

APPENDIX P

COPY OF SYSTEM IMPACT STUDY AGREEMENT WITH SCE

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY -
SOUTHERN CALIFORNIA EDISON COMPANY
AFFECTED SYSTEM STUDY AGREEMENT**

1. **Summary:** Anaheim Public Utilities Department (“Anaheim”) has notified Southern California Edison Company (“SCE”) on behalf of the Southern California Public Power Authority (“SCPPA”) that SCPPA intends to construct a 194.1 MW gas turbine, simple cycle peaking generation facility, which will consist of four General Electric LM6000 generators, four step-up transformers, meters and metering facilities, RTU and appurtenant facilities (“Project”), interconnect the Project to Anaheim’s 69 kV AMPS Substation; and transmit Energy and/or Ancillary Services to the California Independent System Operator (“ISO”) Controlled Grid at Southern California Edison Company’s (“SCE”) Lewis Substation. Anaheim’s electrical system is connected to and served from SCE’s electrical system, and therefore Interconnection of the Project to Anaheim’s electrical system may impact SCE’s electrical system. Upon review of the Project data submitted by Anaheim, SCE has concluded that a study is required to evaluate the impact of the generation addition to Anaheim’s distribution system on the safety and reliability of SCE’s electrical system, and to determine the facilities, the cost of those facilities, and the time required to construct those facilities required to accommodate the Project (“Study”). SCE and SCPPA desire to enter into this Affected System Study Agreement (“Agreement”) providing the terms and conditions for SCE to perform the Study.
2. **Work Performed Pursuant To Federal Energy Regulatory Commission (“FERC”) Order No. 2003:** This Study is performed in accordance with FERC’s Order 2003.
3. **Scope:** The completed Study and related work papers shall be made available to SCPPA, and will include the following scope of work:
 - a. **Phase 1— System Impact Study:** The System Impact Study will include the following components:

- i. An assessment of SCE's electrical system required to accommodate the Project.
 - ii. Identification of any system constraints.
 - iii. Study conditions and assumptions.
 - iv. Load flow analysis.
 - v. Stability study.
 - vi. Short circuit duty analysis.
 - vii. Post transient voltage study.
- b. **Phase 2-- Facilities Study:**
- i. SCE will determine the required transmission system upgrades, modifications or additions, and any other system facilities and upgrades required to prevent creation of an adverse impact on SCE's electrical system. The facilities and upgrades may include, without limitation, substation facilities at SCE's Lewis Substation; transmission facilities, protection equipment, communication equipment, and controls at Lewis Substation; and facilities required at other substations and on other transmission and distribution lines.
 - ii. SCE will perform an analysis of affected circuit breakers on SCE's electrical system, determine whether affected circuit breakers need to be replaced or upgraded, and determine the costs associated with any such replacements or upgrades.
 - iii. The Facilities Study will include an estimate of (i) the cost of the required transmission system upgrades, modifications or additions and any other system facilities and upgrades to be charged to SCPPA, (ii) SCPPA's appropriate allocation of the cost of any required system additions, modifications and upgrades, and (iii) the time required to complete construction of such transmission system upgrades, modification or additions and other required system facilities and upgrades. The Study will include a list of major equipment required. The cost estimate will include an estimate of additional facilities cost (capital cost of the facilities) and one-time cost (expenses not capitalized).

4. **Basis for Study:** In its determination of the adequacy of SCE's electrical system, required to accommodate the Project, SCE will exclude from the analysis, capacity to meet (i) generation and transmission projects that precede the Project in SCE's queue and (ii) SCE's other firm contractual obligations, if any.
5. **Assumptions:** The Study shall be based upon the following assumptions:
 - a. SCPPA will construct a 200 MW simple cycle peaking generation facility, interconnect the generating facility to Anaheim's 69 kV AMPS Substation; and transmit Energy and/or Ancillary Services to the California Independent System Operator ("ISO") Controlled Grid at Southern California Edison Company's ("SCE") Lewis Substation.
 - b. A SCPPA proposed in-service date for the Project of 6/1/2010.
 - c. A SCPPA proposed commercial operating date for the Project of 7/1/2010.
 - d. Technical data supplied by Anaheim are correct and complete.
 - e. The maximum capacity of the Project is 200 MW at 69 kV.
 - f. Projects preceding SCPPA in SCE's queue providing for in-service dates preceding the in-service date of the Project are assumed in-service; however, potential system enhancements or modifications resulting from such projects, if any, are not assumed.
6. **Time Required for Completion:**
 - a. SCE will use due diligence to complete the System Impact Study within sixty (60) calendar days following receipt of a fully executed copy of this Agreement and payment pursuant to Section 12 of this Agreement.
 - b. SCE will use due diligence to complete the draft Facilities Study within ninety five (95) calendar days following transmittal of the System Impact Study results to SCPPA.
 - c. SCE shall submit the System Impact Study and Facilities Study results to the ISO for review upon completion of each respective study, and the ISO will take approximately thirty (30) days per study to review and provide comments.
 - d. Following receipt of the ISO's comments, the Facilities Study may require revisions to incorporate the ISO's proposed changes. In such event, the additional

time may be required to complete the Facilities Study pursuant to Section 7 below.

7. **Additional Time for Completion:** At any time that SCE determines that the System Impact Study or Facilities Study cannot be completed within the time periods specified in Section 6 of this Agreement, SCE shall notify SCPPA and provide an estimated completion date, along with an explanation of the reasons why additional time is required to complete the Study.
8. **Exchange of Information:** SCE and SCPPA shall confer with one another as necessary to exchange information that will minimize the use of assumptions in the Study, and to provide for the most accurate analysis possible with the information available at the time the Study is performed.
9. **Third Party Review:** The Study results will not reflect any review or analysis by any third party. SCE shall provide a copy of the Study to the ISO. If SCPPA elects to proceed with the Project, SCE may provide a copy of the Study results to the Western Electricity Coordinating Council (“WECC”), and any transmission owner potentially impacted by the Project, in order to determine the potential impact to any third party’s electrical system. Requests for review and input from any such entities may arrive at any time prior to the Project’s in-service date, and revision and reconsideration of the Study may be required as a result of information received from the ISO or WECC, or any other such entity regarding any potential impact to a third party's electrical system.
10. **Results Based on Information Available at Time of Study:** Substantial portions of technical data and assumptions used to perform the Study, such as system conditions, existing and planned generation, and unit modeling, may change after SCE provides the Study results to SCPPA. Study results will reflect available data at the time SCE provides the Study to SCPPA. SCE shall not be responsible for any additional costs (including, without limitation, costs of new or additional facilities, system upgrades, or schedule changes) that may be incurred by SCPPA as a result of changes in such data or assumptions which occur following provision of this Study.

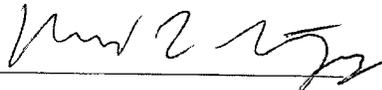
11. **New Study at SCPPA's Cost:** In the event that a new Study or revision or reconsideration of the Study is required (a) as a result of information received from any entity regarding any potential impact to a party's electrical system or (b) to reflect changes which occur following provision of this Study, then SCE shall perform such new Study, or revision or reconsideration, if SCPPA enters into a separate agreement providing that it shall reimburse SCE for the costs of such new or revised study.
12. **Payment:** SCPPA shall pay the full cost for SCE to perform the Study as follows:
 - a. SCPPA shall pay SCE for SCE's actual cost of performing the Study.
 - b. SCPPA shall advance to SCE the estimated costs of \$160,000 for the Study upon execution of this Agreement.
 - c. SCE shall refund to SCPPA without interest, any amounts received by SCE which exceed the cost of the Study, even if terminated pursuant to Section 15 of this Agreement.
13. **Increased Costs:** If at any time SCE determines that the Study is expected to cost more than \$160,000, SCE shall notify SCPPA and provide an estimate of any additional costs. Upon receipt of such notice, SCPPA shall either: (i) request that SCE terminate the Study; or (ii) provide a written request to SCE to continue the Study, and agree to pay any additional costs to SCE. SCE shall be under no obligation to incur costs in excess of \$160,000 for the Study, unless and until it receives a request to continue the Study pursuant to this Section 11, and agreement from SCPPA to pay costs in excess of \$160,000.
14. **Records and Accounts:** SCE shall maintain records and accounts of all costs incurred in performing the Study in sufficient detail to allow verification of all costs incurred, including, but not limited to, labor and associated labor burden costs, materials and supplies, outside services, and administrative and general expenses. SCPPA shall have the right, upon reasonable notice, within a reasonable time at SCE's offices and at its own expense, to audit SCE's records as necessary and as appropriate in order to verify costs incurred by SCE. Any audit requested by SCPPA shall be completed, and written notice of any audit dispute provided to SCE's

representative, within one hundred eighty (180) days following receipt by SCPPA of SCE's notification of the final Study costs.

15. **Termination Upon Demand:** SCPPA may demand that SCE terminate the Study at any time following receipt by SCE of a notification from SCPPA that SCPPA is abandoning its plan to develop and interconnect the Project. Immediately following receipt of such written request of such termination from SCPPA, SCE shall terminate the Study as requested. In such case, SCPPA shall reimburse SCE only for costs actually incurred or irrevocably committed to be incurred for the performance of the terminated Study. If SCPPA so requests in its notice of termination, SCE shall submit to SCPPA the results of the incomplete Study in a report including assumptions, load flows, and calculations available at the time SCE receives SCPPA's termination notice.

16. **Signature Clause:** This Agreement shall become effective upon the date the fully executed Agreement and payment pursuant to Section 12 are received by SCE. If SCE does not receive the fully executed Agreement and payment within 20 business days of SCPPA's receipt, then SCE will file an unexecuted version of this Agreement with FERC with a request that FERC order SCPPA to comply with the terms and conditions of this Agreement, including, without limitation, terms regarding payment.

SOUTHERN CALIFORNIA EDISON COMPANY

By: 

Name: Ronald L. Litzinger

Title: Senior Vice President

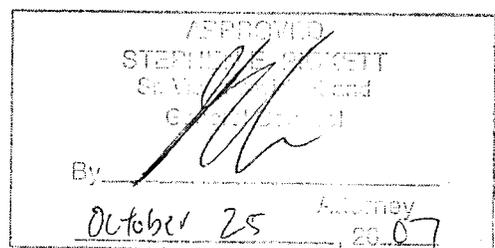
ACCEPTED AND AGREED to this 7th day of Nov., 2007

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

By: 

Name: BILL J. CARNAHAN

Title: EXECUTIVE DIRECTOR



SCPPA RESTRUCTURING ACCOUNT
225 SOUTH LAKE AVENUE, SUITE 1410
PASADENA, CA 91101

WELLS FARGO BANK, N.A.
16-24/1220

001596

11/9/2007

PAY TO THE ORDER OF Southern California Edison

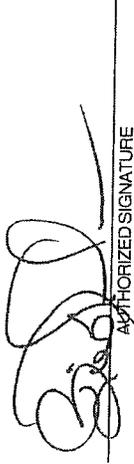
\$ **160,000.00

One Hundred Sixty Thousand and 00/100*****

DOLLARS

Southern California Edison

MEMO
PAYMENT PURSUANT TO SCPPA-SCE
ANAHEIM MUNICIPAL POWER SUPPLY
PROJECT AFFECTED SYSTEM STUDY AGREEMENT
(COMBINED SYSTEM IMPACT AND
FACILITIES STUDY AGREEMENT)


AUTHORIZED SIGNATURE

THE REVERSE SIDE OF THIS DOCUMENT MUST HAVE AN ARTIFICIAL WATERMARK AND COLORED SAFETY PANTOGRAPH. THIS PAPER IS ALTERATION PROTECTED.

Received 11/9/07

Lynn Wang