

REDACTED

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Docket Nos. UE-090704 and UG-090705
Puget Sound Energy, Inc.'s
2009 General Rate Case

WUTC STAFF DATA REQUEST NO. 023_ICNU-2.01

WUTC STAFF DATA REQUEST NO. 023 ICNU-2.01:

Please provide a copy of all contracts between PSE and Southern California Edison ("SEC") related to the sale of the output of the Hopkins Ridge and Wild Horse wind projects.

Response:

Attached as Attachments A and D to Puget Sound Energy, Inc.'s ("PSE") Response to WUTC Staff Data Request No. 023_ICNU-2.01, please find a copy of the fully-executed agreements between PSE and Southern California Edison Company ("SCE").

Attached as Attachment B to PSE's Response to WUTC Staff Data Request No. 023_ICNU-2.01, please find a copy of the fully-executed agreement between PSE and Pacific Gas and Electric Company ("PG&E").

Attached as Attachment C to PSE's Response to WUTC Staff Data Request No. 023_ICNU-2.01, please find a copy of the fully-executed Confidential Information Exchange and Mutual Non-Disclosure Agreement between PSE and PG&E, related to Attachment B to PSE's Response to WUTC Staff Data Request No. 023_ICNU-2.01.

Attached as Attachment E to PSE's Response to WUTC Staff Data Request No. 023_ICNU-2.01, please find a copy of the fully-executed Non-Disclosure Agreement between PSE and SCE, related to Attachment D to PSE's Response to WUTC Staff Data Request No. 023_ICNU-2.01.

Attachments A, B and D to PSE's Response to WUTC Staff Data Request No. 023_ICNU-2.01 are HIGHLY CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-090704 and UG-090705.

Attachments C and E to PSE's Response to WUTC Staff Data Request No. 023_ICNU-2.01 are CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-090704 and UG-090705.

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ATTACHMENT A

WUTC STAFF DATA REQUEST NO. 023_ICNU-2.01



**WSPP AGREEMENT
 CONFIRMATION LETTER
 BETWEEN
 PUGET SOUND ENERGY, INC.
 AND
 SOUTHERN CALIFORNIA EDISON COMPANY**

This confirmation letter ("Confirmation") confirms the transaction ("Transaction") between Puget Sound Energy, Inc. ("Seller") and Southern California Edison Company ("Buyer"), each individually a "Party" and together the "Parties", effective as of December 31, 2008 (the "Confirmation Effective Date"). This Transaction is governed by the WSPP Agreement between the Parties, effective as of April 1, 2008, along with any amendments and annexes that existed on April 1, 2008, thereto (the "Master Agreement"). The Master Agreement and this Confirmation shall be collectively referred to herein as the "Agreement." Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement or in the RPS (as defined below).

**ARTICLE 1
 COMMERCIAL TERMS**

1.1 Product Information

Seller: PUGET SOUND ENERGY, INC.		Buyer: SOUTHERN CALIFORNIA EDISON COMPANY	
Trading:	<u>Seller</u> Day Ahead: 425-462-3421 Real Time: 425-462-3622	<u>Buyer</u> Day Ahead: 626-307-4487 / 626-307-4430 Real Time: 626-307-4453 / 626-307-4416	
Scheduling:	<u>Seller</u> Day Ahead: 425-462-3291 Real Time: 425-462-3622	<u>Buyer</u> Day Ahead: 626-307-4425 / 626-307-4413 Real Time: 626-307-4405 / 626-307-4416	
Product:	2,000 GWhs of California RPS-eligible electric energy from the Project, structured in a monthly banking, firming and shaping product, and sold by Seller to Buyer at the Delivery Point as firm energy pursuant to Service Schedule C of the Master Agreement		
Project:	Seller's Wild Horse wind generation facility located in Kittitas County, Washington; and Seller's Hopkins Ridge wind generation facility located in Columbia County, Washington		
Resource:	Wind generation		
Banking, Firming and Shaping:	<p>Throughout the Delivery Period, Seller shall generate, transmit and integrate available intermittent wind generation from the Project into Seller's electrical system on an hourly basis to be delivered to Buyer as firm energy at a later time. For each month of generation during the Delivery Period, this Banking, Firming and Shaping of energy shall occur over three one-month periods as follows:</p> <ol style="list-style-type: none"> (1) <u>Storage Month</u>. In period one (e.g., January), Seller shall store hourly intermittent wind generation in Seller's electrical system. (2) <u>Notification Month</u>. On or before the 15th calendar day of period two (e.g., February), Seller shall notify Buyer of the total quantity of electrical energy (in MWh) generated by the Project in the entire preceding month (Storage Month) and 		

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	<p>the number of Blocks that Seller will deliver to Buyer at the Delivery Point in the subsequent month (Conveyance Month).</p> <p>(3) <u>Conveyance Month</u>. Throughout all On-Peak Hours in period three (e.g., March), Seller shall deliver to Buyer at the Delivery Point the number of Blocks specified in the preceding Notification Month; provided that Buyer shall be permitted to add any energy curtailments by the applicable balancing authority for the Delivery Point to the following Conveyance Month.</p> <p>The Firming, Banking, and Shaping of electric energy generated during the Interim Period shall occur as follows:</p> <p>Interim Energy (as defined below) shall be added to the total quantity of electric energy provided for in each of the first six (6) Notification Months of the Delivery Period for purposes of calculating the appropriate quantity of Blocks in such Notification Month.</p> <p>Seller shall notify Buyer of the total quantity of electrical energy (in MWh) generated by the Project during the Interim Period on or before the 15th calendar day after the start of the Delivery Period.</p>
<p>Price:</p>	<p>[REDACTED]</p> <p>HIGHLY CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-090704 and UG-090705</p>
<p>Term:</p>	<p>The Term of this Transaction shall commence upon the later of (a) the Confirmation Effective Date or (b) the date by which all of the Conditions have been satisfied; and shall continue until delivery by Seller to Buyer of the Product has been completed and all other obligations of the Parties under this Agreement have been satisfied.</p>
<p>Delivery Period:</p>	<p>The Delivery Period of this Transaction shall commence upon the first day of the month following the date by which all of the Conditions have been satisfied; and shall continue until delivery by Seller to Buyer of the Product has been completed.</p>
<p>Conditions:</p>	<p>The effectiveness of this Confirmation shall be contingent upon all of the following conditions having been satisfied:</p> <ul style="list-style-type: none"> (a) Buyer shall have obtained or waived CPUC Approval of this Agreement; (b) Execution by all parties thereto of a Settlement and Release of Claims Agreement constituting a global and comprehensive settlement, to the satisfaction of Seller and the California Parties, of claims arising from events in the California and Western Energy Markets during the period January 1, 2000 to June 20, 2001 ("Settlement"); (c) Approval of the Settlement by the Federal Energy Regulatory Commission ("FERC") and CPUC without conditions or modifications unacceptable to the parties thereto; and (d) Certification of the Project (including both electric wind generation facilities specified above) by the California Energy Commission ("CEC") as an RPS-eligible resource. <p>Both Parties shall take all reasonable action to satisfy all of the conditions identified above.</p> <p>Neither Party makes any representation or warranty as to whether the Seller or any of the California Parties will enter into and execute the Settlement, or as to when the Settlement will be executed.</p> <p>Without limiting the foregoing, and upon written notice, either Party may terminate this Confirmation without liability upon (i) the issuance of any final and non-appealable order by the CPUC not granting CPUC Approval; (ii) the issuance of any final and non-appealable</p>

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	order by FERC or the CPUC disapproving the Settlement or approving the Settlement with any condition or modification unacceptable to the parties thereto or to any of them; or (iii) failure to satisfy conditions (a) through (d) above on or prior to August 31, 2009. Any such termination shall be deemed to be a termination of this Confirmation <i>ab initio</i> .
Delivery Point:	Mid-Columbia
Scheduling Obligations:	Seller shall schedule WSPP Schedule C Energy as firm energy and consistent with the most recent rules adopted by the Western Electricity Coordinating Council ("WECC"). NERC E-Tags will comply with the delivery requirements as specified by the CEC.
Scheduling Interval:	In accordance with this Confirmation, Seller shall schedule and deliver to Buyer the WSPP Schedule C Energy during standard 6x16 on-peak hours (Hours Ending 7-22, Monday through Saturday during the Delivery Period, excluding NERC Holidays ("On-Peak Hours")) throughout the Delivery Period.

**ARTICLE 2
 DEFINITIONS**

"Accepted Electrical Practices" means (a) those practices, methods, applicable codes, and acts engaged in or approved by a significant portion of the electric power industry during the relevant time period, or (b) in the absence of such practices, methods, applicable codes, and acts, any of the practices, methods, and acts which, in exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at reasonable cost consistent with good business practices, reliability, safety, and expedition. Acceptable Electrical Practices are not intended to be limited to the optimum practices, methods, or acts to the exclusion of other, but rather refers to a spectrum of practices, methods, and acts generally accepted, or approved by a significant portion of the electric power industry in the relevant region, during the relevant time period, as described in the immediately preceding sentence.

"Blocks" means the quantity of twenty-five (25) MW "blocks" of WSPP Schedule C Energy scheduled and delivered in accordance with this Confirmation. The quantity of such twenty-five (25) MW blocks shall be calculated pursuant to the following formula for each applicable Conveyance Month during the Delivery Period:

$$(A + B) / C, \text{ rounded to the nearest integer that is evenly divisible by twenty-five (25).}$$

Where:

A = the amount of energy identified in the applicable Notification Month

B = the Roll-Over Amount (as defined below)

C = the total number of On-Peak Hours in the applicable Conveyance Month

All excess or shortage of energy through rounding shall be added (as a positive number for any shortage or as a negative number for any excess) to the next Conveyance Month ("Roll-Over Amount"); provided that, for the last Conveyance Month of the Delivery Period, the quantity of Blocks shall be rounded up to the next integer.

"California Parties" means collectively Pacific Gas and Electric Company, Buyer, San Diego Gas and Electric Company, California Attorney General, CERS, and CPUC.

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"CERS" means the California Department of Water Resources acting solely under the authority and powers created by California Assembly Bill 1 of the First Extraordinary Session of 2001-2002, codified in Sections 80000 through 80270 of the California Water Code, and not under its powers and responsibilities with respect to the State Water Resources Development System.

"CPUC" means the California Public Utilities Commission or its regulatory successor.

"CPUC Approval" means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

- (a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer's administration of the Agreement; and
- (b) finds that any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 *et seq.*), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

"Green Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere,¹ (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

"Index" means, for the respective Scheduling Interval, the simple average (rounded to the nearest hundredth place) of the index price as published by the Intercontinental Exchange, Inc. ("ICE") for the "Mid-C Peak" Hub, on its website currently located at <<https://www.theice.com/>>, or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

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"Interim Energy" means one-sixth (rounded up to the closest integer) of the quantity of electric energy generated during the Interim Period.

"Interim Period" means the period of time starting from the Confirmation Effective Date until the start of the Delivery Period.

"Project" means each of the Wild Horse facility and the Hopkins Ridge facility and both of them collectively.

"RPS" means the California Renewables Portfolio Standard Program as codified at California Public Utilities Code Section 399.11 *et seq.*, and any decisions by the CPUC related thereto.

"WREGIS" means the Western Region Electricity Generation Information System or other process recognized under applicable laws for the registration, transfer or ownership of Green Attributes.

"WREGIS Certificate" means "Certificate" as defined by WREGIS in the WREGIS Operating Rules.

"WREGIS Operating Rules" means the operating rules and requirements adopted by WREGIS.

ARTICLE 3 CONVEYANCE OF RENEWABLE ENERGY

3.1 Seller's Conveyance Of Electric Energy

(a) For each month during the Delivery Period, Seller shall deliver and convey the electric energy associated with the portion of Product (such portion defined as the quantity of electric energy stored in the applicable Storage Month) by delivering such Product to the Delivery Point through the use of Banking, Firming and Shaping.

(b) For the electric energy associated with the Product generated by the Project during the Interim Period, Seller shall deliver and convey such electric energy to the Delivery Point through the use of Banking, Firming and Shaping.

3.2 Seller's Conveyance Of Green Attributes

(a) Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.

(b) For each month of the Delivery Period, Seller shall deliver and convey the Green Attributes pursuant to this Article 3 within five (5) Business Days after the end of the month in which the WREGIS Certificates for such Green Attributes are created by properly transferring such WREGIS Certificates, in accordance with the rules and regulations of WREGIS, equivalent to the quantity of such Green Attributes, to Buyer into Buyer's WREGIS account such that all right, title and interest in and to such WREGIS Certificates shall transfer from Seller to Buyer.

(c) Seller shall deliver and convey all of the Green Attributes pursuant to this Article 3 that were generated during the Interim Period as soon as practicable after the end of the first month of the Delivery Period (except for those WREGIS certificates created after start of the Delivery Period, no later than five (5) Business Days after the end of the month in which the WREGIS Certificates for such Green Attributes are created) by properly transferring WREGIS Certificates for such Green Attributes, in accordance with the rules and regulations of WREGIS, equivalent to the quantity of such Green Attributes, to Buyer into Buyer's WREGIS account such that all right, title and interest in and to such WREGIS Certificates shall transfer from Seller to Buyer.

3.3 WREGIS Registration

During the Term, Seller, at its own cost and expense, shall maintain its registration with WREGIS and shall use its best efforts to ensure that all Green Attributes transferred to Buyer under this Confirmation counts towards Buyer's RPS requirements. Following certification of the Project by the CEC as an RPS-

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CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-090704 & UG-090705

eligible resource, all Green Attributes transferred by Seller hereunder shall be designated California RPS-compliant with WREGIS. Seller shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of Green Attributes to Buyer in accordance with WREGIS reporting protocols and WREGIS Operating Rules.

3.4 Delivery Rate

Except for 150,000 MWh of electric energy and associated Green Attributes generated by the Project in 2009, Seller shall, subject to the other terms of this Confirmation, deliver the Product to Buyer, from the Confirmation Effective Date until such time as the Product has been delivered in full, at a rate not less than the rate at which electric energy is generated by the Project.

3.5 Further Assurances

Seller shall take all reasonable actions, including, but not limited to, amending this Confirmation, to ensure that the energy associated with the Green Attributes provided for hereunder qualifies as "delivered" energy into California within the meaning of the RPS; provided that such action does not result in a change in the original allocation of the economic benefits and burdens to Seller under this Confirmation.

**ARTICLE 4
CPUC FILING AND APPROVAL**

Within twenty-one (21) days after the execution date of this Confirmation, Buyer shall file with the CPUC the appropriate request for CPUC Approval. Buyer shall expeditiously seek CPUC Approval, including promptly responding to any requests for information related to the request for CPUC Approval. Seller shall use commercially reasonable efforts to support Buyer in obtaining CPUC Approval. Buyer has no obligation to seek rehearing or to appeal a CPUC decision which fails to approve this Agreement or which contains findings required for CPUC Approval with conditions or modifications unacceptable to either Party.

**ARTICLE 5
COMPENSATION**

HIGHLY CONFIDENTIAL per Protective Order in WUTC
Docket Nos. UE-090704 and UG-090705

Calculation Period: Each calendar month during the Delivery Period

Monthly Cash Settlement Amount: The Monthly Cash Settlement Amount shall be equal to the sum of the following:



Payment Date: Payment of each Monthly Cash Settlement Amount by Buyer to Seller shall be due and payable on or before the later of the twentieth (20th) day of the month in which the Buyer receives the invoice, or within ten (10) Business Days, or, if such day is not a Business Day, then on the next Business Day, following receipt of an invoice issued by Seller for the applicable Calculation Period. The invoice shall include a statement detailing the portion of Product transferred to Buyer during the applicable Calculation Period.

Buyer is not obligated to pay for any Green Attributes that have not been properly transferred to Buyer's WREGIS account.

Invoices to Buyer will be sent by hard copy and PDF format to:

Southern California Edison Company
Attn: Pamela Snethen/Renewable Alternative Power Contract Manager

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GO1, Quad 4D, 490N
P.O. Box 800
Rosemead, CA 91770
Email: Pamela.Snethen@sce.com
Email 2: PPFDPowerSettle@sce.com

For purposes of this Confirmation, Buyer shall be deemed to have received an invoice upon the receipt of either the hard copy or PDF format of the invoice, whichever comes first.

Payment to Seller shall be made by electronic funds transfer pursuant to the following:

Key Bank
Bellevue, WA
Tax ID #91-0374630
ABA #125000574
Account #479681024630

ARTICLE 6 REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Seller's Representation, Warranties, and Covenants Related to Green Attributes

Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Period of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the California Renewable Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

"Commercially reasonable efforts" shall not require Seller to incur out-of-pocket expenses in excess of \$1,000,000.

In addition to the foregoing, Seller warrants, represents and covenants, as of the Confirmation Effective Date and throughout the Delivery Period, that:

- (a) all necessary steps have been taken to allow the Green Attributes associated with the Product be transferred to Buyer to be tracked in WREGIS;
- (b) Seller has the contractual rights to sell all right, title, and interest in the Product agreed to be delivered hereunder;
- (c) Seller has not sold the Product to be delivered under this Confirmation to any other person or entity;
- (d) at the time of delivery, all rights, title, and interest in the Product to be delivered under this Confirmation are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever;
- (e) the electric energy generated with the Green Attributes delivered under this Confirmation was not and will not be separately sold, marketed, reported, or otherwise represented as renewable energy, renewable electricity, clean energy, zero-emission energy, or in any similar manner; and
- (f) following certification of the Project by the CEC as an RPS-eligible resource, the Project and all electrical output from the Project is registered with WREGIS as California RPS-eligible.

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6.2 Seller's Representation, Warranties, and Covenants Related to the Project

Seller warrants, represents and covenants that:

- (a) Seller shall inspect, maintain, and repair the Project in accordance with applicable industry standards, the Project's permit requirements, and Accepted Electrical Practices; and
- (b) Seller will abide by all applicable laws in operating the Project.

ARTICLE 7 GENERAL PROVISIONS

7.1 Buyer Audit Rights

Seller shall, along with the initial invoice for any calendar year during the Term and at other times as may be requested by Buyer, provide documentation, including, but not limited to, meter data as recorded by a meter approved by the Project's governing balancing authority, sufficient to demonstrate that the Product has been conveyed and delivered, subject to the terms of this Confirmation, to Buyer.

Seller shall, at its own cost and expense, instruct WREGIS to provide Buyer with a WREGIS produced report of the generation activity from the Project following each month that the Project generates energy that is being used to complete the delivery of the Product. Such information shall be limited to the amount of electric energy generated by the Project during the Term, and shall not include any information or reference to the transfer of WREGIS Certificates from Seller's account to any other entity.

7.2 Rights and Remedies Related to Exclusivity

Seller acknowledges and agrees that irreparable damage would occur in the event of any breach by Buyer of its obligations under Section 3.4 and that money damages may not be a sufficient remedy for any such breach, and that Buyer shall be entitled, without the requirement of posting a bond or other security, to seek a preliminary injunction, temporary restraining order, or other provisional relief as a remedy in any court of competent jurisdiction notwithstanding the obligation to submit all other disputes (including claims for monetary damages under this Agreement) to dispute resolution pursuant to Section 34 of the Master Agreement.

Such a request for provisional relief does not waive Buyer's right to seek other remedies for any breach of its obligation to convey the Product and associated Green Attributes exclusively to Buyer in accordance with this Confirmation, notwithstanding any prohibition against claim-splitting or other similar doctrine. The other remedies that may be sought include specific performance and injunctive or other equitable relief, plus any other remedy specified in the Agreement, or if the Agreement does not specify a remedy for the breach, all other remedies available at law or equity to the Parties for the breach.

7.3 Forecasted Generation

Five (5) Business Days before the first (1st) of each November during the Delivery Period, Seller shall provide to Buyer the estimated electric generation from the Project forecast for that November and the following month, December. Six (6) Business Days before the first (1st) of each December during the Delivery Period, Seller shall provide Buyer with an updated estimate of generation from the Project forecast for that December. Such estimates shall be of the same type of information Seller relies on in its normal course of business.

The Parties acknowledge and agree that any such estimate or forecast provided under this Section 7.3 is for informational purposes only and does not obligate or commit Seller to provide or deliver such estimated or forecasted energy to Buyer.

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ARTICLE 8 GOVERNING LAW

Governing Law. This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

For the avoidance of doubt, the term "agreement" as used in the immediately preceding paragraph means the Master Agreement and this Confirmation collectively.

ARTICLE 9 CREDIT AND COLLATERAL

Both Parties agree that Section 27 of the Master Agreement shall not apply to this Confirmation. Neither Party has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever under this Confirmation. All implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived.

ARTICLE 10 CONFIDENTIALITY

Without limiting the provisions of Section 30 of the Master Agreement, Buyer agrees that, in connection with the filing of this Confirmation with any regulatory agency, Buyer shall make an appropriate request that all of the terms and conditions of this Confirmation be held in strict confidence and preserved from disclosure to any third party consistent with applicable law; provided that each of Buyer and Seller may disclose the following information:

- (1) Party names;
- (2) Resource;
- (3) Term;
- (4) Project location;
- (5) Capacity of each Project;
- (6) The fact that the Project is on-line and delivering;
- (7) Delivery Point; and
- (8) The quantity of California RPS-eligible electric energy to be delivered under this Confirmation.

CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-090704 & UG-6,000,000

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ACKNOWLEDGED AND AGREED TO JANUARY 19, 2009:

PUGET SOUND ENERGY, INC.

SOUTHERN CALIFORNIA EDISON COMPANY

By: _____

By: _____

Name: David E. Mills

Name: Stuart R. Hemphill

Title: Director, Energy Supply and Planning

Title: Vice President, Renewable and
Alternative Power

Date: January 15, 2009

Date: January 19th, 2009

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ATTACHMENT B

WUTC STAFF DATA REQUEST NO. 023_ICNU-2.01

CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-090704 & UG-090705

Redacted

**WSPP AGREEMENT
 CONFIRMATION LETTER
 BETWEEN
 PUGET SOUND ENERGY, INC.
 AND
 PACIFIC GAS AND ELECTRIC COMPANY**

This confirmation letter ("Confirmation") confirms the transaction ("Transaction") between Puget Sound Energy, Inc. ("Seller") and Pacific Gas and Electric Company ("Buyer"), each individually a "Party" and together the "Parties", dated as of April 16, 2009. This Transaction is governed by the WSPP Agreement between the Parties, effective as of March 3, 2009, along with any amendments and annexes that existed on March 3, 2009, thereto, including a letter and an amendment dated February 7, 2006, and April 1, 2006, respectively (collectively, the "Master Agreement"). The Master Agreement and this Confirmation shall be collectively referred to herein as "Agreement." Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement or in the RPS (as defined below); provided, that to the extent that this Confirmation is inconsistent with any provision of the Master Agreement, this Confirmation shall govern the rights and obligations of the Parties hereunder.

**ARTICLE 1
 COMMERCIAL TERMS**

1.1 Product Information

Seller: PUGET SOUND ENERGY, INC.		Buyer: PACIFIC GAS AND ELECTRIC COMPANY
Trading:	<u>Seller</u> Day Ahead: 425-462-3421 Real Time: 425-462-3622	<u>Buyer</u> Day Ahead: 415-973-6222 Real Time: 415-973-7900
Scheduling:	<u>Seller</u> Day Ahead: 425-462-3291 Real Time: 425-462-3622	<u>Buyer</u> Day Ahead: 415-973-4200 Real Time: 415-973-4500
Product:	1,000 GWhs of California RPS-eligible electric energy from the Project, structured in a monthly banking, firming and shaping product, and sold by Seller to Buyer at the Delivery Point as firm energy pursuant to Service Schedule C of the Master Agreement	
Project:	Seller's Wild Horse wind generation facility located in Kittitas County, Washington; Seller's Hopkins Ridge wind generation facility located in Columbia County, Washington; and In any case where either Seller's Wild Horse wind generation facility or Seller's Hopkins Ridge wind generation facility is subject to an outage of thirty (30) or more consecutive days, Seller's other wind generation facilities in the Pacific Northwest that are certified by the California Energy Commission ("CEC") as ERRs (as defined in Section 6.1 below) prior to the delivery of the Product from such other wind generation facility(ies).	
Resource:	Wind generation	
Banking, Firming and Shaping:	Throughout the Term, Seller shall generate, transmit and integrate available intermittent generation from the Project into Seller's electrical system on an hourly basis for delivery of the Product to Buyer as firm energy at a later time. For each month of generation by the Project during the Term, this Banking, Firming and Shaping of the generation from the Project shall occur over three one-month periods as follows: (1) <u>Storage Month</u> . In period one (e.g., January), Seller shall store hourly intermittent wind generation from the Project in Seller's electrical system. (2) <u>Notification Month</u> . On or before the 15 th calendar day of period two (e.g.,	

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	<p>February), Seller shall notify Buyer of the total quantity of electrical energy (in MWh) generated by the Project in the entire preceding month (Storage Month) and the number of Blocks that Seller will deliver to Buyer at the Delivery Point in the subsequent month (Conveyance Month).</p> <p>(3) <u>Conveyance Month</u>: Throughout all On-Peak Hours in period three (e.g., March), Seller shall deliver to Buyer at the Delivery Point the number of Blocks specified in the preceding Notification Month; provided, that Buyer shall be permitted to add any energy curtailments by the applicable balancing authority for the Delivery Point to the following Conveyance Month.</p>
<p>Contract Price:</p>	<p>[REDACTED]</p>
<p>Term:</p>	<p>The Term of this Transaction for the Product shall not commence until the term of the Puget Contract referred to in Advice Letter, Advice 2319-E, filed with the CPUC in Docket U 338-E ("Puget Contract"), has been completed, expired or terminated by its terms. Further, the Term shall commence upon the later of (a) the satisfaction of all obligations of Seller under the Puget Contract and (b) the date by which all of the Conditions (described below) have been satisfied, and shall continue until delivery by Seller to Buyer of the Product has been completed and all other obligations of the Parties under the Agreement have been satisfied.</p>
<p>Delivery Term:</p>	<p>The Delivery Term of this Transaction for the Product shall commence upon the third full month following the commencement of the Term and shall continue until delivery by Seller to Buyer of the Product has been completed, including the corresponding Green Attributes.</p>
<p>Conditions:</p>	<p>The effectiveness of this Confirmation shall be contingent upon all of the following conditions having been satisfied:</p> <ul style="list-style-type: none"> (a) Buyer shall have obtained or waived CPUC Approval of the Agreement; (b) Buyer receives a final and non-appealable order of the CPUC that finds that Buyer's entry into the Agreement is reasonable and that payments to be made by Buyer hereunder are recoverable in rates; and (c) Certification of both electric wind generation facilities included in the Project by the CEC as an ERR. <p>Both Parties shall take all reasonable action to satisfy all of the conditions identified above.</p> <p>Without limiting the foregoing, and upon written notice, either Party may terminate this Confirmation without liability upon (i) the issuance of any final and non-appealable order by the CPUC not granting CPUC Approval; or (ii) failure to satisfy conditions (a) and (b) above on or prior to November 30, 2009. Any such termination shall be deemed to be a termination of this Confirmation <i>ab initio</i>.</p>
<p>Delivery Point:</p>	<p>Mid-Columbia</p>
<p>Scheduling Obligations:</p>	<p>Seller shall schedule the Product to Buyer as WSPP Schedule C Energy as firm energy and consistent with the most recent rules adopted by the Western Electricity Coordinating Council ("WECC").</p> <p>NERC E-Tags will comply with the delivery requirements as specified by the CEC.</p>
<p>Scheduling</p>	<p>In accordance with this Confirmation, Seller shall schedule and deliver to Buyer the Product</p>

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Interval:	as WSPP Schedule C Energy during standard 6x16 on-peak hours (Hours Ending 7-22, Monday through Saturday during the Delivery Term, excluding NERC Holidays ("On-Peak Hours")) throughout the Delivery Term.
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ARTICLE 2 DEFINITIONS

"Accepted Electrical Practices" means (a) those practices, methods, applicable codes, and acts engaged in or approved by a significant portion of the electric power industry during the relevant time period, or (b) in the absence of such practices, methods, applicable codes, and acts, any of the practices, methods, and acts which, in exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at reasonable cost consistent with good business practices, reliability, safety, and expedition. Acceptable Electrical Practices are not intended to be limited to the optimum practices, methods, or acts to the exclusion of other, but rather refers to a spectrum of practices, methods, and acts generally accepted, or approved by a significant portion of the electric power industry in the relevant region, during the relevant time period, as described in the immediately preceding sentence.

"Affiliate" means, with respect to any person, any other person (other than an individual) that (a) directly or indirectly, through one or more intermediaries, controls, or is controlled by such person or (b) is under common control with such person. For this purpose, "control" means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

"Blocks" means the quantity of twenty-five (25) MW "blocks" of the Product as WSPP Schedule C Energy scheduled and delivered in accordance with this Confirmation. The quantity of such twenty-five (25) MW blocks shall be calculated pursuant to the following formula for each applicable Conveyance Month during the Delivery Term:

$(A + B) / C$, rounded to the nearest integer that is evenly divisible by twenty-five (25).

Where:

A = the amount of energy identified in the applicable Notification Month

B = the Roll-Over Amount (as defined below)

C = the total number of On-Peak Hours in the applicable Conveyance Month

All excess or shortage of energy through rounding shall be added (as a positive number for any shortage or as a negative number for any excess) to the next Conveyance Month ("Roll-Over Amount"); provided that, for the last Conveyance Month of the Delivery Term, the quantity of Blocks shall be rounded up to the next integer.

"CPUC" means the California Public Utilities Commission or its regulatory successor.

"CPUC Approval" means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

- (a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer's administration of the Agreement; and
- (b) finds that any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California

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Renewables Portfolio Standard (Public Utilities Code Section 399.11 *et seq.*),
Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

"Green Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;¹ (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

"Index" means, for the respective Scheduling Interval, the simple average (rounded to the nearest hundredth place) of the daily index price as published by the Intercontinental Exchange, Inc. ("ICE") for the "Mid-C Peak" Hub, on its website currently located at <<https://www.theice.com/>>, or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

"Project" means each of the Wild Horse facility, the Hopkins Ridge facility, or any of Seller's other wind generation facilities in the Pacific Northwest that are certified by the CEC as ERRs at the time of delivery of the Product from such other wind generation facility(ies) as further described on page 1 of this Confirmation, and all of them collectively.

"Renewable Energy Credit" has the meaning set forth in California Public Utilities Code Section 399.12(f) and CPUC Decision 08-08-028, as the same may be amended from time to time or as further defined or supplemented by law.

"RPS" means the renewable energy program and policies established by Senate Bills 1038 and 1078, codified in California Public Utilities Code Sections 399.11 through 399.20 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

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time to time.

"WREGIS" means the Western Renewable Electricity Generation Information System or other process recognized under applicable laws for the registration, transfer or ownership of Green Attributes.

"WREGIS Certificate" means "Certificate" as defined by WREGIS in the WREGIS Operating Rules.

"WREGIS Operating Rules" means the operating rules and requirements adopted by WREGIS.

ARTICLE 3 CONVEYANCE OF RENEWABLE ENERGY

3.1 Seller's Conveyance Of Electric Energy

For each month during the Delivery Term, Seller shall deliver and convey the electric energy associated with the portion of Product (such portion defined as the quantity of electric energy stored in the applicable Storage Month) by delivering such Product to Buyer at the Delivery Point through the use of Banking, Firming and Shaping.

3.2 Seller's Conveyance Of Green Attributes

(a) Green Attributes. Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.

(b) For each month of the Delivery Term, Seller shall deliver and convey the Green Attributes pursuant to this Article 3 within five (5) Business Days after the end of the month in which the WREGIS Certificates for such Green Attributes are created by properly transferring such WREGIS Certificates, in accordance with the rules and regulations of WREGIS, equivalent to the quantity of such Green Attributes, to Buyer into Buyer's WREGIS account such that all right, title and interest in and to such WREGIS Certificates shall transfer from Seller to Buyer.

3.3 WREGIS Registration

(a) During the Term, Seller, at its own cost and expense, shall maintain its registration with WREGIS and shall use its best efforts to ensure that all Green Attributes transferred to Buyer under this Confirmation counts towards Buyer's RPS requirements. Following certification of the Project by the CEC as an ERR, Seller shall ensure that all Green Attributes transferred by Seller hereunder are designated as California RPS-compliant with WREGIS. Seller shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of Green Attributes to Buyer in accordance with WREGIS reporting protocols and WREGIS Operating Rules.

(b) Seller warrants that all necessary steps have been taken to allow the renewable energy credits transferred to Buyer to be traced in the Western Renewable Energy Generation Information System.

3.4 Delivery Rate

Seller shall, subject to the other terms of this Confirmation, deliver the Product to Buyer, from the start of the Delivery Term until such time as the Product has been delivered in full, at a rate not less than the rate at which electric energy is generated by the Project.

3.5 Further Assurances

Seller shall take all reasonable actions, including, but not limited to, amending this Confirmation, to ensure that the energy associated with the Green Attributes provided for hereunder qualifies as "delivered" energy into California within the meaning of the RPS; provided that such action does not result

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in a change in the original allocation of the economic benefits and burdens to Seller under this Confirmation.

**ARTICLE 4
CPUC FILING AND APPROVAL**

Within twenty-one (21) days after the date first written in this Confirmation, Buyer shall file with the CPUC the appropriate request for CPUC Approval. Buyer shall expeditiously seek CPUC Approval, including promptly responding to any requests for information related to the request for CPUC Approval. Seller shall use commercially reasonable efforts to support Buyer in obtaining CPUC Approval. Buyer has no obligation to seek rehearing or to appeal a CPUC decision which fails to approve the Agreement or which contains findings required for CPUC Approval with conditions or modifications unacceptable to either Party. Buyer shall notify Seller in writing or by email of the filing of its request for CPUC Approval not less than two (2) days prior to the submission of such filing.

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**ARTICLE 5
COMPENSATION**

Calculation Period: Each calendar month during the Delivery Term

Monthly Cash The Monthly Cash Settlement Amount shall be equal to the sum of the following:

[REDACTED]

Payment Date: Payment of each Monthly Cash Settlement Amount by Buyer to Seller shall be due and payable on or before the later of the twentieth (20th) day of the month in which the Buyer receives the invoice, or within ten (10) Business Days, or, if such day is not a Business Day, then on the next Business Day, following receipt of an Invoice issued by Seller for the applicable Calculation Period. The invoice shall include a statement detailing the portion of Product transferred to Buyer during the applicable Calculation Period.

Buyer is not obligated to pay for any Green Attributes that have not been evidenced as WREGIS Certificates and properly transferred to Buyer's WREGIS account.

Invoices to Buyer will be sent by hard copy and PDF format to:

Pacific Gas and Electric Company
Attn: Amol Patel (AxPx@pge.com)
Manager: Bilateral Settlements
P.O. Box 770000, Mail Code N12E
San Francisco, CA 94177
Phone: 415-973-6510
Fax: 415-973-2151

For purposes of this Confirmation, Buyer shall be deemed to have received an invoice upon the receipt of either the hard copy or PDF format of the invoice, whichever comes first.

Payment to Seller shall be made by electronic funds transfer pursuant to the following:

Key Bank
Bellevue, WA
Tax ID #91-0374630
ABA #125000574

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Account #479681024630

ARTICLE 6 REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Seller's Representation, Warranties, and Covenants Related to Green Attributes

Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the GEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the renewable energy credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warrant to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

"Commercially reasonable efforts" as used in the two preceding paragraphs shall not require Seller to incur out-of-pocket expenses in excess of \$500,000.

In addition to the foregoing, Seller warrants, represents and covenants during the Delivery Term that:

- (a) all necessary steps have been taken to allow the Green Attributes associated with the Product be transferred to Buyer to be tracked in WREGIS;
- (b) Seller has the contractual rights to sell all right, title, and interest in the Product agreed to be delivered hereunder;
- (c) Seller has not sold the Product to be delivered under this Confirmation to any other person or entity;
- (d) at the time of delivery, all rights, title, and interest in the Product to be delivered under this Confirmation are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever;
- (e) the electric energy generated with the Green Attributes delivered under this Confirmation was not and will not be separately sold, marketed, reported, or otherwise represented as renewable energy, renewable electricity, clean energy, zero-emission energy, or in any similar manner;
- (f) following certification of the Project by the CEC as an ERR, the Project and all electrical output from the Project is registered with WREGIS as California RPS-eligible; and
- (g) All Product provided by Seller pursuant to this Confirmation shall be supplied from the Project only.

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6.2 Seller's Representation, Warranties, and Covenants Related to the Project

Seller warrants, represents and covenants that:

- (a) Seller shall inspect, maintain, and repair the Project in accordance with applicable industry standards, the Project's permit requirements, and Accepted Electrical Practices; and
- (b) Seller will abide by all applicable laws in operating the Project.

**ARTICLE 7
GENERAL PROVISIONS**

7.1 Buyer Audit Rights

Seller shall, along with the initial invoice for any calendar year during the Delivery Term and at other times as may be requested by Buyer, provide documentation, including, but not limited to, meter data as recorded by a meter approved by the Project's governing balancing authority, sufficient to demonstrate that the Product has been conveyed and delivered, subject to the terms of this Confirmation, to Buyer.

Seller shall, at its own cost and expense, instruct WREGIS to provide Buyer with a WREGIS produced report of the generation activity from the Project following each month that the Project generates energy that is being used to complete the delivery of the Product. Such information shall be limited to the amount of electric energy generated by the Project during the Term, and shall not include any information or reference to the transfer of WREGIS Certificates from Seller's account to any other entity.

7.2 Rights and Remedies Related to Exclusivity

Seller acknowledges and agrees that irreparable damage would occur in the event of any breach by Buyer of its obligations under Section 3.1, 3.2 or 3.4 and that money damages may not be a sufficient remedy for any such breach, and that Buyer shall be entitled, without the requirement of posting a bond or other security, to seek a preliminary injunction, temporary restraining order, or other provisional relief as a remedy in any court of competent jurisdiction notwithstanding the obligation to submit all other disputes (including claims for monetary damages under the Agreement) to dispute resolution pursuant to Section 34 of the Master Agreement.

Such a request for provisional relief does not waive Buyer's right to seek other remedies for any breach of Seller's obligations to convey the Product and associated Green Attributes exclusively to Buyer in accordance with this Confirmation, notwithstanding any prohibition against claim-splitting or other similar doctrine. The other remedies that may be sought include specific performance and injunctive or other equitable relief, plus any other remedy specified in the Agreement, or if the Agreement does not specify a remedy for the breach, all other remedies available at law or equity to the Parties for the breach.

7.3 Forecasted Generation

Five (5) Business Days before the first (1st) of each November during the Delivery Term, Seller shall provide to Buyer the estimated electric generation from the Project forecast for that November and the following month, December. Six (6) Business Days before the first (1st) of each December during the Delivery Term, Seller shall provide Buyer with an updated estimate of generation from the Project forecast for that December. Such estimates shall be of the same type of information Seller relies on in its normal course of business.

Within ninety (90) days of execution of this Confirmation, Seller shall provide Buyer with a non-binding, indicative forecast of generation from the Project by calendar month for 2011.

The Parties acknowledge and agree that any such estimate or forecast provided under this Section 7.3 is for informational purposes only and does not obligate or commit Seller to provide or deliver such estimated or forecasted energy to Buyer.

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ARTICLE 8 GOVERNING LAW

Governing Law. This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

For the avoidance of doubt, the term "agreement" as used in the immediately preceding paragraph means the Master Agreement and this Confirmation collectively.

ARTICLE 9 CREDIT AND COLLATERAL

Both Parties agree that Section 27 of the Master Agreement shall not apply to this Confirmation. Neither Party has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever under this Confirmation. All implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived.

ARTICLE 10 CONFIDENTIALITY

(a) Without limiting the provisions of Section 30 of the Master Agreement and notwithstanding Section 10(b) of this Confirmation, Buyer agrees that, in connection with the filing of this Confirmation with any regulatory agency, Buyer shall make an appropriate request that all of the terms and conditions of this Confirmation be held in strict confidence and preserved from disclosure to any third party consistent with applicable law; provided that each of Buyer and Seller may disclose the following information:

- (1) Party names;
- (2) Resource;
- (3) Term;
- (4) Project location;
- (5) Capacity of each Project;
- (6) The fact that the Project is on-line and delivering;
- (7) Delivery Point; and
- (8) The quantity of California RPS-eligible electric energy to be delivered under this Confirmation.

(b) Neither Party shall disclose the non-public terms or conditions of the Agreement to a third party, other than:

- (1) the Party's Affiliates, the Party's or its Affiliates' respective employees, lenders, investors, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential pursuant to an agreement containing terms at

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least as restrictive as the terms set forth in this Article 10,

- (2) for disclosure to Buyer's Procurement Review Group, as defined in CPUC Decision D. 02-08-071, subject to a in the form provided to Seller,
- (3) to the CPUC under seal for purposes of review,
- (4) disclosure of terms specified in and pursuant to Section 10(a) above;
- (5) in order to comply with any applicable law, regulation, or any exchange, control area or California ISO rule, or order issued by a court or entity with competent jurisdiction over the disclosing Party ("Disclosing Party"), other than to those entities set forth in subsection (6); or
- (6) in order to comply with any applicable regulation, rule, or order of the CPUC, CEC, Washington Utilities and Transportation Commission or the FERC.

(c) If a Party is required to disclose confidential information in order to satisfy an obligation pursuant to subsection (b)(6) above ("Disclosure Order") each Party shall, to the extent practicable, use reasonable efforts: (i) to notify the other Party prior to disclosing the confidential information and (ii) prevent or limit such disclosure. After using such reasonable efforts, the Disclosing Party shall not be: (y) prohibited from complying with a Disclosure Order or (z) liable to the other Party for monetary or other damages incurred in connection with the disclosure of the confidential information.

ARTICLE 11 UNCONTROLLABLE FORCES

Notwithstanding Section 10 of the Master Agreement to the contrary, Buyer and Seller agree that any failure by Seller to deliver Green Attributes pursuant to this Confirmation due to any Uncontrollable Force shall be deemed to be a failure by Seller to perform such delivery obligation if such failure continues for a period of twelve (12) months or more after the time such delivery was due to be made. Otherwise, the terms of Section 1- of the Master Agreement shall apply to this Confirmation.

ACKNOWLEDGED AND AGREED TO APRIL 10, 2009.

PUGET SOUND ENERGY, INC.

By: 

Name: David E. Mills

Title: Director, Energy Supply & Planning

PACIFIC GAS AND ELECTRIC COMPANY

By: 

Name: Roy Kuga

Title: Vice President of Energy Supply

ATTACHMENT D

WUTC STAFF DATA REQUEST NO. 023_ICNU-2.01

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WSPP AGREEMENT
 CONFIRMATION LETTER
 BETWEEN
 PUGET SOUND ENERGY, INC.
 AND
 SOUTHERN CALIFORNIA EDISON COMPANY

This confirmation letter ("Confirmation") confirms the transaction ("Transaction") between Puget Sound Energy, Inc. ("Seller") and Southern California Edison Company ("Buyer"), each individually a "Party" and together the "Parties", effective as of May 28, 2009 (the "Confirmation Effective Date"). This Transaction is governed by the WSPP Agreement between the Parties, effective as of April 1, 2008, along with any amendments and annexes that existed on April 1, 2008, thereto (the "Master Agreement"). The Master Agreement and this Confirmation shall be collectively referred to herein as the "Agreement." Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement or in the RPS (as defined below).

ARTICLE 1
 COMMERCIAL TERMS

1.1 Product Information

Seller: PUGET SOUND ENERGY, INC.		Buyer: SOUTHERN CALIFORNIA EDISON COMPANY
Trading:	<u>Seller</u> Day Ahead: 425-462-3421 Real Time: 425-462-3622	<u>Buyer</u> Day Ahead: 626-307-4487 / 626-307-4430 Real Time: 626-307-4453 / 626-307-4416
Scheduling:	<u>Seller</u> Day Ahead: 425-462-3291 Real Time: 425-462-3622	<u>Buyer</u> Day Ahead: 626-307-4425 / 626-307-4413 Real Time: 626-307-4405 / 626-307-4416
Product:	640 GWhs of California RPS-eligible electric energy, including the related Green Attributes, from the Project for each of years 2012, 2013, 2014 and 2015 structured in a monthly banking, firming and shaping product (as provided below), and sold by Seller to Buyer at the Delivery Point as firm energy pursuant to Service Schedule C of the Master Agreement. Cumulatively, the Product under this Confirmation totals 2,560 GWhs of California RPS-eligible electric energy from the Project. Upon written notice to Buyer, Seller shall have the option, subject to Buyer's approval within 10 business days of receipt of such notice, to increase the quantity of Product delivered to Buyer from the Project ("Additional Product") during any year during the Term. The price of the Additional Product shall be the Additional Product Price and the other terms and conditions shall be materially similar to the terms and conditions contained herein.	
Project:	Seller's Wild Horse wind generation facility located in Kittitas County, Washington and Seller's Hopkins Ridge wind generation facility located in Columbia County, Washington; provided that if the output from Seller's Wild Horse wind generation facility and Seller's Hopkins Ridge wind generation facility is insufficient for Seller to supply the entirety of the Product, including the entire quantity of energy and Green Attributes constituting the Product as set forth above, Seller may deliver Product from Seller's other wind generation facilities in the Pacific Northwest that are certified by the California Energy Commission ("CEC") as ERRs (as defined in Section 6.1 below) prior to the delivery of the Product from such other wind generation facility(ies).	

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Delivery Obligation:	The obligation of Seller to deliver 640 GWhs of California RPS-eligible electric energy, including the related Green Attributes, for each of years 2012, 2013, 2014 and 2015 is a firm obligation and Seller shall deliver the Product to Buyer consistent with the terms of this Confirmation without excuse other than Uncontrollable Forces.
Resource:	Wind generation
Banking, Firming and Shaping:	<p>Throughout the Delivery Term, Seller shall generate, transmit and integrate available intermittent wind generation from the Project into Seller's electrical system on an hourly basis to be delivered to Buyer as firm energy at a later time. For each month of generation during the Delivery Term, this Banking, Firming and Shaping of energy shall occur over three one-month periods as follows:</p> <ol style="list-style-type: none"> (1) <u>Storage Month</u>. In period one (e.g., January), Seller shall store hourly intermittent wind generation in Seller's electrical system. (2) <u>Notification Month</u>. On or before the 15th calendar day of period two (e.g., February), Seller shall notify Buyer of the total quantity of electrical energy (in MWh) generated by the Project in the entire preceding month (Storage Month) and the number of Blocks that Seller will deliver to Buyer at the Delivery Point in the subsequent month (Conveyance Month). (3) <u>Conveyance Month</u>. Throughout all On-Peak Hours in period three (e.g., March), Seller shall deliver to Buyer at the Delivery Point the number of Blocks specified in the preceding Notification Month; provided that Buyer shall be permitted to add any energy curtailments by the applicable balancing authority for the Delivery Point to the following Conveyance Month.
Price:	<div style="background-color: black; width: 150px; height: 15px; display: inline-block;"></div> <div style="border: 1px solid black; padding: 2px; font-size: small;">HIGHLY CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-090704 and UG-090705</div>
Additional Product Price:	<div style="background-color: black; width: 300px; height: 15px; display: inline-block;"></div>
Term:	The Term of this Transaction shall commence upon the Confirmation Effective Date and shall continue until delivery by Seller to Buyer of the Product has been completed and all other obligations of the Parties under this Agreement have been satisfied.
Delivery Term:	Subject to the satisfaction of the Conditions, the Delivery Term of this Transaction shall commence on January 1, 2012, with the first Coveyance Month being March 2012, and shall continue until delivery by Seller to Buyer of the Product has been completed, including the corresponding Green Attributes.
Conditions:	<p>The commencement of the Delivery Term shall be contingent upon all of the following conditions (the "Conditions") having been satisfied:</p> <ol style="list-style-type: none"> (a) Buyer shall have obtained or waived CPUC Approval of this Agreement; (b) Certification of Seller's Wild Horse wind generation facility and Seller's Hopkins Ridge wind generation facility by the California Energy Commission ("CEC") as an RPS-eligible resource; and (c) The later of (i) January 1, 2012 or (ii) commencing January 1, 2009, Seller's generation of 3,150 GWhs of California RPS-eligible electric energy from the Project, shall have occurred. <p>Both Parties shall take all reasonable action to satisfy the Conditions.</p>

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	Without limiting the foregoing, and upon written notice (which shall be effective immediately subject to the deadline for giving a termination notice as set forth below), either Party may terminate this Confirmation without liability upon the occurrence of: (i) the issuance of a final and non-appealable order by the CPUC not granting CPUC Approval; (ii) the issuance of a final and nonappealable order by the CPUC that, either expressly or by application, limits SCE's ability to count the Green Attributes purchased hereunder for purposes of Buyer's compliance with its obligations under the RPS Legislation; or (iii) failure to satisfy both of Conditions (a) and (b) on or before June 1, 2010; <i>provided</i> that a notice of termination for any of the reasons stated in clauses (i), (ii) and (iii) above must be given on or before July 1, 2010.
Delivery Point:	Mid-Columbia
Scheduling Obligations:	Seller shall schedule WSPP Schedule C Energy as firm energy and consistent with the most recent rules adopted by the Western Electricity Coordinating Council. NERC E-Tags will comply with the delivery requirements as specified by the CEC.
Scheduling Interval:	In accordance with this Confirmation, Seller shall schedule and deliver to Buyer the WSPP Schedule C Energy during standard 6x16 on-peak hours (Hours Ending 7-22, Monday through Saturday during the Delivery Term, excluding NERC Holidays ("On-Peak Hours")) throughout the Delivery Term.

ARTICLE 2 DEFINITIONS

"Accepted Electrical Practices" means (a) those practices, methods, applicable codes, and acts engaged in or approved by a significant portion of the electric power industry during the relevant time period, or (b) in the absence of such practices, methods, applicable codes, and acts, any of the practices, methods, and acts which, in exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at reasonable cost consistent with good business practices, reliability, safety, and expedition. Acceptable Electrical Practices are not intended to be limited to the optimum practices, methods, or acts to the exclusion of other, but rather refers to a spectrum of practices, methods, and acts generally accepted, or approved by a significant portion of the electric power industry in the relevant region, during the relevant time period, as described in the immediately preceding sentence.

"Blocks" means the quantity of twenty-five (25) MW "blocks" of WSPP Schedule C Energy scheduled and delivered in accordance with this Confirmation. The quantity of such twenty-five (25) MW blocks shall be calculated pursuant to the following formula for each applicable Conveyance Month during the Delivery Term:

$(A + B) / C$, rounded to the nearest integer that is evenly divisible by twenty-five (25).

Where:

A = the amount of energy identified in the applicable Notification Month

B = the Roll-Over Amount (as defined below)

C = the total number of On-Peak Hours in the applicable Conveyance Month

All excess or shortage of energy through rounding shall be added (as a positive number for any shortage or as a negative number for any excess) to the next Conveyance Month ("Roll-Over Amount");

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provided that, for the last Conveyance Month of the Delivery Term, the quantity of Blocks shall be rounded up to the next integer.

"CPUC" means the California Public Utilities Commission or its regulatory successor.

"CPUC Approval" means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

- (a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer's administration of the Agreement; and
- (b) finds that any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 *et seq.*), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

"Green Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;¹ (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

"Index" means, for the respective Scheduling Interval, the simple average (rounded to the nearest hundredth place) of the day-ahead index price as published by the Intercontinental Exchange, Inc. ("ICE") for the "Mid-C Peak" Hub, on its website currently located at <<https://www.theice.com/>>, or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

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"Project" means each of the Wild Horse facility, the Hopkins Ridge facility, or any of Seller's other wind generation facilities in the Pacific Northwest that are certified by the CEC as eligible renewable energy resources pursuant to the RPS at the time of delivery of the Product from such other wind generation facility(ies) as further described on page 1 of this Confirmation, and all of them collectively.

"RPS" means the California Renewables Portfolio Standard Program as codified at California Public Utilities Code Section 399.11 *et seq.*, and any decisions by the CPUC related thereto.

"WREGIS" means the Western Region Electricity Generation Information System or other process recognized under applicable laws for the registration, transfer or ownership of Green Attributes.

"WREGIS Certificate" means "Certificate" as defined by WREGIS in the WREGIS Operating Rules.

"WREGIS Operating Rules" means the operating rules and requirements adopted by WREGIS.

ARTICLE 3 CONVEYANCE OF RENEWABLE ENERGY

3.1 Seller's Conveyance Of Electric Energy

For each month during the Delivery Term, Seller shall deliver and convey the electric energy associated with the portion of Product (such portion defined as the quantity of electric energy stored in the applicable Storage Month) by delivering such Product to the Delivery Point through the use of Banking, Firming and Shaping.

3.2 Seller's Conveyance of Green Attributes

(a) Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.

(b) For each month of the Delivery Term, Seller shall deliver and convey the Green Attributes pursuant to this Article 3 within five (5) Business Days after the end of the month in which the WREGIS Certificates for such Green Attributes are created by properly transferring such WREGIS Certificates, in accordance with the rules and regulations of WREGIS, equivalent to the quantity of such Green Attributes, to Buyer into Buyer's WREGIS account such that all right, title and interest in and to such WREGIS Certificates shall transfer from Seller to Buyer.

3.3 WREGIS Registration

During the Term, Seller, at its own cost and expense, shall maintain its registration with WREGIS and shall use its best efforts to ensure that all Green Attributes transferred to Buyer under this Confirmation counts towards Buyer's RPS requirements. Following certification of the Project by the CEC as an RPS-eligible resource, all Green Attributes transferred by Seller hereunder shall be designated California RPS-compliant with WREGIS. Seller shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of Green Attributes to Buyer in accordance with WREGIS reporting protocols and WREGIS Operating Rules.

3.4 Delivery Rate

Seller shall, subject to the other terms of this Confirmation, deliver the Product to Buyer, from the start of the Delivery Term until such time as the Product has been delivered in full, at a rate not less than the rate at which electric energy is generated by Seller's Wild Horse and Hopkins Ridge wind generation facilities, such that, for any whole or partial calendar year during the Delivery Term, Buyer has the exclusive rights to the first 640 GWh of electrical output from these facilities (including energy and Green Attributes).

3.5 Further Assurances

Seller shall take all reasonable actions, including, but not limited to, amending this Confirmation, to ensure that the energy associated with the Green Attributes provided for hereunder qualifies as "delivered" energy into California within the meaning of the RPS; provided that such action does not result

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in a change in the original allocation of the economic benefits and burdens to Seller under this Confirmation.

**ARTICLE 4
CPUC FILING AND APPROVAL**

Within forty-five (45) days after the execution date of this Confirmation, Buyer shall file with the CPUC the appropriate request for CPUC Approval. Buyer shall expeditiously seek CPUC Approval, including promptly responding to any requests for information related to the request for CPUC Approval. Seller shall use commercially reasonable efforts to support Buyer in obtaining CPUC Approval. Buyer has no obligation to seek rehearing or to appeal a CPUC decision which fails to approve this Agreement or which contains findings required for CPUC Approval with conditions or modifications unacceptable to either Party. Buyer shall notify Seller in writing or by email of the filing of Buyer's request for CPUC Approval no less than two (2) days prior to the submission of such filing.

**ARTICLE 5
COMPENSATION**

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Calculation Period: Each calendar month during the Delivery Term

Monthly Cash Settlement Amount: The Monthly Cash Settlement Amount shall be equal to the sum of the following:



Payment Date: Payment of each Monthly Cash Settlement Amount by Buyer to Seller shall be due and payable on or before the later of the twentieth (20th) day of the month in which the Buyer receives the invoice, or within ten (10) Business Days, or, if such day is not a Business Day, then on the next Business Day, following receipt of an invoice issued by Seller for the applicable Calculation Period. The invoice shall include a statement detailing the portion of Product transferred (including the quantities of WSPP Schedule C Energy and Green Attributes) to Buyer during the applicable Calculation Period.

Buyer is not obligated to pay for any Green Attributes that have not been properly transferred to Buyer's WREGIS account.

Invoices to Buyer will be sent by hard copy and PDF format to:

Southern California Edison Company
Attn: Pamela Snethen/Renewable Alternative Power Contract Manager
GO1, Quad 4D, 490N
P.O. Box 800
Rosemead, CA 91770
Email: Pamela.Snethen@sce.com
Email 2: PPFDPowerSettle@sce.com

For purposes of this Confirmation, Buyer shall be deemed to have received an invoice upon the receipt of either the hard copy or PDF format of the invoice, whichever comes first.

Payment to Seller shall be made by electronic funds transfer pursuant to the following:

Key Bank
Bellevue, WA
Tax ID #91-0374630

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ABA #125000574
Account #479681024630

ARTICLE 6 REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Seller's Representation, Warranties, and Covenants Related to Green Attributes

Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

"Commercially reasonable efforts" shall not require Seller to incur out-of-pocket expenses in excess of \$1,000,000.

In addition to the foregoing, Seller warrants, represents and covenants throughout the Delivery Term that:

- (a) all necessary steps have been taken to allow the Green Attributes associated with the Product be transferred to Buyer to be tracked in WREGIS;
- (b) Seller has the contractual rights to sell all right, title, and interest in the Product agreed to be delivered hereunder;
- (c) Seller has not sold the Product to be delivered under this Confirmation to any other person or entity;
- (d) at the time of delivery, all rights, title, and interest in the Product to be delivered under this Confirmation are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever;
- (e) the electric energy generated with the Green Attributes delivered under this Confirmation was not and will not be separately sold, marketed, reported, or otherwise represented as renewable energy, renewable electricity, clean energy, zero-emission energy, or in any similar manner; and
- (f) following certification of the Project by the CEC as an RPS-eligible resource, the Project and all electrical output from the Project is registered with WREGIS as California RPS-eligible.

6.2 Seller's Representation, Warranties, and Covenants Related to the Project

Seller warrants, represents and covenants that:

- (a) Seller shall inspect, maintain, and repair the Project in accordance with applicable industry standards, the Project's permit requirements, and Accepted Electrical Practices; and
- (b) Seller will abide by all applicable laws in operating the Project.

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ARTICLE 7 GENERAL PROVISIONS

7.1 Buyer Audit Rights

Seller shall, along with the initial invoice for any calendar year during the Term and at other times as may be requested by Buyer, provide documentation, including, but not limited to, meter data as recorded by a meter approved by the Project's governing balancing authority, sufficient to demonstrate that the Product has been conveyed and delivered, subject to the terms of this Confirmation, to Buyer.

Seller shall, at its own cost and expense, instruct WREGIS to provide Buyer with a WREGIS produced report of the generation activity from the Project following each month that the Project generates energy that is being used to complete the delivery of the Product. Such information shall be limited to the amount of electric energy generated by the Project during the Term, and shall not include any information or reference to the transfer of WREGIS Certificates from Seller's account to any other entity.

Upon request, Seller shall, prior to the commencement of the Delivery Term, provide to Buyer a written report stating the cumulative amount of California RPS-eligible electric energy generated from the Project during the period from January 1, 2009 to the date the report was generated.

7.2 Rights and Remedies Related to Exclusivity

Seller acknowledges and agrees that irreparable damage would occur in the event of any breach by Seller of its obligations under Section 3.4 and that money damages may not be a sufficient remedy for any such breach, and that Buyer shall be entitled, without the requirement of posting a bond or other security, to seek a preliminary injunction, temporary restraining order, or other provisional relief as a remedy in any court of competent jurisdiction notwithstanding the obligation to submit all other disputes (including claims for monetary damages under this Agreement) to dispute resolution pursuant to Section 34 of the Master Agreement.

Such a request for provisional relief does not waive Buyer's right to seek other remedies for any breach of Seller's obligation to convey the Product, including the associated Green Attributes, exclusively to Buyer in accordance with this Confirmation, notwithstanding any prohibition against claim-splitting or other similar doctrine. The other remedies that may be sought include specific performance and injunctive or other equitable relief, plus any other remedy specified in the Agreement, or if the Agreement does not specify a remedy for the breach, all other remedies available at law or equity to the Parties for the breach.

7.3 Forecasted Generation

Five (5) Business Days before the first (1st) of each November during the Delivery Term, Seller shall provide to Buyer the estimated electric generation from the Project forecast for that November and the following month, December. Six (6) Business Days before the first (1st) of each December during the Delivery Term, Seller shall provide Buyer with an updated estimate of generation from the Project forecast for that December. Such estimates shall be based upon the same type of information Seller relies on in its normal course of business.

The Parties acknowledge and agree that any such estimate or forecast provided under this Section 7.3 is for informational purposes only and does not obligate or commit Seller to provide or deliver such estimated or forecasted energy to Buyer.

ARTICLE 8 GOVERNING LAW

Governing Law. This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its

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respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

For the avoidance of doubt, the term "agreement" as used in the immediately preceding paragraph means the Master Agreement and this Confirmation collectively.

**ARTICLE 9
CREDIT AND COLLATERAL**

Both Parties agree that Section 27 of the Master Agreement shall not apply to this Confirmation. Neither Party has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever under this Confirmation. All implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived.

**ARTICLE 10
CONFIDENTIALITY**

Without limiting the provisions of Section 30 of the Master Agreement, Buyer agrees that, in connection with the filing of this Confirmation with any regulatory agency, Buyer shall make an appropriate request that all of the terms and conditions of this Confirmation be held in strict confidence and preserved from disclosure to any third party consistent with applicable law; provided that each of Buyer and Seller may disclose the following information:

- (1) Party names;
- (2) Resource;
- (3) Term;
- (4) Project location;
- (5) Capacity of each Project;
- (6) The fact that the Project is on-line and delivering;
- (7) Delivery Point; and
- (8) The quantity of California RPS-eligible electric energy to be delivered under this Confirmation.

**ARTICLE 11
UNCONTROLLABLE FORCES**

Notwithstanding Section 10 of the Master Agreement to the contrary, Buyer and Seller agree that any failure by Seller to deliver Green Attributes pursuant to this Confirmation due to any Uncontrollable Force shall be deemed to be a failure by Seller to perform such delivery obligation if such failure continues for a period of twelve (12) months or more after the time such delivery was due to be made. Otherwise, the terms of Section 10 of the Master Agreement shall apply to this Confirmation.

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ACKNOWLEDGED AND AGREED TO
MAY 29, 2009:

PUGET SOUND ENERGY, INC.

By: 

Name: David E. Mills

Title: Director, Energy Supply and Planning

MAY 29, 2009:

SOUTHERN CALIFORNIA EDISON COMPANY

By: 

Name: Stuart R. Hemphill

Title: Vice President, Renewable and
Alternative Power