CONTRACT ADMINISTRATOR.** Purchaser's contract administrator for this Agreement shall be the person so designated by the individual authorized to receive notices on behalf of Purchaser pursuant to Section 20 herein, and Purchaser's contract administrator shall have the authority to administer this Agreement on behalf of Purchaser. Notwithstanding the foregoing, Purchaser's contract administrator shall have no authority to amend this Agreement on behalf of the Purchaser.
20. **NOTICES.** Any notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

Southern California Public Power Authority  
Attention: Director of Contract Administration  
1160 Nicole Court  
Glendora, California 91740

Los Angeles Department of Water and Power  
Attention: General Manager  
RE: Power System Contracts  
111 N. Hope Street, Room 921  
Los Angeles, California 90012

21. **AMENDMENTS.** The Parties acknowledge and agree that any amendment to this Agreement shall be in writing and duly executed by the Parties. No such amendment to this Agreement shall be permitted without the prior approval of the Purchaser's Board of Water and Power Commissioners.

IN WITNESS WHEREOF, the Parties hereto have duly caused this Agreement to be executed on their respective behalves by their duly authorized representatives.

SOUTHERN CALIFORNIA PUBLIC  
POWER AUTHORITY


By: \_\_\_\_\_  
Fred H. Mason  
President

CITY OF LOS ANGELES acting by and through its  
DEPARTMENT OF WATER AND POWER

By: \_\_\_\_\_  
David H. Wright  
General Manager

And:  
\_\_\_\_\_  
Barbara Moschos, Secretary

APPROVED AS TO FORM AND LEGALITY  
MICHAEL N. FEUER, CITY ATTORNEY

NOV 16 2016  
BY:   
WILLIAM H. KYSELLA, JR.  
DEPUTY CITY ATTORNEY

## APPENDIX A

### DEFINITIONS

As set forth in Section 4 of this Agreement, the meaning of capitalized terms in this Agreement not otherwise defined in context shall be as defined in Section 1.1 of the Power Purchase Agreement, which is incorporated herein by this reference. In addition, the following terms, whether in the singular or the plural, and initially capitalized, shall have the meanings specified below:

1. Acquiring Entity. "Acquiring Entity" is defined in Section 14.2.
2. Act. All of the provisions contained in the California Joint Exercise of Powers Act found in Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, beginning at California Government Code Section 6500 et seq., as amended from time to time.
3. Agency Agreement. The Ormat Northern Nevada Geothermal Portfolio Agency Agreement between Southern California Public Power Authority and the City of Los Angeles acting by and through the Department of Water and Power, dated as of October 20, 2016, as the same may be amended from time to time.
4. Annual Budget. The budget adopted by SCPPA pursuant to Section 5.4.1, including any amendments thereto, which shall show a detailed estimate of the Total Monthly Costs under this Power Sales Agreement and all credits, charges, revenues, income or other funds to be applied to such costs, for and applicable to such Power Supply Year.
5. Billing Statement. The written statement prepared or caused to be prepared each Month by, or on behalf of, SCPPA which shall be based upon certain of the information in the Annual Budget and shall show for such Month the amount to be paid to SCPPA by the Purchaser in accordance with the provisions of Section 7 of this Power Sales Agreement.
6. Board of Directors. The Board of Directors of the Southern California Public Power Authority.
7. Capacity. The ability or potential to generate, produce or transfer electricity, expressed in kilowatts ("kW") or megawatts ("MW"), including, when feasible, ancillary or regulating services or other valuable non-energy products or services from a generating facility.
8. Capacity Amount. "Capacity Amount" means, at any time with respect to Purchaser, the amount of Capacity of the Project at such time.
9. Capacity Rights. "Capacity Rights" means the rights, whether in existence as of the Effective Date or arising thereafter during the term of this Agreement, of SCPPA to



Capacity of the Project, including resource adequacy, associated attributes and/or reserves or any of the foregoing purchased by SCPPA under the Power Purchase Agreement.

10. Compliance. Following its Payment Default, Purchaser shall be in compliance with its payment obligations under its Power Sales Agreement if it (i) no later than the last day of the Cure Period fully pays all amounts owed as reflected in any Default Invoice; (ii) pays any monthly Billing Statement which comes due during the Cure Period; and (iii) replenishes any reduction made to the Reserve Fund as a result of any Payment Default.
11. Contract Price. "Contract Price" means the respective purchase prices, as provided in Appendix A to the Power Purchase Agreement, for Delivered Energy prior to its Commercial Operation Date or Delivery Commencement Date, as applicable, and for Delivered Energy and Replacement Energy delivered after its Commercial Operation Date or Delivery Commencement Date, as applicable at the Designated Point of Delivery.
12. Cure Period. That period of time beginning on the date of a Payment Default and concluding thirty (30) days thereafter.
13. Cured Payment Default. A Payment Default which has been cured in accordance with Section 11.3 of this Agreement. If at any time during the Cure Period the Defaulting Purchaser is in Compliance, then the requirements of a Cured Payment Default shall be deemed to have been satisfied as of the date of receipt of such payments by SCPPA and the Cure Period shall expire.
14. Default Invoice. An invoice during the Payment Default Period and the Cure Period issued to the Defaulting Purchaser pursuant to Section 11 of this Agreement that identifies the total defaulted amount owed, including late payment interest, to achieve a Cured Payment Default. During the Cure Period, the Default Invoice shall also include the amount that the Defaulting Purchaser must pay to achieve Compliance.
15. Defaulting Purchaser. Purchaser is in default as a result of a Payment Default which has not been remedied and where Purchaser has not affected a Cured Payment Default.
16. Delivery Point Energy Cost Component. "Delivery Point Energy Cost Component" is defined in Section 4.3.1.
17. Delivery Point Energy Costs. "Delivery Point Energy Costs" is defined in Section 4.1.
18. Dynamic Scheduling. "Dynamic Scheduling" shall mean the automated scheduling of Energy from the Designated Point of Delivery with respect to Purchaser to Purchaser's control area or electric system, provided that such dynamic schedules adjust at four second intervals, or other intervals as specified by WECC, to match the amount of

Energy actually delivered to such Designated Point of Delivery of Purchasers from the Project.

19. Facility Credit Agreements. All agreements, assignments and security related documents associated with the financing of a Facility, or of the rights or interests held in connection with the Facility, by Purchaser or any of its affiliates and any other agreements or documents providing for security for the performance of the obligations of the Power Purchase Provider.
20. Fiscal Year. The twelve-month period commencing at 12:01 a.m. on July 1 of each year and ending at 12:01 a.m. on the following July 1, or such other time frame as determined by the Board of Directors.
21. Initial Payment Default Date. The earlier of (i) the end of the fifth day following the first Payment Default for which no remedy in payment has occurred and been received by SCPPA, or (ii) the last day of the Month in which the first Payment Default has occurred for which no remedy in payment has occurred and been received by SCPPA.
22. Joint Powers Agreement. The "Southern California Public Power Authority Joint Powers Agreement" dated as of November 1, 1980, as amended and modified from time to time, entered into pursuant to the provisions of the Act, among SCPPA and its members.
23. LADWP. The City of Los Angeles acting by and through the Department of Water and Power as defined in Section 1 of this Agreement.
24. Month. A calendar month.
25. Monthly Costs. "Monthly Costs" represents the amount of costs which the Purchaser shall pay pursuant to a Billing Statement for a particular Month as set forth in Section 7.1.
26. Operating Work. All work and activities in connection with the administration of the Project, including without limitation, negotiating and administering contracts, planning, mitigating impacts, inspecting, investigating and monitoring all aspects of the Project, performing modeling functions, economic analysis, quality control, testing and evaluating, electric energy and environmental attribute procurement, regulatory efforts, tagging, interconnecting, transmission, dispatching, firming, balancing, exchanging and scheduling activities, supervising, expediting, budgeting, accounting, tracking, registering, protecting, and managing activities, public information services and services of consultants, contactors and legal counsel, and activities related to securing requisite permits, franchises, licenses, approvals, entitlements, credits and certificates from governmental agencies and authorities.
27. Payment Default. A failure by Purchaser to pay when due all of its Billing Statement for any Month.

28. Payment Default Period. That period of time during which a Payment Default exists.
29. Person. "Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, government or other political subdivision.
30. Points of Delivery. "Points of Delivery" means, at any time (i) with respect to LADWP as Purchaser, the Crystal 500kV Substation (LADWP side of such Substation) or an Alternate Point of Delivery, as applicable.
31. Power Purchase Agreement. The Power Purchase Agreement between Southern California Public Power Authority and ONGP LLC, dated as of \_\_\_\_\_, 2016, attached hereto as Appendix B, as the same may be revised, modified or otherwise amended from time to time.
32. Power Purchase Agreement General and Administrative Cost Component. "Power Purchase Agreement General and Administrative Cost Component" is defined in Section 4.3.2.
33. Power Purchase Provider. ONGP LLC as the counterparty to SCPPA under the Power Purchase Agreement, and the entity named under any applicable operating agreement to operate or otherwise run or manage the Project, along with each of their successors, or any successors or assigns to the rights of these entities.
34. Power Sales Agreement. The Ormat Northern Nevada Geothermal Portfolio Power Sales Agreement, dated for convenience as of \_\_\_\_\_, 2016 as the same may hereafter be amended from time to time, entered into by SCPPA and Purchaser.
35. Power Supply Year. The Fiscal Year, except that the first Power Supply Year shall begin on the first to occur of (i) the date SCPPA is obligated to pay any portion of the costs of the Project, (ii) the Delivery Commencement Date or the Commercial Operation Date, as applicable of the first Facility to achieve Delivery Commencement or Commercial Operation, or (iii) the date of the first delivery of Energy to Purchaser pursuant to this Agreement.
36. Project. The term "Project" shall be broadly construed to entail the aggregate of rights, liabilities, interests and obligations of SCPPA pursuant to the Power Purchase Agreement and the other Project Agreements, including but not limited to the rights, liabilities, interests and obligations associated with the Facility Energy. The term Project shall also include those rights, liabilities, interests or obligations necessary or appropriate to utilize or deliver the Energy of the Project as specified in Section 9.
37. Project Agreements. This Agreement, the Agency Agreement, the Power Purchase Agreement, and any other agreement as provided for in this Agreement that SCPPA may

enter for purposes of carrying out its responsibilities and duties relating to the Project, including its rights and responsibilities under the Power Purchase Agreement.

38. Project Cost. "Project Cost" is defined in Section 4.4.
39. Project Manager. SCPPA or a designee or designees appointed by SCPPA to assist SCPPA to carry out SCPPA's responsibilities under this Power Sales Agreements, among other things.
40. Project Output. All output, rights, and tangible or intangible benefits, whatsoever, derived from the Project and received by SCPPA, including without limitation, all Energy (including Project Energy, Delivered Energy and Excess Energy), Capacity Rights and Environmental Attributes, whether received by SCPPA under or pursuant to the Power Purchase Agreement or other applicable Project Agreement.
41. Project Rights. All rights, entitlements and privileges of Purchaser under its Power Sales Agreement, including but not limited to its right to receive Project Energy.
42. Project Rights and Obligations. Purchaser's Project Rights and obligations under the terms of this Agreement.
43. Project Votes. "Project Votes" means the "Project Votes" as defined in the SCPPA Joint Powers Agreement.
44. Reserve Fund Cost Component. "Reserve Fund Cost Component" is defined in Section 4.3.3.
45. Reserve Fund Depletion Date. The date that is two Months prior to the date on which SCPPA anticipates, assuming continued Payment Defaults by the Defaulting Purchaser, that the moneys in the Reserve Fund held at any time by SCPPA will be fully depleted; provided, however, if as of the date on which a Payment Default occurs SCPPA determines that the moneys in the Reserve Fund held by SCPPA will be fully depleted in less than two (2) Months (or currently are fully depleted), then the Reserve Fund Depletion Date shall be deemed to have occurred when such a Payment Default occurs.
46. Reserve Fund(s). Those reserve accounts deemed appropriate to afford a reliable source of funds for the payment obligations of the Project and, taking into account the variability of costs associated with the Project for the purpose of providing a reliable payment mechanism to address the ongoing costs associated with the Project.
47. SCPPA Joint Powers Agreement. SCPPA Joint Powers Agreements means the Joint Powers Agreement, dated November 1, 1980 by and among SCPPA and its members, as amended and supplemented.
48. Supplementary Services. Those services which a Purchaser may request that SCPPA

provide in connection with the delivery of Energy including transmission, interconnection arrangements, energy management, energy balancing, dispatching, tagging, scheduling, Dynamic Scheduling, transmitting, interconnecting, swapping, exchanging or other services associated with the Project Energy to be utilized by the Purchaser under this Power Sales Agreement, and to otherwise provide for delivery and facilitate the disposition, movement, taking, receiving, accounting for, transferring and crediting the transfer of Project Output from the Designated Point of Delivery to any other points or destinations, as determined by Purchaser. Supplementary Services include but are not limited to delivery point swaps, stranded energy transmission curtailments, tie point liquidity improvement, transmission loss savings, tie point price spread optimization, on peak/off peak exchanges, peak shifting exchanges, seasonal exchanges, and both simultaneous or non-simultaneous green energy exchanges.

49. Supplementary Services Cost Component. "Supplementary Services Cost Component" has the meaning as described in Section 4.3.4.
50. Total Monthly Costs. "Total Monthly Costs" has the meaning as described in Section 4.2.
51. Uncontrollable Forces. Any Force Majeure event and any cause beyond the control of any Party, and which by the exercise of due diligence such Party is unable to prevent or overcome, including but not limited to, failure or refusal of any other Person to comply with then existing contracts, an act of God, fire, flood, explosion, earthquake, strike, sabotage, pestilence, an act of the public enemy (including terrorism), civil or military authority including court orders, injunctions and orders of governmental agencies with proper jurisdiction or the failure of such agencies to act, insurrection or riot, an act of the elements, failure of equipment, a failure of any governmental entity to issue a requested order, license or permit, inability of any Party or any Person engaged in work on the Project to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers. Notwithstanding the foregoing, Uncontrollable Forces as defined herein shall also include events of Force Majeure pursuant to the Power Purchase Agreement.
52. WECC. The Western Electricity Coordinating Council or its successor.

**APPENDIX B**  
**POWER PURCHASE AGREEMENT**  
**BETWEEN**  
**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**  
**AND**  
**ONGP LLC**  
**DATED AS OF OCTOBER 20, 2016**