

RESOLUTION NO. 2001-4

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER  
AUTHORITY PROVIDING FOR AN ADDITIONAL CONTRIBUTION TO THE  
AUTHORITY'S REVOLVING GENERAL FUND, AND TAKING CERTAIN  
RELATED ACTION  
(RESTRUCTURING)  
(HENWOOD MARKET PRICE ADVISORY SERVICES)

WHEREAS, the Board of Directors of the Southern California Public Power Authority (the "Authority"), in its Resolution No. 1990-15, established a revolving general fund (the "General Fund") for the payment of costs and expenses incurred by the Authority from time to time in carrying out its purposes;

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1992-1, provided for the continuation of the General Fund and established a procedure to be followed with respect to additional contributions to the General Fund;

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1995-2, provided for a separate bank account (the Joint Planning Account) to hold and disburse the additional contributions to the General Fund with respect to joint planning matters;

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1995-13, changed the name of the Joint Planning Account to the Restructuring Account;

WHEREAS, the Board of Directors of the Authority wishes to provide for an additional contribution to the General Fund, and Members of the Authority are willing to make such additional contribution.

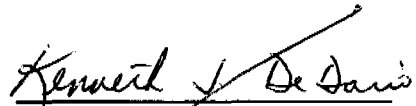
BE IT RESOLVED by the Board of Directors as follows:

1. The Board of Directors hereby provides for an additional contribution to the General Fund. Such additional contribution,

- (a) shall be solely for the purpose of paying costs and expenses incurred by the Authority with respect to the Henwood Energy Services, Inc., WSCC Market Price Advisory Services and E-Business Solution Products, and pending application for such purpose the contribution shall not be expended to pay costs or expenses properly allocable to one or more projects as provided in Section 3 of Resolution No. 1992-1;
  - (b) shall be in the aggregate amount of \$204,250, with the portion thereof to be contributed by each Member to be the amount set forth with respect to it on Exhibit A to this Resolution;
  - (c) shall be billed and collected by adding to the Authority's February 2001 Hoover Uprating Project billing to Anaheim, and the Authority's February 2001 Palo Verde Project billing to each other Member, the amount set forth with respect to each of them in Exhibit A to this Resolution, with such amount designated as "Resolution No. 2001-4 Charge".
2. Although the amounts contributed under this Resolution and related income shall constitute part of the General Fund, they shall be held and accounted for in a separate subaccount within the existing Restructuring Account. The Executive Director of the Authority is hereby directed to establish a subaccount (the Henwood Subaccount) within the Restructuring Account for the purpose of holding contributions and related income, and making disbursements, under this Resolution. The President, Vice President, Secretary, any Assistant Secretary and the Executive Director of the Authority are each authorized to execute checks drawn on the Restructuring Account from time to time.
  3. Amounts contributed to and held in the General Fund and the Henwood Subaccount pursuant to this Resolution will not be contributed or held for the purposes of any project for which the Authority has obtained any form of external financing. Such amounts shall not constitute (a) Revenues, or (b) revenues, income, rents or receipts derived by the Authority from or attributable to Authority Capacity (or to the payment of the costs thereof) or the ownership or operation of any Project. As used herein, "Revenues", "Authority Capacity" and "Project" shall have the respective meanings set forth in the indentures of trust and other instruments governing the external financing arrangements entered into from time to time by the Authority.

4. The President, Vice President, Secretary, any Assistant Secretary, Executive Director and any other officer of the Authority are each hereby authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.
5. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 18<sup>th</sup> day of January 2001.

  
\_\_\_\_\_  
President  
Southern California Public  
Power Authority

ATTEST:

\_\_\_\_\_  
Assistant Secretary  
Southern California Public  
Power Authority

SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY  
 RESOLUTION NO. 2001-4  
 ALLOCATION AMONG MEMBERS

RESTRUCTURING ACCOUNT

	50% BASED ON 1998-99 ENERGY			50% BASED ON EQUAL SHARES (1/11)	
	<u>GWH</u>	<u>%</u>	<u>ALLOCATION</u>	<u>ALLOCATION</u>	<u>TOTAL</u>
ANAHEIM	3,038.0	8.95%	\$ 9,140.19	\$ 9,284.09	\$ 18,424.28
AZUSA	233.2	0.69%	\$ 704.66	\$ 9,284.09	\$ 9,988.75
BANNING	113.2	0.33%	\$ 337.01	\$ 9,284.09	\$ 9,621.10
BURBANK	1,026.7	3.03%	\$ 3,094.39	\$ 9,284.09	\$ 12,378.48
COLTON	256.8	0.76%	\$ 776.15	\$ 9,284.09	\$ 10,060.24
GLENDALE	1,091.4	3.22%	\$ 3,288.43	\$ 9,284.09	\$ 12,572.52
IMPERIAL	2,292.8	6.76%	\$ 6,903.65	\$ 9,284.09	\$ 16,187.74
LOS ANGELES	21,928.0	64.62%	\$ 65,993.18	\$ 9,284.09	\$ 75,277.27
PASADENA	1,143.7	3.37%	\$ 3,441.61	\$ 9,284.09	\$ 12,725.70
RIVERSIDE	1,646.0	4.85%	\$ 4,953.06	\$ 9,284.09	\$ 14,237.15
VERNON	1,161.2	3.42%	\$ 3,492.68	\$ 9,284.10	\$ 12,776.78
TOTALS	33,931.0	100.0%	\$ 102,125.00	\$ 102,125.00	\$ 204,250.00



December 26, 2000

Mr. Bill D. Carnahan  
SCPPA  
225 S. Lake Avenue  
Suite 1410  
Pasadena, California 91101  
Ph: 626-793-9364 ext. 103  
bcarnahan@scppa.org

**Re: Henwood Energy Services, Inc. Proposal to Provide SCPPA with WSCC  
Market Price Advisory Services and E-Business Solution Products**

Dear Mr. Carnahan:

It was a pleasure meeting with you and the SCPPA members last week. Based upon our discussions this letter is Henwood's formal proposal in response to your inquiry.

### **INTRODUCTION**

SCPPA (Southern California Public Power Agency) is a joint action agency providing services to its members to deliver the benefits of public power to its municipal customers. Several of SCPPA members have identified a need for better understanding the electric industry. This proposal outlines the benefits SCPPA members will receive from joining Henwood's WSCC Market Advisory Service.

Outlined in the proposal below are those items discussed at the meeting on December 19, 2000. Henwood appreciates the opportunity to submit this proposal to SCPPA.

### **SCOPE OF WORK**

#### **Task 1: Provide Henwood's Standard WSCC Reference Case Forecast and Regional Power Market Advisory Services.**

For the WSCC Region, Henwood will provide its 20-year, Regional Reference Case Report and access to Henwood regional experts to provide an ongoing advisory service. During the term of this Agreement, Henwood will provide the following:

- *Henwood Long Term Reference Case* for the WSCC Region. Henwood's 20-year, forecast of expected electric prices across all 21 price zones within the WSCC. The hourly price forecast will be summarized and provided in monthly average, on-peak and off-peak price format. The Reference Case will be delivered electronically either via the Internet or CD.

- *Henwood Summary Analysis of Power Market Fundamentals*, a written report summarizing our findings and analysis of the changing WSCC Power Markets. Two color copies of the Report will be provided. Additional copies may be delivered at an additional charge.
- *Electricity Pricing Tool* to provide retainer clients the ability to do a simple recalculation due to gas price volatility.
- An invitation to Henwood's WSCC *Briefing Workshops*. These Briefing Workshops will be customized and exclusive only for SCPA retainer members. The half-day sessions will be held at a Southern California site selected by SCPA. At your request, Briefing Workshops may be held at other sites at an additional fee.
- *Monthly Interactive Conference Calls* to enable your management and staff to interact with Henwood's regional power staff in an interactive session on key issues from our work across the power markets. The monthly calls will be planned to provide an interim update of Henwood's insights into a regional market and a discussion of key market risk, pricing, generation portfolio or other issues.
- *White Papers on Important Topics* where we give detailed analysis of key issues from our experts.
- *Email Alerts* about upcoming events and news regarding the power markets.

*Regional Members Forum* to give retainer clients input into our analysis prices for development of future Reference Cases.

## **Task 2: Provide Henwood's on line eBusiness Products**

Henwood has developed three new eBusiness products: NextGen, GenReporter, and MarketWatch. These products are described below. Our goal is to put Web enabled software tools and business information in your hands to facilitate critical business decisions for the competitive energy marketplace.

### NextGen™

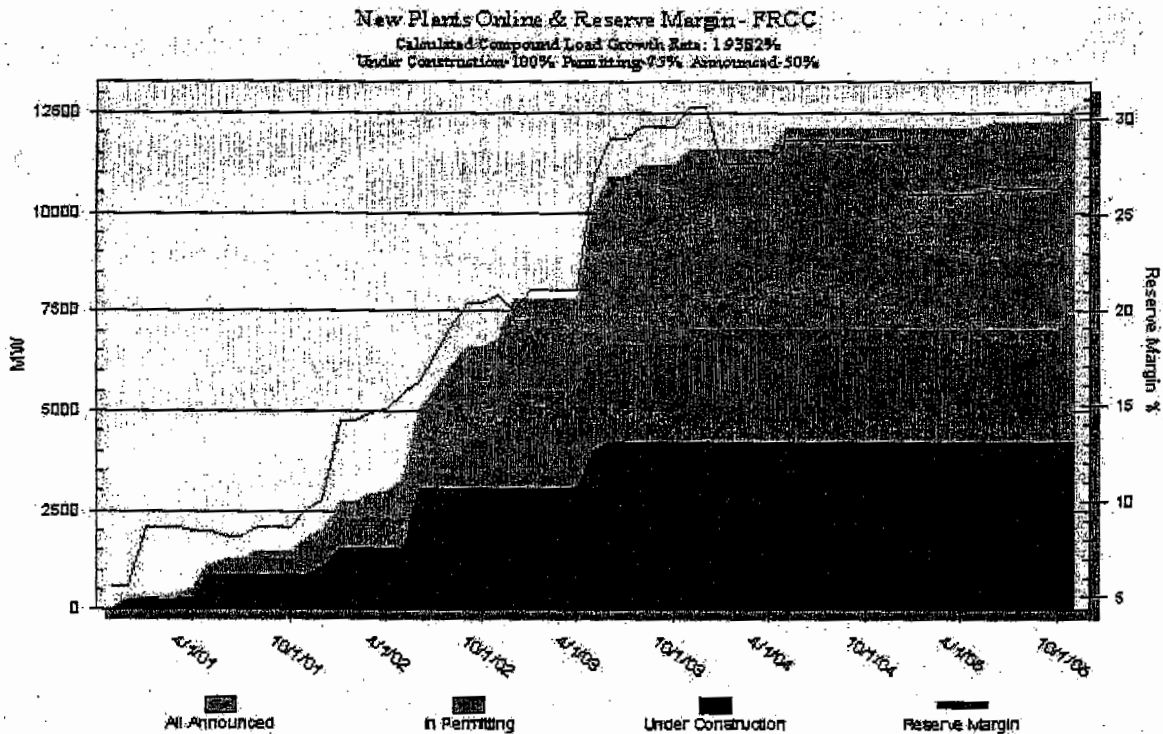
Henwood's **NextGen** provides a dynamic database of generation assets that may come into the power market. **NextGen** tracks proposed generation units and provides instant access to data. Decision-making is assisted because **NextGen** supplies a database of information, which allows the user to filter through specific parameters. The program graphically displays individual unit development life cycles in comparison to specified regional load forecasts.

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NextGen™

NextGen identifies potential target areas for new facilities by allowing users to select multiple development fields concurrently.

### Sample Output Chart

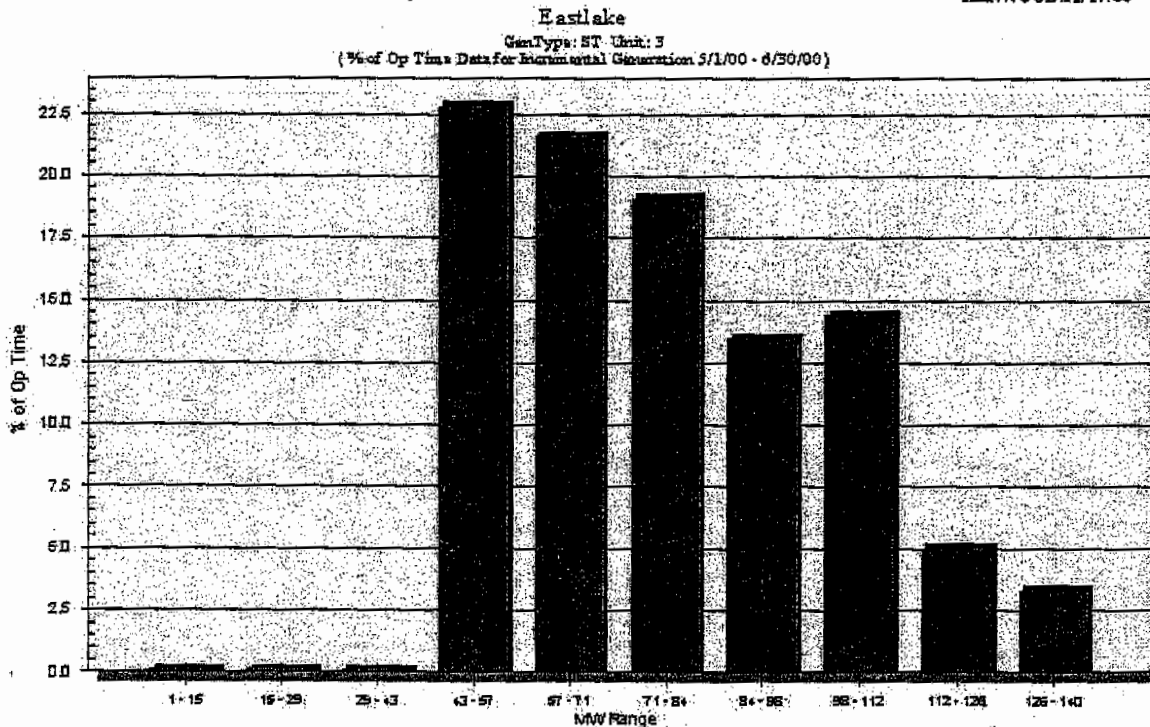
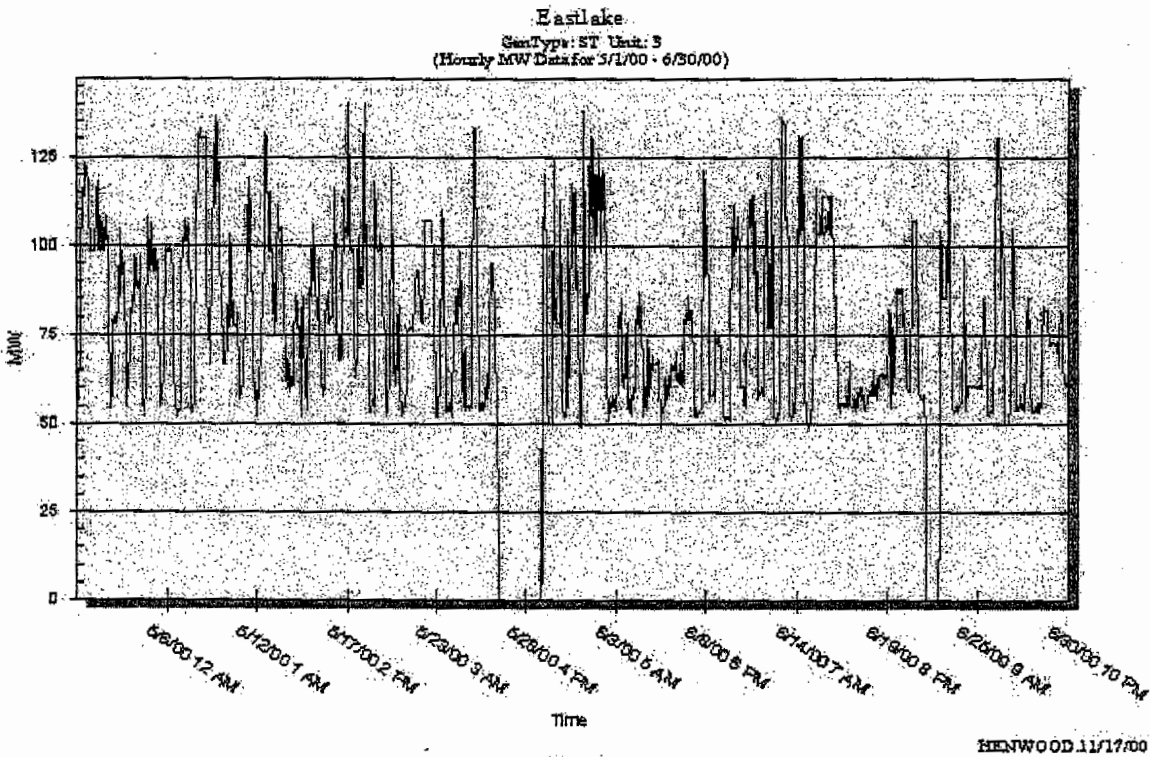


NextGen Data © All Rights Reserved 2000 Harwood, www.HESInt.com (916) 569-0983

HENWOOD 11/17/00

**GenReporter™**

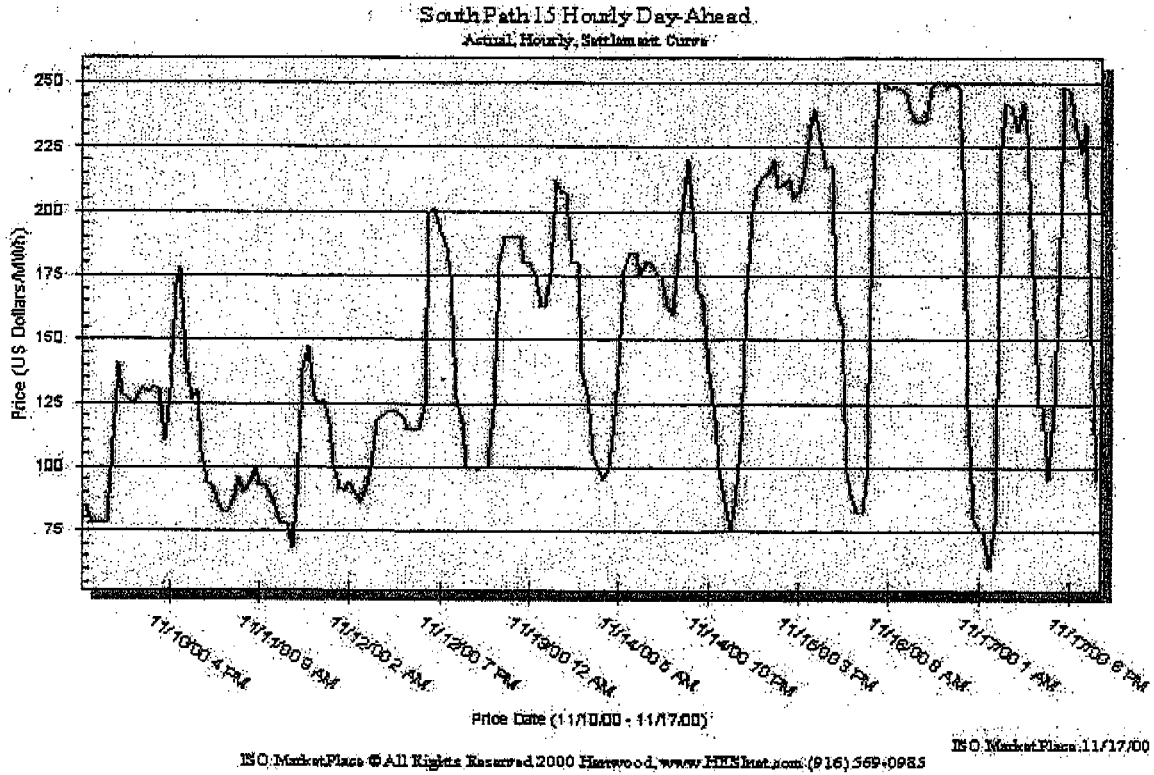
GenReporter provides hourly detail on EPA continuous Emissions Monitoring in tabular or graphical output. Details such as Heat, Input, Energy Output, Operation Time, SO2, NO2, and CO2as well standard unit descriptive data are provided on this hourly basis. All data is updated quarterly. Data can be exported to Excel or Access.





MarketWatch™

MarketWatch provides market data to energy market participants in useful, multi-purpose formats. Electric prices for published cash and forwards markets from various data sources including each ISO market in North America, Europe, and Australia are included on an hourly basis. User-friendly interfaces facilitate quick data inquiries. The results of the inquiries can be presented in tabular or chart format.



**SCHEDULE**

Henwood will provide the Reference Case and eBusiness tools by February 1, 2001, provided Henwood receives SCPPA's written authority to proceed by January 30, 2001.

**BUDGET**

Henwood will provide Henwood's Market Advisory Service for an annual renewable retainer of \$170,500.00 to SCPPA on behalf of its 11 municipal members.

eBusiness tools include two licenses agreement for 11 users for all three of Henwood's e-Business products for an annual renewable fee of \$33,750.00.

Henwood appreciates this opportunity to submit this proposal. If you have any questions please call me at (916) 569-0985. If you wish Henwood to begin work, please countersign this letter in the spaces provided below and return it to us for our records. Please note that this Proposal expires on January 30, 2001.

Sincerely,



Mark G. Foster  
Director of  
Strategic Advisory Services

Mr. Bill Carnahan  
December 26, 2000  
Page 7

I authorize Henwood Energy Services, Inc. to provide, for the commercial terms stated, the specific tasks indicated below consistent with the task descriptions provided in this proposal.

Task	Task Description	Authorized Signature
Task 1	Provide Henwood's Standard WSCC Reference Case Forecast and Regional Power Market Advisory Services.	
Task 2	Provide Henwood's on-line eBusiness Products	

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

Attachments

RESOLUTION NO. 2001-4

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER  
AUTHORITY PROVIDING FOR AN ADDITIONAL CONTRIBUTION TO THE  
AUTHORITY'S REVOLVING GENERAL FUND, AND TAKING CERTAIN  
RELATED ACTION  
(RESTRUCTURING)  
(HENWOOD MARKET PRICE ADVISORY SERVICES)

WHEREAS, the Board of Directors of the Southern California Public Power Authority (the "Authority"), in its Resolution No. 1990-15, established a revolving general fund (the "General Fund") for the payment of costs and expenses incurred by the Authority from time to time in carrying out its purposes;

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1992-1, provided for the continuation of the General Fund and established a procedure to be followed with respect to additional contributions to the General Fund;

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WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1995-13, changed the name of the Joint Planning Account to the Restructuring Account;

WHEREAS, the Board of Directors of the Authority wishes to provide for an additional contribution to the General Fund, and Members of the Authority are willing to make such additional contribution.


BE IT RESOLVED by the Board of Directors as follows:

1. The Board of Directors hereby provides for an additional contribution to the General Fund. Such additional contribution,

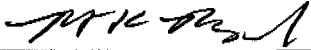
- (a) shall be solely for the purpose of paying costs and expenses incurred by the Authority with respect to the Henwood Energy Services, Inc., WSCC Market Price Advisory Services and E-Business Solution Products, and pending application for such purpose the contribution shall not be expended to pay costs or expenses properly allocable to one or more projects as provided in Section 3 of Resolution No. 1992-1;
  - (b) shall be in the amount of \$21,375 for each SCPPA Member that subscribes to the Henwood's annual Market Advisory Service.
  - (c) shall be billed and collected by adding, as appropriate, to the Authority's March 2001 Hoover Uprating Project billing to Anaheim, and the Authority's March 2001 Palo Verde Project billing to each other participating Member, the amounts set forth above, with such amount designated as "Resolution No. 2001-4 Charge".
2. Although the amounts contributed under this Resolution and related income shall constitute part of the General Fund, they shall be held and accounted for in a separate subaccount within the existing Restructuring Account. The Executive Director of the Authority is hereby directed to establish a subaccount (the Henwood Subaccount) within the Restructuring Account for the purpose of holding contributions and related income, and making disbursements, under this Resolution. The President, Vice President, Secretary, any Assistant Secretary and the Executive Director of the Authority are each authorized to execute checks drawn on the Restructuring Account from time to time.
  3. Amounts contributed to and held in the General Fund and the Henwood Subaccount pursuant to this Resolution will not be contributed or held for the purposes of any project for which the Authority has obtained any form of external financing. Such amounts shall not constitute (a) Revenues, or (b) revenues, income, rents or receipts derived by the Authority from or attributable to Authority Capacity (or to the payment of the costs thereof) or the ownership or operation of any Project. As used herein, "Revenues", "Authority Capacity" and "Project" shall have the respective meanings set forth in the indentures of trust and other instruments governing the external financing arrangements entered into from time to time by the Authority.

4. The President, Vice President, Secretary, any Assistant Secretary, Executive Director and any other officer of the Authority are each hereby authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.
5. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 15<sup>th</sup> day of February 2001.

  
\_\_\_\_\_  
President  
Southern California Public  
Power Authority

ATTEST:

  
\_\_\_\_\_  
Assistant Secretary  
Southern California Public  
Power Authority

**Henwood Energy Services, Inc.**

2710 Gateway Oaks Drive, Suite 300 North  
Sacramento, CA 95833  
Phone: (916) 569-0985  
Fax: (916) 569-0999



January 31, 2001

Mr. Eric Klinkner  
SCPPA  
225 S. Lake Avenue  
Suite 1410  
Pasadena, California 91101

Ph: 626-744-6432  
eklinkner@ci.pasadena.ca.us

**Re: Henwood Energy Services, Inc. Proposal to Provide SCPPA with WSCC  
Market Price Advisory Services and E-Business Solution Products.**

Dear Mr. Klinkner:

It was a pleasure meeting with you and the SCPPA members. Based upon our discussions this letter is Henwood's formal proposal in response to your inquiry.

**INTRODUCTION**

SCPPA is a joint action agency providing services to its members to deliver the benefits of public power to its municipal customers. Several of SCPPA members have identified a need for better understanding the electric industry. This proposal outlines the benefits SCPPA members will receive from joining Henwood's WSCC Market Advisory Service.

Outlined in the proposal below are those items discussed at the meeting on December 19, 2000 and additional phone conversations with SCPPA and Henwood staff. Henwood appreciates the opportunity to submit this revised proposal to SCPPA.

**SCOPE OF WORK**

**Task 1: Provide Henwood's Standard WSCC Reference Case Forecast and Regional Power Market Advisory Services.**

For the WSCC Region, Henwood will provide its 20-year, Regional Reference Case Report and access to Henwood regional experts to provide an ongoing advisory service. During the term of this Agreement, Henwood will provide the following:

- *Henwood Long Term Reference Case* for the WSCC Region. Henwood's 20-year, forecast of expected electric prices across all 21 price zones within the WSCC. The hourly price forecast will be summarized and provided in monthly average, on-peak and off-peak price format. The Reference Case will be delivered electronically either via the Internet or CD.
- *Henwood Summary Analysis of Power Market Fundamentals, a written report* summarizing our findings and analysis of the changing WSCC Power Markets. Two color copies of the Report will be provided. Additional copies may be delivered at an additional charge.
- *Electricity Pricing Tool* to provide retainer clients the ability to do a simple recalculation due to gas price volatility.
- *An invitation to Henwood's WSCC Briefing Workshops*. These Briefing Workshops are held every six months for our WSCC retainer members. The half-day sessions includes two seats for our retainer clients and will be held at a California site selected by Henwood. At your request, Briefing Workshops may be held at other sites at an additional fee.
- *Monthly Interactive Conference Calls* to enable your management and staff to interact with Henwood's regional power staff in an interactive session on key issues from our work across the power markets. The monthly calls will be planned to provide an interim update of Henwood's insights into a regional market and a discussion of key market risk, pricing, generation portfolio or other issues.
- *White Papers on Important Topics* where we give detailed analysis of key issues from our experts.
- *Email Alerts* about upcoming events and news regarding the power markets.
- *Regional Members Forum* to give retainer clients input into our analysis prices for development of future Reference Cases.
- *WSCC Interconnects and Power Flows* electricity forecast map.



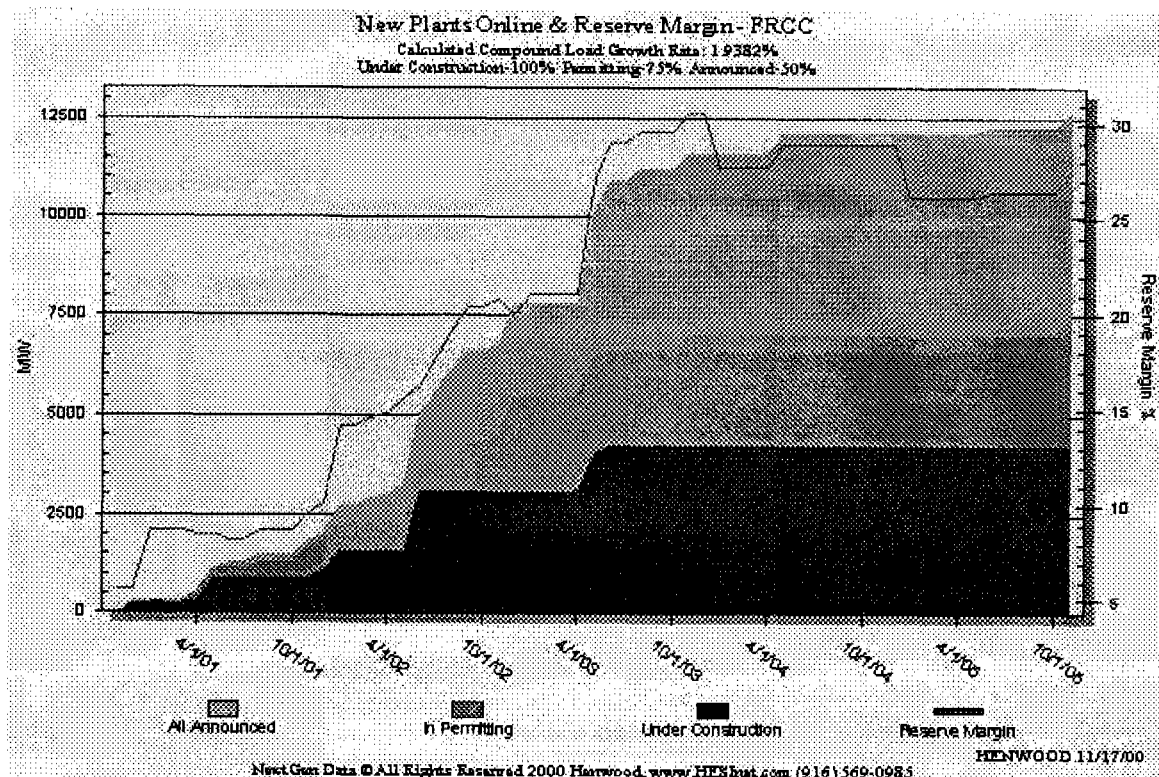
## Task 2: Provide Henwood's on line eBusiness Products

Henwood has developed three new eBusiness products: NextGen, GenReporter, and MarketWatch. These products are described below. Our goal is to put Web enabled software tools and business information in your hands to facilitate critical business decisions for the competitive energy marketplace.

### NextGen™

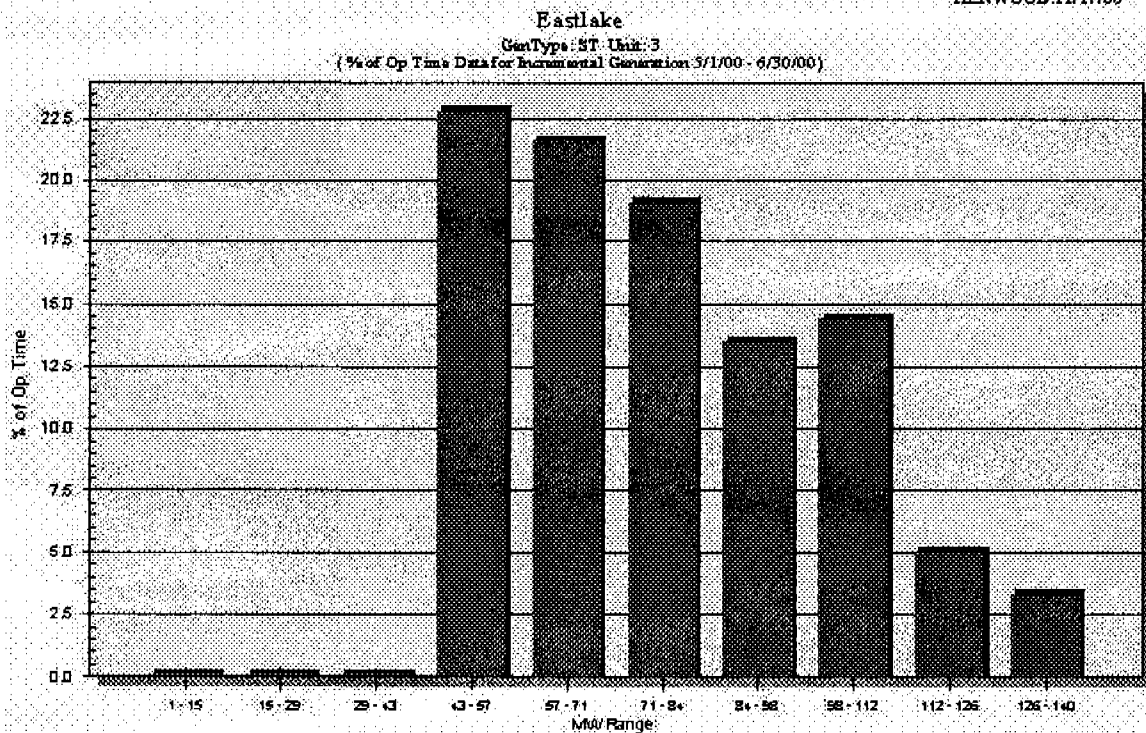
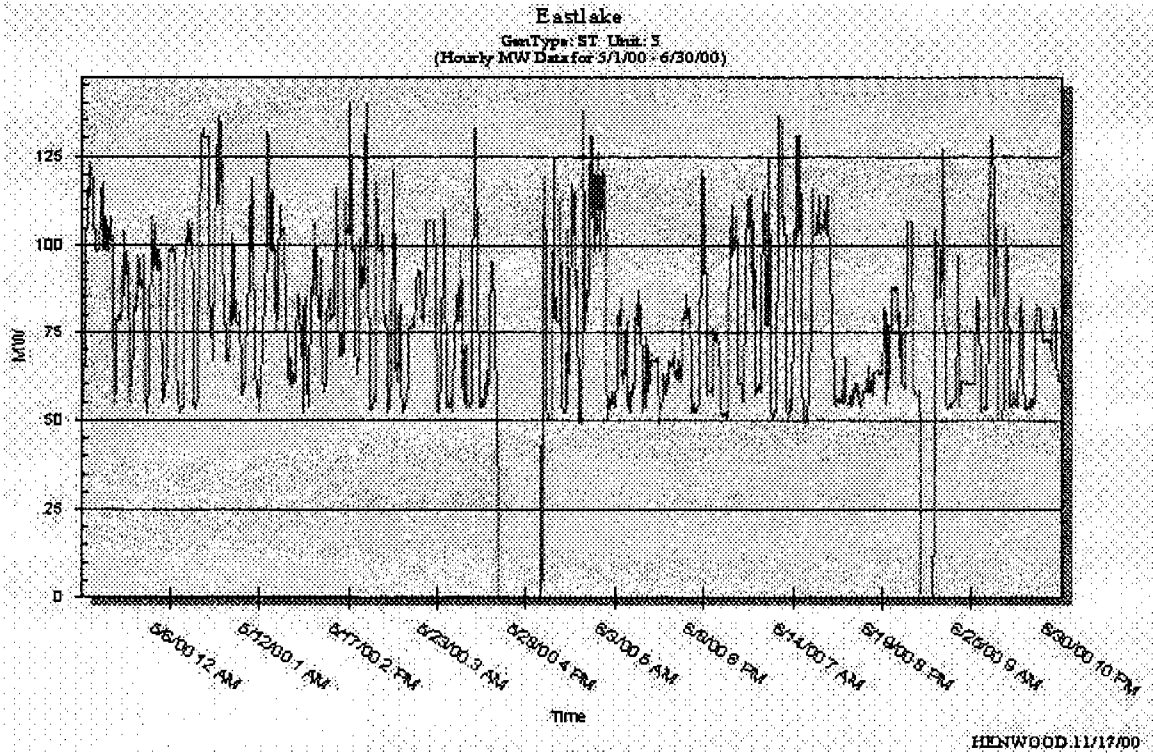
Henwood's **NextGen** provides a dynamic database of generation assets that may come into the power market. **NextGen** tracks proposed generation units and provides instant access to data. Decision-making is assisted because **NextGen** supplies a database of information, which allows the user to filter through specific parameters. The program graphically displays individual unit development life cycles in comparison to specified regional load forecasts. **NextGen** identifies potential target areas for new facilities by allowing users to select multiple development fields concurrently.

### Sample Output Chart



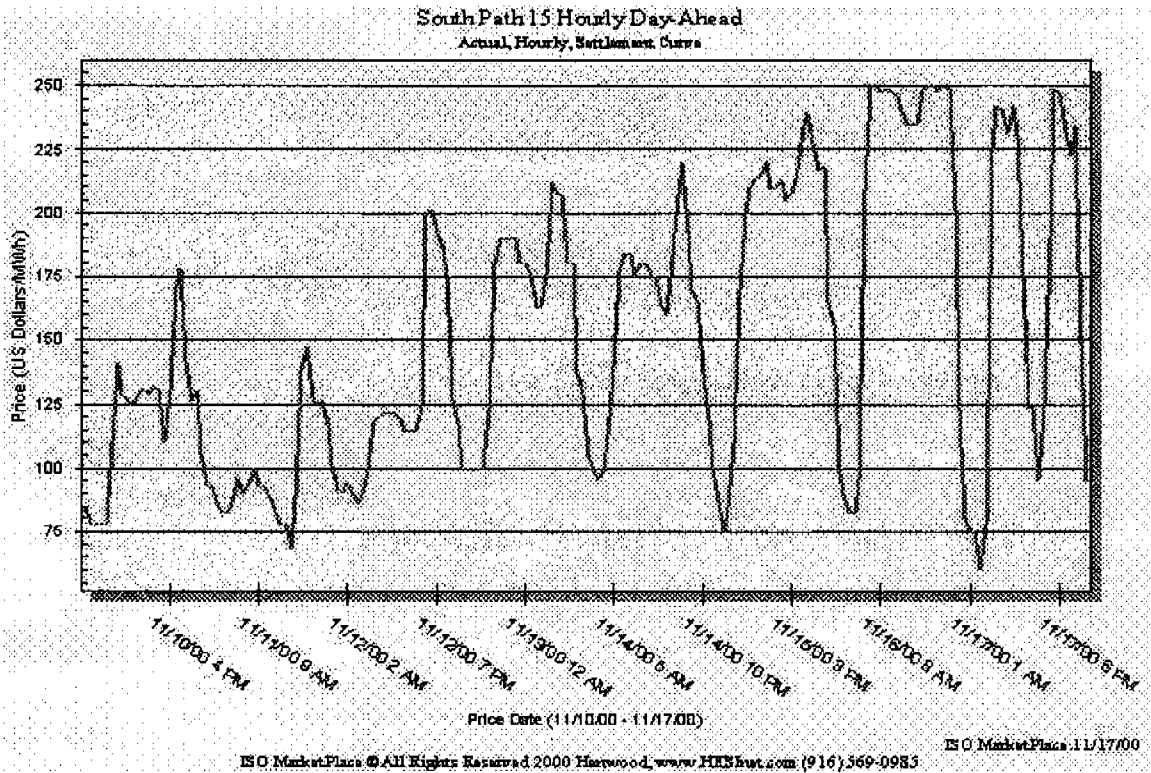
**GenReporter™**

GenReporter provides hourly detail on EPA continuous Emissions Monitoring in tabular or graphical output. Details such as Heat, Input, Energy Output, Operation Time, SO2, NO2, and CO2 as well standard unit descriptive data are provided on this hourly basis. All data is updated quarterly. Data can be exported to Excel or Access.



### MarketWatch™

**MarketWatch** provides market data to energy market participants in useful, multi-purpose formats. Electric prices for published cash and forwards markets from various data sources including each ISO market in North America, Europe, and Australia are included on an hourly basis. User-friendly interfaces facilitate quick data inquiries. The results of the inquiries can be presented in tabular or chart format.



### **SCHEDULE**

Henwood will provide the Reference Case and eBusiness tools by March 5<sup>th</sup>, 2001, provided Henwood receives SCPPA's written authority to proceed by February 28<sup>th</sup>, 2001.

### **BUDGET**

Henwood will provide Henwood's Market Advisory Service for an annual renewable retainer for \$21,375 per SCPPA member that subscribes to the annual retainer service with a minimum of six municipal members. This represents a 25% discount off our standard retainer price of \$28,500 and would total \$128,250 for all six members. The remaining five SCPPA members may join within the next 6-months at the same price.

eBusiness tools include a single license agreement for six SCPPA members for all three of Henwood's e-Business products for an annual renewable fee of \$24,000. The remaining five SCPPA members may obtain eBusiness license for all three products at \$4,000 on an annual basis for each city if they join within the next 6-months.

Henwood appreciates this opportunity to submit this proposal. If you have any questions please call me at (916) 569-0985. If you wish Henwood to begin work, please countersign this letter in the spaces provided below and return it to us for our records. Please note that this proposal expires on February 30, 2001.

Sincerely,

Mark G. Foster  
Director of  
Strategic Advisory Services

I authorize Henwood Energy Services, Inc. to provide, for the commercial terms stated, the specific tasks indicated below consistent with the task descriptions provided in this proposal.

<b>Task</b>	<b>Task Description</b>	<b>Authorized Signature</b>
Task 1	Provide Henwood's Standard WSCC Reference Case Forecast and Regional Power Market Advisory Services.	
Task 2	Provide Henwood's on-line eBusiness Products	

\_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Title)  
\_\_\_\_\_  
(Date)