



SOUTHERN CALIFORNIA
EDISON[®]

An *EDISON INTERNATIONAL*[®] Company

SOUTHERN CALIFORNIA EDISON COMPANY

Electronic Solicitation

for

Resource Adequacy Purchases, Sales and Purchase-Sells &
Import Capability Transfer Purchases and Sells

Electronic Solicitation Instructions

September 23, 2019

EMAIL INQUIRIES TO

RFO@sce.com, WAYNEJOLIVER26@gmail.com, and KJOLIVER33@gmail.com

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I. BACKGROUND

Southern California Edison Company (“SCE”) seeks, through this Electronic Solicitation (“e-Solicitation”), offers to buy from, sell to, and/or buy-sell with, responding market participants and all supply sources (“Respondents”), which are eligible to provide Resource Adequacy (“RA”) Capacity and Import Capability Transfer rights as more particularly described below, with respect to the 2020 – 2024 delivery period. Through this e-Solicitation it is anticipated that the above-noted products will be bought, sold, and/or bought-sold, to assist SCE in meeting its RA compliance obligations and in order to minimize procurement costs for SCE’s customers.

The purpose of this document (the “e-Solicitation Instructions”) is to describe the schedule and process by which offers to sell or bids to buy (either, “Offers”) are submitted and will be evaluated in response to this e-Solicitation and to set forth the terms and conditions of Respondents’ participation in this e-Solicitation. The RA e-Solicitation will utilize a one-step pricing process through submission of an Offer (“Offer”).

Capitalized terms not defined in these e-Solicitation Instructions have the meanings ascribed to them in the applicable Exhibits hereto or the current California Independent System Operator Corporation (“CAISO”) tariff and protocol provisions, including any current CAISO-published “Operating Procedures” and “Business Practice Manuals,” as amended or supplemented from time to time (the “CAISO Tariff”).

SCE will utilize an independent evaluator, Merrimack Energy (the “IE”), in connection with this e-Solicitation.

The confidentiality provisions of these e-Solicitation Instructions and the Confidentiality Agreement, as set forth in Exhibit G, which must be partially executed and submitted to SCE by Respondent no later than the Offer Submission Deadline, limit Respondents’ ability to engage in communications with any other actual or potential participants in the e-Solicitation concerning this solicitation, price terms in Offers, and related matters. In the event that a Respondent desires to (a) act as a marketing agent for a third party, (b) act as a credit sleeve for a third party, or (c) otherwise act as an agent or representative of a third party, in each case with respect to any Offer in the e-Solicitation, such Respondent and the third party such Respondent is proposing to represent should contact SCE and seek a waiver or amendment of such confidentiality provisions, which SCE may or may not grant in its sole discretion. Such a Respondent and the third party such Respondent proposes to represent should be prepared to provide SCE with a written description of the proposed relationship between such parties and the proposed structure of their Offers. SCE reserves the right, in its sole discretion, to disqualify those Respondents that have not complied with the provisions of this paragraph.

II. PRODUCTS SOLICITED

The product solicited within this e-Solicitation include RA Capacity, Import Capability Transfer rights, and RA Capacity sales from Tree Mortality Non-Bypassable Charge (TMNBC) Generating Units. The RA Capacity must be from specific identified generating units that have a Net Qualifying Capacity (“NQC”) assigned by the CAISO and must be able to count toward SCE’s RA requirement. Import Capability Transfer must be for specified CAISO interties which have the ability to deliver RA into the CAISO Balance Authority Area. Such RA Capacity, Import Capability Transfer, and RA Capacity from TMBNC units must be eligible for inclusion in both or either the Year-Ahead and Month-Ahead compliance filings with the California Public Utilities Commission (“CPUC”).

Respondents are encouraged to submit multiple Offers with varying delivery periods. These varying Offers should include different volume options with various delivery terms (i.e. monthly, Q3-20, Q3-21, Q3-22, year-round, etc.). Such variations will enhance a Respondent’s ability in receiving a final award within the e-Solicitation.

A. 2020-2024 RA e-Solicitation Product Tables

Table 1: 2020-2024 RA Capacity Product

PRODUCT	SCE SEEKING TO:	DELIVERY POINT	MINIMUM VOLUME	PRICING	CONTRACT DELIVERY PERIOD			RA AREA ATTRIBUTES
					EARLIEST SHOWING MONTH	LATEST END DATE	DELIVERY PERIOD	
CAISO System & Local RA	Purchase	CAISO	1 MW	Fixed price (\$/kw-month)	01/01/2020	12/31/2024	Monthly Q3 Year-Round	CAISO System LAB Local BCV Local
CAISO System & Local RA	Sell	CAISO	1 MW	Fixed price (\$/kw-month)	01/01/2020	12/31/2022	Monthly	CAISO System LAB Local BCV Local
CAISO System & Local RA	Local for System RA Purchase/Sell (SCE Sells Local RA in return for SCE purchasing System RA)	CAISO	1 MW	Fixed price (\$/kw-month)	01/01/2020	12/31/2022	Monthly Q3 Year-Round	<u>SCE Purchases:</u> CAISO System <u>SCE Sells:</u> LAB Local BCV Local Bay Area Local Fresno Local Kern Local NCNB Local San Diego-IV Local Sierra Local Stockton Local

Local RA	Local for Local RA Purchase/Sell (SCE Sells Local RA in return for SCE purchasing LAB/BCV Local RA)	CAISO	1 MW	Fixed price (\$/kw-month)	01/01/2020	12/31/2022	Monthly Q3 Year-Round	SCE Purchases: LAB Local BCV Local SCE Sells: Bay Area Local Fresno Local Kern Local NCNB Local San Diego-IV Local Sierra Local Stockton Local
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*Mutually inclusive SCE Buys and SCE Sells Offers with same terms and conditions as above

** SCE Sells, System for Local, and Local for Local products are only offered for years 2020-2022.

Table 2: Import Capability Transfer Product

PRODUCT	SCE SEEKING TO:	DELIVERY POINT	MINIMUM VOLUME	PRICING	CONTRACT DELIVERY PERIOD			RA AREA ATTRIBUTES
					EARLIEST SHOWING MONTH	LATEST END DATE	DELIVERY PERIOD	
Eligible Import Capability Transfers i.e. Import Allocation Rights	Purchase	MALIN500 (COB) NOB_ITC (NOB) PALOVRDE_ITC (PV) MEAD_ITC (MEAD)	1 MW	Fixed price (\$/kw-month)	07/01/2020	09/30/2020	Q3 or Monthly for July, August, September	N/A
Eligible Import Capability Transfers i.e. Import Allocation Rights	Purchase	MALIN500 (COB) NOB_ITC (NOB) PALOVRDE_ITC (PV) MEAD_ITC (MEAD)	1 MW	Fixed price (\$/kw-month)	01/01/2020	12/31/2020	Q1, Q2, or Q4	N/A

*Mutually inclusive SCE Buys and SCE Sells Offers with same terms and conditions as above

Table 3: RA Capacity Sales from TMNBC Units

Generating Unit	SCE SEEKING TO:	DELIVERY POINT	FORECASTED AVAILABLE VOLUME (MW RANGE)	PRICING	CONTRACT DELIVERY PERIOD			RA AREA ATTRIBUTES
					EARLIEST SHOWING MONTH	LATEST END DATE	DELIVERY PERIOD	
Pacific Ultrapower Chinese Station	Sell	CAISO	12.06 to 17.85 MW	Fixed price (\$/kw-month)	01/01/2020	12/31/2022	Monthly	Stockton Local
Rio Bravo Rocklin	Sell	CAISO	15.66 to 24.30 MW	Fixed price (\$/kw-month)	01/01/2020	12/31/2022	Monthly	Fresno Local

Rio Bravo Fresno	Sell	CAISO	14.72 to 24.40 MW	Fixed price (\$/kw- month)	01/01/2020	12/31/2022	Monthly	Sierra Local
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B. RA CAPACITY - SCE PURCHASE or SCE SELL

Respondent may Offer to buy from or to sell to SCE the right to include a specified quantity of qualifying and deliverable RA Capacity that is approved for inclusion in the respective Compliance Showings. This is a unit specific, capacity-only product and does not include energy or ancillary services associated with the unit.

Respondents submitting Offers to sell RA Capacity to SCE must either own or have a contractual right to the qualifying and deliverable RA Capacity for the delivery period specified in the applicable Confirmation.

Respondents submitting Offers to purchase Local RA Capacity from SCE are encouraged to Offer the Local RA purchase in the form of a Local for System RA Purchase/Sell. SCE is unlikely to make outright Local RA sales in this solicitation.

Offers to buy or to sell the RA Capacity shall be transacted through the terms described in the RA Capacity (SCE Buy or SCE Sell) confirmation (the “SCE Buy or SCE Sell RA Confirmation”), attached hereto as Exhibit A, which shall be a confirmation under an executed EEI Master Power Purchase & Sale Agreement, Cover Sheet, EEI Collateral Annex, and Paragraph 10 to the Collateral Annex, forms of which are attached as Exhibit E (an “EEI Agreement”) between SCE and Respondent in accordance with the e-Solicitation Schedule set forth in Section VI of these e-Solicitation Instructions (the “e-Solicitation Schedule”). SCE would also consider documenting a proposed transaction for RA Capacity under an executed ISDA Master Power Purchase and Sale Agreement, if Respondent and SCE are already enabled under such agreement; however, SCE’s preference is to transact under the EEI Agreement. For purposes of these e-Solicitation Instructions, the EEI Agreement and ISDA Agreement may each, individually, be referred to as an “Enabling Agreement”, and the Enabling Agreement preferences and requirements set forth in this paragraph are referred to as the “Enabling Agreement Requirements”.

C. RA CAPACITY – LOCAL FOR SYSTEM RA PURCHASE/SELL

Respondent may submit an Offer to simultaneously buy from SCE Local RA and sell to SCE System RA (collectively a “Local for System RA Purchase/Sell”). For Local for System RA Purchase/Sell Offers, Respondents are encouraged to submit an Offer to buy from SCE the rights of a Local RA product which should include a Local premium

for the transaction. Respondents may also include a Local RA premium in the form of incremental System RA (i.e. volumetric premium).

In order to submit an Offer a Local for System RA Purchase/Sell, Respondent must complete the appropriate SCE Buys and SCE Sells portion within the Offer Workbook. In addition, Respondent must specify that the transactions are mutually inclusive by noting such in the appropriate Offer Workbook on the 'Front Page' tab by providing a note such as the following: "Offer #XXX in the SCE Buys Offer Workbook and Offer #XXX in the SCE Sells Offer Workbook are mutually inclusive and form a Buy-Sell Offer."

Offers for Local for System RA Purchase/Sell shall be transacted through the terms described in the SCE Buy or SCE Sell RA Confirmation, which shall be a confirmation executed in accordance with the Enabling Agreement Requirements.

D. RA CAPACITY – LOCAL FOR LOCAL RA PURCHASE/SELL

Respondent may submit an Offer to simultaneously buy from SCE Local RA and sell to SCE Local RA (collectively a "Local for Local RA Purchase/Sell"). For Local for Local RA Purchase/Sell Offers, Respondents may submit an Offer to buy from SCE Local RA from the CAISO regions shown in Table 1: 2020-2024 RA Capacity Product and may submit an Offer to sell to SCE Local RA from the LA Basin Local region or the Big-Creek Ventura Local region. Local for Local RA Purchase/Sell Offers should include a Local premium for the transaction which may include a Local RA premium in the form of incremental Local RA (i.e. volumetric premium).

In order to submit an Offer a Local for Local RA Purchase/Sell, Respondent must complete the appropriate SCE Buys and SCE Sells portion within the Offer Workbook. In addition, Respondent must specify that the transactions are mutually inclusive by noting such in the appropriate Offer Workbook on the 'Front Page' tab by providing a note such as the following: "Offer #XXX in the SCE Buys Offer Workbook and Offer #XXX in the SCE Sells Offer Workbook are mutually inclusive and form a Buy-Sell Offer."

Offers for Local for Local RA Purchase/Sell shall be transacted through the terms described in the SCE Buy or SCE Sell RA Confirmation, which shall be a confirmation executed in accordance with the Enabling Agreement Requirements.

E. IMPORT CAPABILITY TRANSFER PRODUCT - SCE PURCHASE or SCE SELL

Respondent may submit an Offer to buy from or sell to SCE the right to deliver RA from specific CAISO interties into the CAISO Balance Authority Area. These rights are CAISO intertie specific and do not include any RA capacity, energy, or ancillary services.

Respondents submitting an Offer to sell this product to SCE must either own or have the contractual right to the product for the delivery period specified in Table 2: Import Capability Transfer Product.

Offers to purchase or sell the Import Capability Transfer product shall be transacted through the terms described in the Import Capability Transfer (SCE Buy or SCE Sell) confirmation (the "SCE Buy Import Capability Transfer Confirmation") which is attached hereto as Exhibit C, and executed in accordance with the Enabling Agreement Requirements

F. RA CAPACITY FROM TMNBC GENERATING UNITS - SCE SELL

As required by (D.)18-12-003 Ordering Paragraph (OP) 5 and pursuant to SCE's approved Advice 3955-E establishing SCE's RA Sales Framework for the TMNBC units, SCE shall make available the RA from their respective TMNBC units utilizing existing Commission-approved mechanisms. As such, Respondent may submit an Offer to buy from SCE the RA from specific TMNBC Units. This is a unit specific, capacity-only product, including the Stockton, Fresno, and Sierra Local area attributes, but does not include energy or ancillary services associated with the unit.

In order to submit an Offer to buy RA Capacity from TMNBC Units, Respondent must complete the appropriate SCE Sells portion within the Offer Workbook and specify the TMNBC Unit the Respondent will purchase RA Capacity from.

Offers to buy the RA Capacity shall be transacted through the terms described in the TMNBC RA Capacity (SCE Sell) confirmation (the "SCE Sell TMNBC RA Confirmation"), attached hereto as Exhibit B, which shall be a confirmation executed in accordance with the Enabling Agreement Requirements.

G. OTHER PRODUCT/OFFER CONSIDERATIONS/LIMITATIONS

- Respondents are allowed and encouraged to submit Offers for more than one product and multiple Offers for the same product.
- Respondent must state all volumetric limitations in the applicable Volume Limits tab of the Offer Workbooks. Except for setting volumetric limitations, Offers containing any contingencies will be considered nonconforming and ineligible for consideration.
- Local and Flexible attributes associated with RA Capacity will become part of any transaction resulting from this e-Solicitation.
- RA Capacity, Import Capability Transfer, and RA Capacity from TMNBC identified in Table 1, Table 2, and Table 3 may be proposed in partial MW increments that are equal to or greater than the minimum volumes specified in each table with no more than two decimal places. For example, an Offer for 1.23 MW would be acceptable, whereas an Offer for 1.234 MW would not be acceptable.

- No contracts awarded in this solicitation shall be greater than 59-months in duration.
- Once-Through Cooling (“OTC”) Units, as described in the California State Water Resources Control Board (“SWRCB”) policies, can be submitted as an Offer, at Respondent’s discretion, delivery periods that end prior to such OTC Unit’s OTC compliance date (the “OTC Compliance Date”) and delivery periods that end past the OTC Unit’s OTC Compliance Date. Any awarded contracts that are past such OTC Unit’s OTC Compliance Date must be submitted to the CPUC for approval via a Tier 3 Advice Letter. OTC Unit’s OTC Compliance Dates can be found on the SWRCB website at:

http://www.waterboards.ca.gov/publications_forms/publications/factsheets/docs/otcethroughcooling.pdf

III. ELIGIBILITY REQUIREMENTS

Respondents to this e-Solicitation must comply with the requirements in these e-Solicitation Instructions. Respondents that fail to comply with the requirements in these e-Solicitation Instructions may be deemed ineligible and their Offers may not be considered.

SCE, at its sole discretion, may change the terms, requirements, and schedule of this e-Solicitation.

By participating in this e-Solicitation the Respondent specifically acknowledges the following:

1. If Respondent is deemed eligible to submit an Offer, any Offer submitted by Respondent is a final Offer and cannot be modified by Respondent. Such Offer shall only be subject to SCE's acceptance, in SCE's sole discretion.
2. Respondents may enter into limited negotiations to execute an agreement with SCE. **Respondents are strongly discouraged from making any substantive changes to the form of Enabling Agreements or Confirmations attached as Exhibits to these e-Solicitation Instructions (collectively, the “Agreements”). Extensive modifications to these Agreements will not be accepted. SCE, in its sole discretion, will determine whether any proposed modification or alteration to these Agreements are material and reserves the right to decline to execute any agreement with a selected Respondent for any reason.**

Mutually inclusive Offers across generating units of the **same** RA Area Attribute are allowed (e.g., Offer A for generating Unit 1 (Big Creek-Ventura) and Offer B for generating Unit 2 (Big Creek-Ventura)). If making a mutually inclusive Offer across generating units, Respondent must also submit discrete Offers for those generating units. SCE will have the option to either select the mutually inclusive Offer or the discrete Offers separately.

IV. CREDIT REQUIREMENTS

SCE requires that Respondents post collateral (either cash or a letter of credit) for SCE's exposure above an unsecured credit line, if any. Only investment grade-rated Respondents are eligible for an unsecured credit line. Alternatively, a Respondent may be eligible for an unsecured credit line by providing a guaranty from an investment grade-rated corporate parent in substantially the form of the Guaranty Agreement attached hereto as Exhibit F (the "Guaranty"). SCE will not accept a Guaranty from third parties that are not affiliated with the Respondent. Respondents that are not rated or are rated below investment grade shall be required to post collateral for all of SCE's exposure in addition to an independent amount.

SCE is a California load-serving utility with investment grade credit ratings and substantial tangible net worth. Any Offer that requires SCE to post collateral will be rejected by SCE.

SCE reserves the right to disqualify Respondents that are unwilling or unable to meet these credit requirements.

For Respondents who use a funds transfer agent and a Funds Transfer Agent Agreement ("FTAA") in order to fulfill payment obligations please note that an FTAA may not fulfill SCE's collateral requirements in which case additional collateral will have to be arranged.

V. EVALUATION CRITERIA

This e-Solicitation will utilize a one-step pricing process through submission of a final Offer. All Offers will be initially assessed for conformance with the requirements set forth in these e-Solicitation Instructions. Respondents are responsible for the accuracy of all figures, calculations, and representations. In addition to the foregoing, there will be both quantitative and qualitative considerations involved with evaluating Offers. Any Offer within this e-Solicitation will be considered a final Offer which cannot be modified by Respondent and shall be only subject to SCE's acceptance, in SCE's sole discretion.

A. QUANTITATIVE EVALUATION

The valuation of each Offer takes into account cash flow components for both cost and revenue. These components are then netted and discounted to yield a Net Present Value ("NPV") for each Offer. The NPV is compared to other Offers or potential combinations of Offers to find the "Least Cost" selection set which meets SCE's minimum procurement obligation. For this e-Solicitation, SCE will be assessing the costs and benefits associated with each Offer; which include capacity payments,

debt equivalence, potential credit and collateral adders, and SCE’s ascribed RA and Energy benefits. SCE will then select a set of Offers with the goal of minimizing the cost to SCE’s customers, while meeting the defined needs, subject to a set of constraints such as counterparty volume limits.

B. QUALITATIVE EVALUATION

In addition to the quantitative factors described above, there are other factors which may impact the selection of an Offer. These may include, among other factors, project viability, location within a Disadvantaged Community (“DAC”), adherence to the parameters for this e-Solicitation, Offers for flexible capacity, Offers for local capacity, changes to the e-Solicitation Documents, counterparty concentration and creditworthiness, and OTC compliance considerations.

VI. E-SOLICITATION SCHEDULE

TIMELINE	EVENT
September 23, 2019	e-Solicitation launch.
September 25, 2019 11:59 p.m. PPT (the “Offer Submission Deadline”)	<p>Deadline to Submit Offers: Respondents submit their Offers in a completed Offer Workbook and if not previously submitted to SCE, Respondents must submit an executed Confidentiality Agreement, redlined Enabling Agreements (if applicable), redlined Confirmation, and a Certificate of Authority (if applicable) (the Confidentiality Agreement, together with the Enabling Agreement, the Confirmation, and the Certificate of Authority, are collectively referred to as the “Transaction Documents”).</p> <p>Limited negotiation of the Transaction Documents may commence.</p>
October 1, 2019 (on or before date, the “Selection Notification Date”)	<p>Selection Notification: Date by which Respondents will have received communications regarding acceptance of Respondents Offer.</p>

	<p>Upon SCE’s contingent selection of an Offer, such Offer shall become binding on Respondent. SCE’s contingent Offer selection is subject to final SCE management review and approval, consultation with SCE’s Procurement Review Group (“PRG”), successful negotiation of the Transaction Documents, and execution.</p>
<p>October 3, 2019 (no later than date)</p>	<p>Notification of Declined Offers: Date by which Respondents will receive notice from SCE of declined Offers.</p>
<p>October 25, 2019 (on or before date, the “Execution Deadline”)</p>	<p>Deadline for Respondent and SCE, as applicable, to Execute Final Confirmation(s), Enabling Agreement(s) (if applicable), and Certificate of Authority (if applicable).</p>

Unless stated otherwise in the above table, deadlines will be set at close of business (5:00 p.m. PPT). SCE reserves the right to revise this schedule at any time and in SCE’s sole discretion.

VII. INSTRUCTIONS FOR E-SOLICITATION OFFER SUBMITTAL

Respondent must submit each of the applicable e-Solicitation Documents by the deadlines described in the e-Solicitation Instructions and in all cases in accordance with the terms of these e-Solicitation Instructions. **Respondents must submit e-Solicitation Documents via email to SCE at RFO@sce.com and copy the IE at kjoliver33@gmail.com and waynejoliver26@gmail.com.**

Hard copies of documents are not necessary. All documents will be made available through the initial e-Solicitation launch communication. All forms submitted for consideration must be in their original format, i.e., not converted to a Portable Document Format (PDF). Failure to provide the listed information may result in the Offer being deemed non-responsive and may disqualify the Offer from further consideration. All emails to SCE must be less than 10 megabytes (MB) (inclusive of all attachments). SCE will not be required to consider documents received after the applicable due dates and times due to unsuccessful delivery of such documents.

A. Submission of Offers

In order to have a complete and conforming Offer submittal package, a Respondent must provide the following documents as electronic attachments to the emailed Offer by the Offer Submittal Deadline:

- (1) A fully completed Offer Workbook;
- (2) An executed Confidentiality Agreement, unless Respondent already has in place an evergreen NDA with SCE;
- (3) A completed pro forma RA Confirmation, limited modifications may be considered however, given the timeline associated with this solicitation, modifications to SCE's pro forma are not preferred;
- (4) A Fully-executed or minimally modified Enabling Agreement, unless Respondent already has in place Enabling Agreement with SCE; and
- (5) If Respondent is a government entity, a drafted, but unexecuted, Certificate of Authority inclusive of all applicable exhibits.

SCE will not accept Offers received after the Offer Submittal Deadline. SCE will only consider submissions that, as of the submittal deadline, constitute complete and conforming Offers. By responding to this e-Solicitation, each Respondent agrees to be bound by all terms, conditions and other provisions of this e-Solicitation (including these e-Solicitation Instructions) and any changes or supplements to it that may be issued by SCE.

B. Respondents Notified of Binding Award Selection

By the Selection Notification Date, SCE will notify Respondents if their Offers have been contingently selected. Upon such contingent selection, such Offer become binding on Respondent and Respondent may not modify, alter, withdraw or otherwise revise such Offer. SCE selection is contingent upon consultation with SCE's Procurement Review Group ("PRG"), final SCE management review and approval, successful negotiation of the Transaction Documents, and execution.

C. Preparation and Execution of Final Confirmations, Enabling Agreement, and Certificate of Authority

By submitting an Offer in SCE's RA e-Solicitation, Respondent agrees to execute a Confirmation, Enabling Agreement (if applicable), and Certificate of Authority (if applicable) consistent with the terms of the Offer(s) submitted by the Respondent and contingently selected by SCE, and containing such terms and conditions as may be mutually acceptable to SCE and the Respondent on or before the Execution Deadline. The Certificate of Authority must be executed by the Respondent on the same date as the RA Confirmation and Enabling Agreement are partially executed by the Respondent. The Confirmation and Enabling Agreement will only be considered executed once authorized officers of both SCE and the Respondent have executed and delivered the Confirmation and/or Enabling Agreement.

VIII. CONTACT INFORMATION

A. Independent Evaluator and SCE

Questions relating to this e-Solicitation should be addressed to SCE via e-mail at RFO@sce.com, Justin.Dillon@sce.com, and Raafay.Ahmed@sce.com (with the IE cc'd at wayneoliver26@gmail.com and kjoliver33@gmail.com).

All Respondents must submit all necessary documents (“e-Solicitation Documents”) (including, without limitation, Confidentiality Agreements, Offer Workbook, RA Capacity Confirmation(s), to the extent applicable, during the negotiation process, if any, and Offers) as emailed electronic copies in their original format. All materials must be sent to SCE and the IE at: RFO@sce.com and wayneoliver26@gmail.com and kjoliver33@gmail.com.

B. Independent Evaluator

Questions regarding the integrity of the evaluation process or the role of the IE may be referred to Wayne Oliver or Keith Oliver of Merrimack Energy at the following e-mail address: wayneoliver26@gmail.com and kjoliver33@gmail.com.

Electronic copies of all applicable e-Solicitation Documents must be sent to the IE at: wayneoliver26@gmail.com and kjoliver33@gmail.com.

IX. CONFIDENTIALITY

With respect to SCE and the IE, information provided by Respondent to SCE and the IE for purposes of this e-Solicitation will be subject to (i) a fully executed Confidentiality Agreement and (ii) all applicable CPUC disclosure requirements including, CPUC D.06-06-066.

X. GENERAL INFORMATION AND RESERVATION OF RIGHTS

- i. Any transaction resulting from this e-Solicitation will be documented in an executed applicable Confirmation under an executed Enabling Agreement between SCE and Respondent, as applicable.
- ii. SCE may, in its sole discretion, enter into transactions with one or more Respondents submitting Offers.
- iii. SCE may, in its sole discretion, request a Respondent to modify their price, Contract Quantity, and/or RA attributes Offered, or otherwise issue a counteroffer during the negotiation phase in this e-Solicitation.
- iv. SCE may execute RA Confirmations with selected Respondents at any time during the negotiation phase or may choose to execute none at all.
- v. SCE retains the discretion, in its sole discretion, to: (a) reject any Offer in the event the Offer does not provide adequate benefit to SCE’s customers; (b) formulate and

implement appropriate criteria for the evaluation and selection of Offers; and (c) negotiate with any Respondent in order to maximize the value for SCE's customers.

- vi. In addition to the limitations on Offers set forth in these e-Solicitation Instructions, SCE reserves the right, in its sole discretion, to limit the number of Offers that can be submitted by any Respondent.
- vii. Respondents are required to meet all the terms and conditions of the e-Solicitation to be eligible to compete in the solicitation process. Respondents are required to submit all requested information and follow all instructions contained in these e-Solicitation Instructions, including, but not limited to, submitting conforming Offers and e-Solicitation Documents in compliance with the e-Solicitation Schedule.
- viii. By participating in this e-Solicitation, including, without limitation, by submitting an Offer, Respondent agrees to all terms, conditions, representations, warranties, and covenants in these e-Solicitation Instructions. Other than the representations, warranties and covenants made by Respondent in these e-Solicitation Instructions and the executed Confidentiality Agreement between SCE and Respondent, submittal of any document pertaining to this e-Solicitation, including, without limitation, one or more Offers, or receipt of any contingent selection, is not intended to, and does not, constitute a binding agreement of, or establish any obligation of SCE.
- ix. SCE reserves the right, at any time and during this e-Solicitation in its sole discretion, to abandon this e-Solicitation, to change any dates specified in this e-Solicitation, to change the basis for the evaluation of Offers, to terminate further participation in this process by any party, to accept any Offer, to enter into any agreement, to evaluate the qualifications of any Respondent or the terms and conditions of any Offer, to reject any or all Offers, to prohibit or limit mutually exclusive and mutually inclusive Offers, to change any form or document used in this e-Solicitation, waive any irregularities, and otherwise modify the e-Solicitation in any way, without notice and without assigning any reasons and without liability of Edison International, SCE, or any of their respective subsidiaries, affiliates, employees, officers, directors, other agents, and representatives.

SCE shall have no obligation to consider any Offer submitted by a Respondent. SCE will not reimburse any Respondent for any of its expenses related to this e-Solicitation under any circumstances, regardless of whether the e-Solicitation proceeds to execution of any transactions or is abandoned, and regardless of whether or not SCE enters into a transaction with the Respondent. With respect to Respondents who have applicable Enabling Agreements executed and effective prior to the time when such Respondent submits an Offer, SCE shall not be deemed to have accepted any such Offer, and shall not be bound by any term thereof, unless and until an authorized representative of SCE (executes a Confirmation with respect to such Offer. With respect to Respondents who do not have applicable Enabling Agreements executed and effective prior to the time such Respondent submits an Offer, SCE shall not be deemed to have accepted any such Offer, and shall not be

bound by any term thereof, unless and until an authorized representative of SCE executes a Confirmation and an Enabling Agreement with the Respondent. The establishment, update, or modification of any regulatory requirement which potentially impacts SCE's decision regarding selection of Offers may result in SCE revising any portion of any document related to this e-Solicitation, including, without limitation, the elimination of one or more products sought hereunder and/or revising the schedule set forth herein.

- x. SCE encourages Women-Owned, Minority-Owned, and Disabled Veteran-Owned Business Enterprises and Lesbian, Gay, Bisexual and/or Transgender Business Enterprises (“Diverse Business Enterprise(s)”) to participate in the e-Solicitation. To be considered as a Diverse Business Enterprise, Respondent must provide a copy of a valid certificate that verifies Respondent’s Diverse Business Enterprise status. Information on SCE’s diversity supplier program can be found at: <https://www.sce.com/wps/portal/home/partners/buying-selling/supplier-diversity/>.

Diverse Business Enterprises are welcome to submit Offers into this e-Solicitation and FTAA’s may be considered. However, depending on the term, quantity, and the resulting exposure related to any Offers, an FTAA may not fulfill SCE’s collateral requirement in which case additional collateral will have to be arranged.

Further, as provided in Section 6.3 of CPUC General Order 156, SCE’s Supplier Diversity efforts include encouraging its Respondent’s to develop plans to utilize Diverse Business Enterprises subcontractors. SCE can help Respondent’s with identifying Diverse Business Enterprises for subcontracting opportunities.

XI. RESPONDENT’S WAIVER OF CLAIMS AND LIMITATION OF REMEDIES

By participating in this e-Solicitation, including, without limitation, by submitting an Offer:

- i. Respondent acknowledges and agrees that it is knowingly, voluntarily, and completely waiving any rights under statute, regulation, state or federal constitution, or common law to assert any claim, complaint, or other challenge in any regulatory, judicial, or other forum, including, without limitation, the CPUC (except as expressly provided below), the Federal Energy Regulatory Commission (“FERC”), the Superior Court of the State of California (“State Court”) or any U.S. District Court (“Federal Court”) concerning or related in any way to this e-Solicitation or any unexecuted documents related to this e-Solicitation, including, without limitation, all exhibits, attachments, and appendices thereto (“Waived Claims”).
- ii. Respondent acknowledges and agrees that if it asserts any Waived Claim at the CPUC, FERC, State Court, or Federal Court, or otherwise in any forum, to the extent that Respondent’s Offer has not already been disqualified, SCE is entitled to

automatically disqualify such Offer from further consideration in the e-Solicitation or otherwise, and further, SCE may elect to terminate the e-Solicitation.

- iii. Respondent acknowledges and agrees that the sole forum in which Respondent may assert any challenge with respect to the conduct or results of the e-Solicitation is at the CPUC and that: (1) the sole means of challenging the conduct or results of the e-Solicitation is a complaint filed under Article 4, Complaints and Investigations, of Division 2, Chapter 2 of Title 20, Public Utilities and Energy, of the California Code of Regulations, (2) the sole basis for any such complaint shall be that SCE allegedly failed in a material respect to conduct the solicitation in accordance with these e-Solicitation Instructions; and (3) the exclusive remedy available to Respondent in the case of such a complaint shall be an order of the CPUC that SCE again conduct any portion of the solicitation that the CPUC determines was not previously conducted in accordance with these e-Solicitation Instructions or any documents related to this e-Solicitation (including exhibits, attachments, and appendices).
- iv. Respondent expressly waives any and all other remedies, including, without limitation, compensatory and/or exemplary damages, restitution, injunctive relief, interest, costs and/or attorneys' fees. Unless SCE elects to do otherwise in its sole discretion, during the pendency of such a complaint, the e-Solicitation and any related regulatory proceedings related to the e-Solicitation will continue as if the complaint had not been filed, unless the CPUC issues an order suspending the e-Solicitation or SCE has elected to terminate or suspend the e-Solicitation or any portion thereof.
- v. Respondent acknowledges and agrees that if Respondent asserts any Waived Claim, SCE shall be entitled to seek immediate dismissal of Respondent's claim, complaint, or other challenge, with prejudice, by filing a motion to dismiss (or similar procedural device) supported by the language in these e-Solicitation Instructions and that Respondent will not challenge or oppose such a motion to dismiss (or similar procedural device).
- vi. Respondent acknowledges and agrees that if it asserts any Waived Claim, and if SCE successfully has that claim dismissed or transferred to the CPUC, Respondent shall pay SCE's full costs and expenses incurred in seeking such dismissal or transfer, including, without limitation, reasonable attorneys' fees and expenses.
- vii. Respondent agrees to indemnify and hold SCE harmless from any and all claims by any other party asserted in response to the assertion of any Waived Claim by Respondent and for reasonable costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by SCE or as a result of a Respondent's complaint filing at the CPUC resulting from the e-Solicitation.
- viii. Except as expressly provided in the documents related to this e-Solicitation, nothing herein, including, without limitation, Respondent's waiver of any Waived Claims as set forth above, shall in any way limit or otherwise affect the rights and remedies of SCE.

- ix. In the event Respondent is deemed eligible by SCE to submit an Offer, Respondent submits an Offer, SCE notifies Respondent that SCE accepts such Offer and there is a dispute related to the terms of any such Offer, such dispute shall be resolved in accordance with the terms of the dispute resolution provisions set forth in the e-Solicitation Documents which were part of such Offer.

XII. RESPONDENT’S REPRESENTATIONS, WARRANTIES AND COVENANTS

By participating in this e-Solicitation, including, without limitation, by submitting an Offer, Respondent (A) agrees to be bound by the conditions of the e-Solicitation, including the terms of these e-Solicitation Instructions; and (B) makes the following representations, warranties, and covenants to SCE, which representations, warranties, and covenants shall be deemed to be incorporated in their entirety into each of Respondent’s Offers:

- i. Respondent has read, understands and agrees to be bound by all terms, conditions and other provisions of the e-Solicitation Documents.
- ii. Respondent has had the opportunity to seek independent legal and financial advice of its own choosing with respect to the e-Solicitation, the e-Solicitation Documents, and these e-Solicitation Instructions, including any exhibits, attachments, and appendices to such documents.
- iii. Respondent has obtained all necessary authorizations, approvals and waivers, if any, required by Respondent to submit its Offer and, (a) required to enter into and execute, if necessary, any necessary Enabling Agreements in the form of the applicable Enabling Agreements negotiated with SCE and (b) required to enter into a Transaction with SCE under the applicable executed Enabling Agreement (if required) for the respective products, in the form of the Confirmation, as applicable, negotiated with SCE.
- iv. Respondent’s Offer complies with all applicable laws and regulations.
- v. Respondent (a) has not engaged, and covenants that it will not engage, in any communications with any other actual or potential participant in the e-Solicitation concerning this solicitation, price terms in Respondent’s Offer, or related matters, without disclosure to SCE and a waiver by SCE of any applicable confidentiality provisions, including, but not limited to those set forth in the Confidentiality Agreement and these e-Solicitation Instructions, and (b) has not engaged in collusion or other unlawful or unfair business practices in connection with this e-Solicitation.
- vi. Each Offer submitted by Respondent (a) is a Offer subject only to SCE’s contingent selection, in SCE’s sole discretion, and (b) in the event there is any dispute related to the terms of any such Offer, such dispute shall be resolved in accordance with the terms of the dispute resolution provisions set forth in the e-Solicitation Documents which were part of such Offer.

- vii. The information and documents submitted by Respondent to SCE in connection with this e-Solicitation are true and accurate as of the date of Respondent's Offer submittal. Respondent covenants that it will promptly update such information upon any material change thereto.

XIII. RESPONDENT'S OFFER AND ACKNOWLEDGEMENT

By participating in this e-Solicitation, including, without limitation, by submitting an Offer, Respondent acknowledges and agrees that:

- i. SCE may rely upon all of Respondent's representations, warranties, and covenants in this e-Solicitation (including, without limitation, in these e-Solicitation Instructions, in the e-Solicitation Documents and in any Offer submitted by Respondent);
- ii. SCE may disclose information as set forth in the Confidentiality Agreement and as described in these e-Solicitation Instructions; and
- iii. In SCE's evaluation of Offers pursuant to this e-Solicitation, SCE has the right to disqualify a Respondent that is unwilling or unable to meet SCE's credit requirements, or any other requirements of this e-Solicitation, as determined by SCE in its sole discretion.

BY PARTICIPATING IN THIS E-SOLICITATION, INCLUDING, WITHOUT LIMITATION, BY SUBMITTING AN OFFER, RESPONDENT ACKNOWLEDGES AND AGREES THAT ANY BREACH BY RESPONDENT OF ANY OF THE REPRESENTATIONS, WARRANTIES AND COVENANTS IN THESE E-SOLICITATION INSTRUCTIONS AND ALL OTHER E-SOLICITATION DOCUMENTS SHALL CONSTITUTE GROUNDS FOR IMMEDIATE DISQUALIFICATION OF SUCH RESPONDENT, IN ADDITION TO ANY OTHER REMEDIES THAT MAY BE AVAILABLE TO SCE UNDER APPLICABLE LAW, AND DEPENDING ON THE NATURE OF THE BREACH, MAY ALSO BE GROUNDS FOR TERMINATING THE E-SOLICITATION IN ITS ENTIRETY, OR FOR PROHIBITING RESPONDENT FROM PARTICIPATING IN FUTURE SOLICITATIONS OR PLACING ADDITIONAL REQUIREMENTS ON RESPONDENT IN FUTURE SOLICITATIONS.

XIV. EXHIBITS

Exhibit A – RA Capacity (SCE Buy or SCE Sell) Confirmation

Exhibit B – TMNBC RA Capacity (SCE Sell) Confirmation

Exhibit C – Import Capability Transfer (SCE Buy or SCE Sell) Confirmation

Exhibit D – Offer Workbook (SCE Buys & SCE Sells)

Exhibit E – Enabling Agreements

EEI Master Power Purchase & Sale Agreement Cover Sheet

EEI Paragraph 10 to the Collateral Annex

EI FTAA Special Provision
Exhibit F – Guaranty
Exhibit G – Confidentiality Agreement
Exhibit H – Certificate of Authority (applicable to Government Entities)