

2013 Request for Offers
Local Capacity Requirements

Exhibit A.3
RFO Definitions

September 12, 2013

EXHIBIT A.3

RFO DEFINITIONS¹

“Agreement” has the meaning set forth in Section A.1 of the Transmittal Letter.

“Air Pollution Control District” means a district as defined by Section 39025 of the California Health and Safety Code, Division 26, Air Resources.

“Ancillary Services” or “A/S” means Spinning Reserve, Non-Spinning Reserve, replacement reserves, Regulation Up or Regulation Down or any other ancillary service defined in the Tariff.

“Capacity” means the maximum dependable operating capability of any project to produce or generate Energy, and shall include, without limitation, Ancillary Services Capacity, and any other products that may be developed or evolve from time to time during the Term that relate to the capability of a generating resource to produce or generate Energy.

“CEC’s California Power Plants Database” means the database of currently operational power plants in California created and maintained by the CEC, which can be accessed at <http://www.energy.ca.gov/database/index.html>.

“CEC’s Energy Facility Status” means the current state of each power plant project currently seeking license approval before the CEC, as reported by the CEC at http://www.energy.ca.gov/sitingcases/all_projects.html.

“Confidentiality Agreement” means Attachment I of the Offer Sheet.

“Energy” means all electrical energy produced, flowing or supplied by a project, less the Station Use, measured in kilowatt-hours or multiples units thereof. Energy shall include without limitation, Associated Energy, Associated Ancillary Services Energy, Supplemental Energy, and any other electrical energy products that may be developed or evolve from time to time during the Term.

“Federal New Source Review” means the federal permitting program designed to help control emissions from major new stationary sources of pollution, created by the Environmental Protection Agency pursuant to 42 U.S.C. §§ 7411 et seq.

“FERC Certification” means FERC’s certification of the qualifying status of QF Projects pursuant to 18 CFR Section 292.207.

“Final Offer” means a binding Offer submitted by Seller pursuant to this RFO conforming to the deadlines and requirements set forth in the RFO schedules contained in Section C of the Transmittal Letter and which if accepted by SCE would provide Seller specific terms for a Definitive Agreement executed by SCE and Seller.

¹ The RFO Definitions are provided to assist potential bidders in understanding the Transmittal Letter and Offer Sheet. The definitions contained in Appendix A of the PPA will supersede and replace the RFO Definitions to the extent the documents are inconsistent.

“Fuel Supply Plan” means those requirements of Seller as described in Attachment C.6 of the Offer Sheet.

“Hour-Ahead Market” has the meaning set forth in the Tariff.

“Incremental Capacity” means additional and new Capacity beyond the currently available Capacity.

“Indicative Offer” means a non-binding Offer submitted by Seller pursuant this RFO conforming to the deadlines and requirements set forth in Section C of the Transmittal Letter.

“Letter of Credit” means an irrevocable, nontransferable standby letter of credit, substantially in the form, for the purposes of this Offer Sheet, of Attachment F.1 to the Offer Sheet and acceptable to SCE, issued by a major U.S. commercial bank or the U.S. branch office of a foreign bank with, in either case, a Credit Rating of at least (a) “A-” by S&P and “A3” by Moody’s, if such entity is rated by both and S&P and Moody’s or (b) “A-” by S&P or “A3” by Moody’s, if such entity is rated by either S&P or Moody’s, but not both.

“Non-binding Notice of Intent to Offer” means Exhibit C.3 of the Transmittal Letter.

“Offer Deposit” has the meaning set forth in Section F.1 of the Offer Sheet.

“Offer Sheet” means Exhibit C.5 of the Transmittal Letter.

“Offer Submittal Package” means the documents to be submitted by Seller during the Offer submission process as described in the table within Section C.6.1 of the Transmittal Letter.

“Participating Generator Agreement” or “PGA” has the meaning set forth in the Tariff.

“Power Purchase Agreement” or “PPA” has the meaning set forth in Footnote 1 of the Transmittal Letter.

“Real Time Market(s)” has the meaning set forth in the Tariff.

“Repower” has the meaning set forth in Section B.1.2.4.1 of the Transmittal Letter.

“Request for Offers” or “RFO” means this solicitation whose intent and scope is set forth in Section A.1 of the Transmittal Letter.

“Resource Adequacy Benefits” means, with respect to any project, any and all of the following, in each case which are attributed to or associated with the project at any time throughout the Delivery Period:

- (a) resource adequacy attributes, as may be identified from time to time by the CPUC, CAISO, or other Governmental Authority having jurisdiction, that can be counted toward RAR;

(b) resource adequacy attributes or other locational attributes for the Generating Unit related to a Local Capacity Area, as may be identified from time to time by the CPUC, CAISO or other Governmental Authority having jurisdiction, associated with the physical location or point of electrical interconnection of the Generating Unit within the CAISO Control Area, that can be counted toward a Local RAR;

(c) flexible capacity resource adequacy attributes for the Generating Unit, including, without limitation, the amount of Unit EFC as may be identified from time to time by the CPUC, CAISO, or other Governmental Authority having jurisdiction, that can be counted toward Flexible RAR; and

(d) other current or future defined characteristics, certificates, tags, credits, or accounting constructs, howsoever entitled, including any accounting construct counted toward any Compliance Obligations.

“RFO Definitions” means this document.

“RFO Documents” has the meaning set forth in Footnote 1 of the Transmittal Letter.

“RFO Schedule” means the timelines describe in the tables contained within Sections C.1 and C.2 (as applicable to each Project) of the Transmittal Letter.

“SCAQMD” means the South Coast Air Quality Management District, created pursuant to California Health and Safety Code Sections 40400 et seq., or any successor thereto.