

**MASTER POWER PURCHASE AND SALE AGREEMENT  
CONFIRMATION LETTER  
BETWEEN PACIFICORP AND PACIFIC GAS AND ELECTRIC COMPANY  
FOR BUNDLED RPS ENERGY**

**2010 THROUGH 2012**

**Preamble:** This Confirmation Letter ("Confirmation" or "Agreement") is entered into as of 9/15/09, 2009 ("Execution Date") by and between Pacific Gas and Electric Company, a California corporation ("PG&E" or "Buyer"), and PacifiCorp, an Oregon corporation ("PacifiCorp" or "Seller"), each individually a "Party" and collectively the "Parties," and confirms the transaction ("Transaction") agreed to by the Parties regarding the purchase and sale of the Product (as defined below) hereunder. This Confirmation is being provided pursuant to and in accordance with the terms and provisions of the EEI Master Power Purchase and Sale Agreement between the Parties together with the Cover Sheet, Collateral Annex and Paragraph 10 to the Collateral Annex, each dated 9/15/09, 2009 (collectively, the "EEI Master Agreement"), and constitutes a Confirmation under, a part of and is subject to the terms and conditions of such EEI Master Agreement. To the extent that this Confirmation is inconsistent with any provision of the EEI Master Agreement, this Confirmation shall govern the rights and obligations of the Parties with respect to this Transaction. Capitalized terms used but not defined herein shall have the meanings assigned to them in the EEI Master Agreement.

**Transaction:** Buyer is purchasing and Seller is selling the Product under the terms and conditions of this Confirmation ("Transaction").

**Seller:** PacifiCorp

**Buyer:** PG&E

**Term and  
Binding Nature:**

(a) Subject to the terms hereof, the delivery term shall commence HE 0100 PPT on January 1, 2010 and continue through and conclude on HE 2400 PPT December 31, 2012 ("Delivery Term"); provided that, this Confirmation shall remain in effect until the Parties have fulfilled all obligations with respect to the Transaction, including the delivery of the Product and the transfer of all Green Attributes to Buyer through WREGIS, and the payment of any and all amounts due hereunder.

(b) This Agreement shall be effective and binding as of the Execution Date only to the extent required to give full effect to, and enforce, the rights and obligations of the Parties under Special Provisions 1 (Conditions Precedent), 2 (Failure to Meet All Conditions Precedent), 3 (Obligations Prior to Satisfaction of Conditions Precedent), 4 (Seller Representations, Warranties and Covenants), 6 (WREGIS), 7 (Payments), 12 (Confidentiality), and 13 (Governing Law), and those terms and conditions relating to the performance and enforcement of each Party's rights and obligations under the foregoing Special Provisions. Upon the occurrence of the Effective Date, this Agreement shall be in full force and effect, enforceable and binding in all respects.

**Product:**

(a) WSPP Schedule C Energy ("Firm Energy") bundled with an equal amount of Green Attributes that are produced by or associated with any Qualified Project (or Complying Facility, as applicable) identified on Appendix II attached hereto.

(b) All Green Attributes delivered by Seller pursuant to this Confirmation shall be (i) supplied and attributable to generation from a Qualified Project and (ii) generated and delivered within the same calendar year. The Firm Energy and the Green Attributes shall be referred to together as "Bundled RPS Energy" or "Product." All Bundled

RPS Energy shall comply with the requirements of the California Renewables Portfolio Standard for out-of-state renewable generation, including, without limitation, the eligibility and delivery requirements set forth in the guidelines adopted by the CEC pursuant to California Public Resources Code Section 25741. To the extent a change in Law occurs after the Execution Date that causes the preceding statement 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. For purposes of this paragraph and Special Provision 8 below, such "commercially reasonable efforts" shall mean Seller expending or incurring up to an aggregate of Ten Thousand Dollars (\$10,000) on out-of-pocket costs and expenses paid to third parties (not including the need to incur additional administrative or internal staffing expenses) during the Delivery Term of this Confirmation to comply with such change in Law.

**Contract Price:** The Contract Price for Bundled RPS Energy shall consist of the Energy Price and the Green Attributes Price, as follows:

- (a) **Energy Price:** ICE Daily California / Oregon Border Index ("Energy Price"); plus
- (b) **Green Attributes Price:** The price for Green Attributes shall be: (i) [REDACTED] per MWh for Contract Year 2010; (ii) [REDACTED] per MWh for Contract Year 2011; and (iii) [REDACTED] per MWh for Contract Year 2012 ("Green Attributes Price").

No other payment shall be required for Bundled RPS Energy delivered under this Confirmation.

**Delivery Point:** The Delivery Point for Firm Energy shall be the California / Oregon Border North to South ("COB"). With regard to Green Attributes, title shall transfer from Seller to Buyer as set forth in Special Provision 7 below or in accordance with applicable Law.

**Quantity:**

(a) For each Contract Year, Seller shall deliver to Buyer the Quantity specified in Table 1 below for Green Attributes ("Green Attributes Quantity") and Firm Energy ("Firm Energy Quantity") (together, the "Quantity of Product"); provided that, if the Goodnoe Wind Facility identified on Appendix II is not certified by the CEC as an ERR by December 21, 2009, then Seller may make a one-time adjustment to the Green Attributes Quantity and the Firm Energy Quantity as specified in Appendix III after providing five (5) days prior Notice to Buyer.

(b) The Firm Energy Quantity shall match (upon conversion to MWh) the Green Attributes Quantity.

**TABLE 1: QUANTITY OF PRODUCT**

Contract Years 2010 through 2012	Green Attributes Quantity (MWh)	Firm Energy Quantity (as scheduled and delivered at COB) (MW)
Consisting of Quarter 1, Quarter 2, and Quarter 4 of each Contract Year	[REDACTED] MWh in Contract Year 2010 [REDACTED] MWh in Contract Year 2011 [REDACTED] MWh in Contract Year 2012	[REDACTED] for each hour of each day in each Delivery Month during each applicable Quarter in each Contract Year

**Green Attributes Imbalance and Product Delivery Shortfall:**

In the event that for any Contract Year the Firm Energy Quantity delivered is more than the Green Attributes Quantity delivered ("Green Attributes Imbalance"), then Buyer shall remain obligated to pay Seller the Energy Price for the Firm Energy that was scheduled, delivered and received by Buyer, pursuant to Special Provision 7 below, and the following provisions in this Green Attributes Imbalance and Product Delivery Shortfall section shall apply as Buyer's exclusive

remedies for such Green Attributes Imbalance in that Contract Year, notwithstanding anything to the contrary in the EEI Master Agreement. If Seller does not cure the Green Attributes Imbalance in accordance with this Green Attributes Imbalance and Product Delivery Shortfall section, Buyer may, at its option, declare an Event of Default. The MWh amount of a Green Attributes Imbalance shall be referred to as the "Green Attributes Deficit Amount."

In the event that for any Contract Year the Quantity of Product delivered is less than the applicable Quantities specified in Table 1 above for Green Attributes and Firm Energy (a "Product Delivery Shortfall"), then this Green Attributes Imbalance and Product Delivery Shortfall section shall apply as Buyer's exclusive remedies for such Product Delivery Shortfall in that Contract Year, notwithstanding anything to the contrary in the EEI Master Agreement. If Seller does not cure the Product Delivery Shortfall in accordance with this Green Attributes Imbalance and Product Delivery Shortfall section, Buyer may, at its option, declare an Event of Default. The MWh amount of a Product Delivery Shortfall shall be referred to as the "Product Shortfall Amount."

This Green Attributes Imbalance and Product Delivery Shortfall section shall be Buyer's sole and exclusive remedy for any Green Attributes Imbalance, Green Attributes Deficit Amount (which is the MWh amount of a Green Attributes Imbalance), Product Delivery Shortfall, Product Shortfall Amount (which is the MWh amount of a Product Delivery Shortfall), or breach of subsection (b) of the Quantity section above.

(a) **Cure Provision for Green Attributes Imbalance and / or Product Delivery Shortfall.** Subject to the Shortfall Damages provision in subsection (b) immediately below, Seller shall cure a Green Attributes Imbalance and / or Product Delivery Shortfall as set forth herein ("Cure Provision"). Seller shall give Buyer Notice no later than January 15 of the calendar year immediately succeeding the Contract Year in which the Green Attributes Imbalance and / or Product Delivery Shortfall occurred containing Seller's best estimate of the Green Attributes Deficit Amount or Product Shortfall Amount, as applicable ("Notice of Estimated Cure"). In addition, on or before March 30 of such immediately succeeding calendar year, Seller shall give Notice to Buyer of the actual Green Attributes Deficit Amount and / or the actual Product Shortfall Amount as verified against the applicable metered data ("Notice of Actual Cure").

(i) To cure a Green Attributes Imbalance, Seller shall deliver to Buyer in the second Quarter of such immediately succeeding calendar year ("Cure Period") Green Attributes and Firm Energy each in an amount equal to the actual verified Green Attributes Deficit Amount (rounded down to the nearest 5 MW block). To cure a Product Delivery Shortfall, Seller shall deliver to Buyer in the second Quarter of such immediately succeeding calendar year ("Cure Period") Product in an amount equal to the actual verified Product Shortfall Amount (rounded down to the nearest 5 MW block).

(ii) The Contract Price for any Green Attributes delivered under this Cure Provision (whether for a Green Attributes Imbalance or a Product Delivery Shortfall) shall be the Green Attributes Price for the Contract Year in which the Green Attributes Imbalance or the Product Delivery Shortfall, as applicable, occurs. The Contract Price for Firm Energy delivered under this Cure Provision shall be the Energy Price at the time scheduled, delivered and received. The Parties shall use the Notice of Estimated Cure to develop a mutually agreeable schedule for any Firm Energy that Seller delivers under this Cure Provision ("Firm Energy Cure Schedule"). The Parties shall update the Firm Energy Cure Schedule as necessary in accordance with the Notice of Actual Cure.

(iii) Seller may deliver Green Attributes pursuant to this Cure Provision from any Qualified Project or from any generating facility that (a) at the time of such delivery qualifies and is certified by the CEC as an ERR for purposes of the California Renewables Portfolio Standard, is registered with WREGIS, and has commenced initial operation after January 1, 2005, and may be an in-state or out-of-state resource but is located within the United States, and (b) otherwise complies with this Confirmation (each such generating facility, a "Complying Facility"); provided that, at least three (3) days prior to any such delivery from a Complying Facility, Seller shall give Buyer Notice identifying such Complying Facility in reasonable detail.

(b) **Failure Notice and Shortfall Damages.** In the event that Seller fails to cure a Green Attributes Imbalance and / or Product Delivery Shortfall in accordance with the Cure Provision in subsection (a) above, then Buyer shall give Seller Notice of such failure ("Failure Notice") and fifteen (15) calendar days from the delivery of such Failure Notice to either (1) cure the outstanding Green Attributes Deficit Amount or Product Delivery Shortfall (as applicable) or (2) pay Shortfall Damages to Buyer. Buyer's Failure Notice shall identify the outstanding Green Attributes Deficit Amount and / or Product Delivery Shortfall and the amount of applicable Shortfall Damages.

(i) If pursuant to Buyer's Failure Notice Seller elects to cure the outstanding Green Attributes Deficit Amount and / or Product Delivery Shortfall, Seller may deliver Green Attributes from any Qualified Project or Complying Facility for the cure. The Parties shall agree upon a schedule for any Firm Energy that Seller delivers pursuant to such cure.

(ii) If pursuant to Buyer's Failure Notice Seller elects to pay Shortfall Damages, such damages shall be paid for each MWh of the Green Attributes Deficit Amount and / or the Product Shortfall Amount that Seller failed to cure pursuant to the Cure Provision in subsection (a) above. The Parties agree that the damages sustained by Buyer as a result of a Green Attributes Deficit Amount and / or Product Delivery Shortfall would be difficult or impossible to determine or that obtaining an adequate remedy would be unreasonably time consuming or expensive and therefore agree that Seller shall pay the Shortfall Damages to Buyer as liquidated damages. In no event shall Buyer be obligated to pay Shortfall Damages.

(iii) If within the fifteen (15) day time period following delivery of Buyer's Failure Notice Seller does not either (1) cure the Green Attributes Deficit Amount or Product Delivery Shortfall (as applicable) or (2) pay the applicable Shortfall Damages, Buyer may, at its option, declare an Event of Default.

**Delivery Rate:** Except for calendar months July, August and September of each Contract Year, Seller shall shape and deliver Firm Energy for each Contract Year during all calendar months of such Contract Year (each, a "Delivery Month," and collectively for a Contract Year, the "Delivery Months") as uniform hourly blocks of Energy deliveries over all hours of each day in each Delivery Month pursuant to Table 1 and the Quantity section above.

Green Attributes shall be delivered by Seller to Buyer in accordance with Special Provision 6 below.

**Scheduling:** (1) Except for any Firm Energy that may be delivered pursuant to the Cure Provision or a Failure Notice, Seller shall Schedule all Firm Energy in accordance with the most recent rules adopted by the Western Electricity Coordinating Council ("WECC").

(2) For any Firm Energy that Seller delivers pursuant to the Cure Provision, the Parties shall use the Notice of Estimated Cure to develop a mutually agreeable schedule for such Firm Energy (defined as the "Firm Energy Cure Schedule"). The Parties shall update the Firm Energy Cure Schedule as necessary in accordance with the Notice of Actual Cure. Seller shall Schedule all Firm Energy in accordance with the Firm Energy Cure Schedule for delivery during the same hour and within seven calendar days from the date such Energy should have been delivered pursuant the Delivery Rate section of this Confirmation. In addition, the Parties shall agree upon a schedule for any Firm Energy that Seller delivers pursuant to a Failure Notice.

(3) The Parties may also agree to additional scheduling and communication protocols necessary to implement deliveries under this Confirmation.

(4) NERC E-tags shall comply with the delivery requirements as specified by the CEC. Buyer shall be responsible, if applicable, to create NERC E-tag documentation for each confirmed day-ahead delivery, and to revise such NERC E-tags hourly, as necessary, to show that the associated schedule pertains to this Confirmation, that the REC source is a Qualified Project, and, via the NERC E-tag's physical path chain, that the sole source of the Green Attributes is a Qualified Project.

**Credit and Collateral:** As this Confirmation is being provided pursuant to and in accordance with the EEI Master Agreement, the obligations of each Party under the Confirmation shall be secured in accordance with the provisions of the EEI Master Agreement, with the following exception: Should a Party suffer a Downgrade Event such that a Party's Credit Rating falls below 'BBB-' from S&P or 'Baa3' from Moody's, it shall post Performance Assurance in an amount equal to \$14,167,248. Any such Performance Assurance shall remain in full force and effect from such date until the earlier of (a) the date the Downgrade Event ceases to be applicable or (b) the end of the Delivery Term.

## SPECIAL PROVISIONS:

1. Conditions Precedent. The Effective Date of this Confirmation shall not occur until the following conditions have been satisfied (such conditions shall be referred to collectively as "Conditions Precedent," and each a "Condition Precedent"):

(a) CPUC Approval has been obtained and Buyer receives a final and non-appealable order of the CPUC that finds that Buyer's entry into this Confirmation is reasonable and that payments to be made by Buyer hereunder are recoverable in rates ("CPUC Approval Condition Precedent"); and

(b) the CEC certifies that at least seven (7) of the Wind Facilities listed on Appendix II is each an ERR for purposes of the California Renewables Portfolio Standard ("CEC Certification Condition Precedent").

2. Failure to Meet All Conditions Precedent. If each Condition Precedent is not satisfied, or waived in writing by both Parties, on or before December 29, 2009, either Party may terminate this Confirmation effective upon receipt of written notice by the other Party, such notice shall be delivered by December 29, 2009 or such later date as may be mutually agreed upon in writing by the Parties. Neither Party shall have any obligation or liability to the other by reason of such termination.

3. Obligations Prior to Satisfaction of Conditions Precedent. If as of January 1, 2010 the CEC Certification Condition Precedent has been satisfied, but not the CPUC Approval Condition Precedent and neither Party has terminated this Confirmation under Special Provision 2, then the Parties shall have the obligations set forth in this Special Provision 3.

(a) Delivery and Receipt of Firm Energy. Seller shall deliver Firm Energy as specified in the Delivery Rate section above and Buyer shall take and pay for Firm Energy delivered at the Energy Price, in accordance with this Confirmation. In the event this Confirmation is later terminated pursuant to Special Provision 2, the Parties' obligations to deliver, receive and pay for Firm Energy shall simultaneously terminate as soon as they may practically be terminated with due regard to the Scheduling provisions hereof. Any Firm Energy delivered prior to a termination of this Confirmation pursuant to Special Provision 2 shall be paid for by Buyer at the Energy Price.

(b) Tracking of Green Attributes.

(i) Seller shall record and track in an internal bookkeeping account (A) the amount of Green Attributes that shall be bundled with the Firm Energy delivered pursuant to Special Provision 3(a) above ("Tracked Green Attributes") and (B) the aggregate Green Attributes Price payable with respect to such Tracked Green Attributes. Seller shall reserve and maintain all Tracked Green Attributes in Seller's internal bookkeeping account on behalf of and for the sole benefit of Buyer until the earlier to occur of either the date of the satisfaction of all Conditions Precedent or the date this Agreement is terminated pursuant to Special Provision 2. During the time period in which Seller tracks Green Attributes pursuant to this subsection (the "Tracking Period"), all metering and WREGIS obligations shall be performed in accordance with the applicable provisions of this Confirmation, and such information shall form the basis of items (A) and (B) referenced above.

(ii) Upon the first day following the Effective Date, Seller shall transfer the Tracked Green Attributes to Buyer pursuant to Special Provision 6 and invoice Buyer for the Tracked Green Attributes at the applicable Green Attributes Price. Buyer shall pay such amount in accordance with Special Provision 7. Upon the transfer of the Tracked Green Attributes to Buyer and the payment therefor, this Special Provision 3(b) shall no longer be applicable.

(iii) If this Confirmation is terminated pursuant to Special Provision 2 above, (A) Buyer automatically relinquishes any and all rights to any Green Attributes or WREGIS Certificates hereunder; (B) Buyer shall have no payment obligations whatsoever pursuant to this Special Provision 3(b); and (C) this Special Provision 3(b) shall no longer be applicable. Upon the termination of this Confirmation pursuant to Special Provision 2, neither Party shall have any further liability or obligation to the other Party by reason of such termination other than for any Firm Energy delivered pursuant to Special Provision 3(a) above.

(iv) Nothing in this Special Provision 3(b) shall require Seller to reserve Green Attributes or WREGIS Certificates from any Qualified Project beyond January 1, 2010 if the Effective Date does not occur prior thereto, except as mutually agreed by the Parties with respect to Tracked Green Attributes during the Tracking Period.

4. Seller Representations, Warranties and Covenants. Seller hereby represents, warrants, and covenants that:

(a) Seller has the contractual right to purchase and take title to (i) the Firm Energy and (ii) the Green Attributes generated by any Qualified Project (and any Complying Facility, as applicable) delivered hereunder, and at the time of delivery to Buyer all right, title and interest in and to such Firm Energy and Green Attributes are free and clear of any liens, taxes, Claims, security interests or other encumbrances, except for any right or interest by any entity claiming through Buyer and any Governmental Charges, costs and expenses charged to or incurred by Buyer following transfer of the Green Attributes pursuant to Special Provision 6 below;

(b) Seller has not sold, and will not sell, the Firm Energy or Green Attributes to be delivered hereunder, or the RECs representing such Green Attributes, to any other person or entity;

(c) Seller and each Qualified Facility (and each Complying Facility, as applicable) shall be registered with WREGIS; and

(d) All Green Attributes delivered hereunder shall be supplied and attributable to generation from a Qualified Project (and, as applicable, a Complying Facility) and all Product shall qualify under the requirements of the California Renewables Portfolio Standard.

5. Green Attributes from Any Qualified Project and Tracking of RECs in WREGIS.

(a) Except as provided in the Cure Provision and the Failure Notice and Shortfall Damages section, in no event shall Seller have the right to procure any element of the Green Attributes from any source other than a Qualified Project for sale or delivery to Buyer under this Agreement.

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

(c) Buyer warrants that all necessary steps that Buyer is responsible for undertaking pursuant to this Confirmation have been taken to allow the renewable energy credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System.

6. WREGIS.

(a) Seller shall take all actions and execute all documents or instruments necessary to ensure that the Green Attributes to be sold hereunder from each Qualified Project (and each Complying Facility, as applicable) can be transferred to Buyer utilizing WREGIS and that the transfer of WREGIS Certificates shall represent the RECs attributable to or associated with such Green Attributes. Seller and Buyer shall comply with all Laws, including, without limitation, the WREGIS Operating Rules, regarding the certification and transfer of such WREGIS Certificates to Buyer and Buyer shall be given sole title to all such WREGIS Certificates. Prior to the commencement of the Delivery Term, Seller shall register each Qualified Project with WREGIS and establish an account with WREGIS ("Seller's WREGIS Account"), which Seller shall maintain until the end of the Delivery Term. Seller shall transfer WREGIS Certificates to Buyer in accordance with WREGIS reporting protocols and WREGIS Operating Rules (as defined in the WREGIS Operating Rules) from Seller's WREGIS Account to the WREGIS account(s) designated in writing by Buyer ("Buyer's WREGIS Account"). Seller shall be responsible for all expenses associated with registering each Qualified Project (and each Complying Facility, as applicable) with WREGIS, establishing and maintaining Seller's WREGIS Account, and paying WREGIS Certificate issuance and transfer fees, and all charges assessed by WREGIS to transfer WREGIS Certificates from Seller's WREGIS Account to Buyer's WREGIS Account. Buyer shall be responsible for all expenses associated with accepting and retiring WREGIS Certificates transferred to Buyer hereunder.

(b) Seller shall transfer WREGIS Certificates to Buyer on a monthly basis no later than ten (10) calendar days after their creation in accordance with the certification procedure established by the WREGIS Operating Rules. Since WREGIS Certificates will only be created for whole MWh amounts of output generated, any fractional MWh amounts (i.e., kWh) will be carried forward until sufficient generation is accumulated for the creation of a WREGIS Certificate. Seller shall use commercially reasonable efforts to (i) ensure that the WREGIS Certificates for a given calendar month

correspond with the Green Attributes generated by each applicable Qualified Project for such calendar month as evidenced by such Qualified Project's metered data, and (ii) validate, adjust, and dispute data with WREGIS so that the data from each applicable Qualified Project's meter exactly corresponds with the WREGIS Certificates created for the Green Attributes in each calendar month. Seller shall provide Buyer with any copies of correspondence or documentation to or from WREGIS with respect to any such validation, adjustment, or dispute. For purposes of this Special Provision 6(b), "commercially reasonable efforts" shall mean, with respect to each WREGIS Certificate, Seller expending or incurring Five Dollars (\$5.00) per WREGIS Certificate on out-of-pocket costs and expenses paid to third parties (not including the need to incur additional administrative or internal staffing expenses) during the Delivery Term up to a maximum of Ten Thousand Dollars (\$10,000) to comply with its obligations under clauses (i) and (ii) above.

(c) Without limiting Seller's obligations under this Special Provision 6, including without limitation Seller's obligations under clauses (i) and (ii) of subsection (b) above, if a WREGIS Certificate Deficit is caused solely by an error or omission of WREGIS, it shall not constitute a Green Attributes Imbalance or Product Delivery Shortfall and the Parties shall cooperate in good faith to cause WREGIS to correct its error or omission.

(d) If WREGIS changes the WREGIS Operating Rules after the Execution Date or applies the WREGIS Operating Rules in a manner inconsistent with this Confirmation, the Parties promptly shall modify this Special Provision 6 as reasonably required to cause and enable Seller to transfer to Buyer's WREGIS Account a quantity of WREGIS Certificates for each given calendar month that corresponds to the Green Attributes generated by each applicable Qualified Project in the same calendar month.

7. Payments. Buyer's payments to Seller under this Confirmation shall be made in accordance with Article 6 of the EEI Master Agreement. The following provisions shall supplement those in Article 6 of the EEI Master Agreement:

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:

(a) the applicable Energy Price pursuant to the ICE Daily California / Oregon Border Index multiplied by the quantity of Firm Energy scheduled, delivered and received by Buyer pursuant to this Confirmation during the applicable Calculation Period; and

(b) the applicable Green Attributes Price multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to this Confirmation as part of the Product, as evidenced by the WREGIS Certificates for the RECS representing such Green Attributes which have been properly transferred to Buyer's WREGIS Account.

Passage of Title: All rights, title and interest in and to the Green Attributes, RECs and WREGIS Certificates will transfer to Buyer upon payment to Seller in accordance with the terms of this Special Provision 7.

WREGIS Certificate Evidence: Buyer shall not be obligated to pay for any Green Attributes that have not been evidenced as WREGIS Certificates and properly transferred to Buyer's WREGIS Account.

8. Eligibility.

(a) 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.

(b) 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 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.

9. 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.

10. Greenhouse Gas Emissions. Buyer advises that a Governmental Authority may require Buyer to take certain actions with respect to greenhouse gas emissions attributable to the generation of energy, including, but not limited to, reporting, registering, tracking, allocating for or accounting for such emissions. Seller agrees to reasonably cooperate with Buyer's fulfillment of its reporting obligations by providing information as requested in writing by Buyer with reasonable detail and specificity as reasonably necessary to permit Buyer to comply with such requirements, if any. Nothing herein shall obligate Seller to take or not take any action or omission with respect to its own reporting to any Governmental Authority, or to support or concur with any reporting by Buyer to any Governmental Authority.

11. No Sale of Capacity. The Parties hereby agree that the sale of Bundled RPS Energy hereunder shall only pertain to the Green Attributes associated with generation from a Qualified Project and the sale of Firm Energy, and shall not in any way include the sale of capacity from a Qualified Project, and Buyer hereby disclaims, negates, renounces and waives any claim to the contrary.

12. RPS Confidentiality. Notwithstanding anything to the contrary in the EEI Master Agreement, at any time on or after the date on which the Buyer makes its advice filing letter seeking CPUC Approval of this Agreement, either Party shall be permitted to disclose the following terms with respect to this Agreement to the extent applicable: Party names, resource type, Delivery Term, Qualified Project locations, anticipated Initial Energy Delivery Date, Quantity, and Delivery Point.

13. 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.

14. As used in Special Provision 13 above, the word "agreement" means this Agreement and the words "party" and "parties" shall have the meaning set forth in the Preamble above.

15. As used in Special Provisions 8 and 13 above, the words "law" and "laws" shall have the meaning set forth in the Glossary of Definitions for "Law."

16. As used in the Glossary of Definitions for "CPUC Approval" below, the words "eligible renewable energy resource" shall have the meaning set forth in the Glossary of Definitions for "Eligible Renewable Energy Resource."

17. As used in Special Provisions 8 and 9 above, the words "the Project" shall mean any Qualified Project. As used in the Glossary of Definitions below for "Green Attributes," the words "the Project" shall mean any Qualified Project and any Complying Facility, as applicable.

18. Counterparts. This Confirmation may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Confirmation. Delivery of an executed counterpart of this Confirmation by fax or Portable Document Format (PDF) will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Confirmation by facsimile or PDF will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Confirmation will not affect the validity or effectiveness of this Confirmation.



**GLOSSARY OF DEFINITIONS:** For purposes of this Confirmation, the following definitions shall apply:

“California Renewables Portfolio Standard” 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 time to time.

“CEC” means the California Energy Commission or its successor agency.

“Contract Year” means a period of twelve (12) consecutive months during the Delivery Term. The first Contract Year shall commence on January 1, 2010 and each subsequent Contract Year shall commence on the anniversary of such date.

“CPUC” means the California Public Utilities Commission, or successor entity.

“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.

“Complying Facility” has the meaning set forth in the Cure Provision.

“Cure Provision” has the meaning set forth in subsection (a) of the Green Attributes Imbalance and Product Delivery Shortfall section.

“Effective Date” means the date on which all of the Conditions Precedent set forth in Special Provision 1 have been satisfied or waived in writing by both Parties.

“Eligible Renewable Energy Resource” “eligible renewable energy resource” or “ERR” has the meaning set forth in California Public Utilities Code Section 399.12 and California Public Resources Code Section 25741, as either code provision is amended or supplemented from time to time.

“Energy” as used in the definition of “Green Attributes” and elsewhere in this Agreement means electric energy measured in MWh and net of auxiliary loads and station electrical uses.

“Execution Date” means the latest date of signature found on the signature page of this Agreement.

“Governmental Authority” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.

“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;<sup>1</sup> (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.

"HE" means the hour ending.

"ICE Daily California / Oregon Border Index" means the Intercontinental Exchange California / Oregon Border Day Ahead Peak and Off-Peak Index for the day of delivery, or any successor thereto.

"Initial Energy Delivery Date" means the date upon which all of the Conditions Precedent in Special Provision 1 have been satisfied or waived in writing.

"Law" means any statute, law, treaty, rule, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Execution Date, and which becomes effective after the Execution Date; or any binding interpretation of the foregoing.

"MWh" means megawatt-hour.

"Notice of Actual Cure" has the meaning set forth in subsection (a) of the Green Attributes Imbalance and Product Delivery Shortfall section.

"Notice of Estimated Cure" has the meaning set forth in subsection (a) of the Green Attributes Imbalance and Product Delivery Shortfall section.

"PPT" means Pacific prevailing time.

"Qualified Project" means any of the wind energy electric generating facilities listed on Appendix II hereto that qualifies and is certified by the CEC as an ERR for purposes of the California Renewables Portfolio Standard and has commenced initial operation after January 1, 2005.

"Quarter" means one of a set of four consecutive three-month divisions of a Contract Year. As used in Table 1, Quarter 1 shall commence on January 1 and conclude March 31; Quarter 2 shall commence on April 1 and conclude on June 30; and Quarter 4 shall commence on October 1 and conclude on December 31.

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<sup>1</sup> 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.

“Renewable Energy Credits,” “renewable energy credits,” or “RECs” has the meaning set forth in California Public Utilities Code Section 399.12(f) and CPUC Decision 08-08-028, as may be amended or supplemented from time to time or as further defined or supplemented by Law, is evidenced by a WREGIS Certificate, and is equivalent to one (1) MWh of electric generation.

“Shortfall Damages” means the liquidated damages payment(s) due by Seller to Buyer for a Green Attributes Imbalance and / or for a Product Delivery Shortfall pursuant to the Failure Notice and Shortfall Damages section and that is calculated pursuant to Appendix I.

“WECC” means the Western Electricity Coordinating Council or its successor organization.

“Wind Facilities” means the wind energy electric generating facilities listed on Appendix II hereto.

“WREGIS” means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

“WREGIS Certificates” has the same meaning as “Certificate” as defined by WREGIS in the WREGIS Operating Rules and are designated as eligible for complying with the California Renewables Portfolio Standard.

“WREGIS Certificate Deficit” means any deficit or shortfall in WREGIS Certificates delivered to Buyer for a calendar month as compared to the Green Attributes generated by each applicable Qualified Project for the same calendar month.

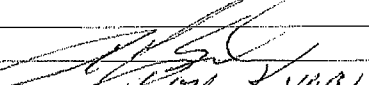
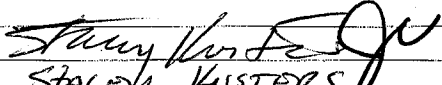
“WREGIS Operating Rules” means those operating rules and requirements adopted by WREGIS as of June 4, 2007, as subsequently amended, supplemented or replaced (in whole or in part) from time to time.

“WSPP Schedule C Energy” means firm energy that complies with the terms and provisions of Service Schedule C of the Western Systems Power Pool (WSPP) Agreement or any successor to WSPP Service Schedule C that provides for the sale of firm energy, both as may be in effect at any time from and after the Execution Date; provided no terms and conditions of the WSPP Agreement are applicable to this Transaction or incorporated into this Agreement other than those schedules and provisions of the WSPP Agreement as are necessary to interpret WSPP Service Schedule C (including applicable definitions).

Please confirm that the terms and conditions stated herein accurately reflect the agreement reached by the Parties by signing and returning by facsimile to Seller at [\_\_\_\_\_].

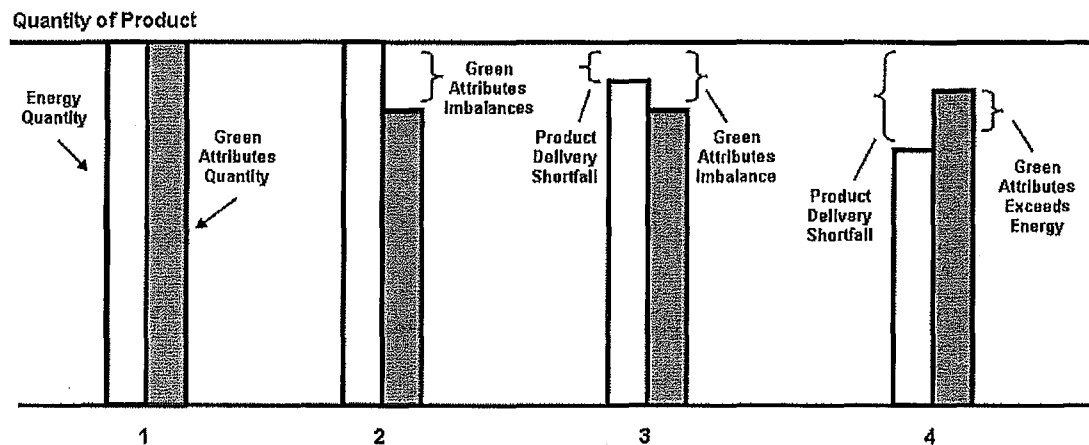
[Signature page follows.]

IN WITNESS WHEREOF, the Parties have signed this Confirmation as of the Execution Date.

Pacific Gas and Electric Company	PacifiCorp
By:  (CRO)	By: 
Name: Roy Kuga	Name: STACEY KUSTERS
Title: VP, Energy Supply Management	Title: DIRECTOR, ORIGINATOR
Date: 9/15/09	Date: 9/15/09

Executed with Exhibit 1 attached  
RMK 9/15/09

Exhibit 1: Green Attributes Imbalance and Product Delivery Shortfall



This Exhibit is for illustrative purposes only and will not be used in the construction or interpretation of any provision of the Confirmation or Agreement. Without limiting the generality of the foregoing, and without providing that this Exhibit is to be used for construction or interpretation, in the event of any variance between the terms hereof and the terms of the Confirmation or Agreement, the terms of the Confirmation or Agreement, as applicable, control.

1. Firm Energy Quantity and Green Attributes Quantity delivered meet Quantity of Product requirements for Firm Energy Quantity and Green Attributes Quantity (as set forth in Table 1 of the Confirmation). Cure Provision and Shortfall Damages section for Green Attributes Imbalance and/or Product Delivery Shortfall are not applicable because the Firm Energy Quantity and the Green Attributes Quantities megawatt hours are equal to one another.

With respect to 2, 3, and 4 below, Seller must cure the greater of Product Delivery Shortfall or Green Attributes Imbalance in the subsequent Contract Year.

2. Firm Energy Quantity delivered is more than Green Attributes Quantity. This results in a Green Attributes Imbalance and is subject to the Cure Provision and Shortfall Damages section. Amount of Green Attributes Imbalance (Green Attributes Deficit Amount) not physically cured per Cure Provision is subject to Shortfall Damages.

For example, in 2010 the Green Attributes Imbalance is 50 GWh. This Green Attributes Deficit Amount must be physically (Firm Energy + Green Attributes) cured first and then, if not completely cured physically, financially cured in 2011 per Cure Provision and Shortfall Damages section.

3. Firm Energy Quantity and Green Attributes Quantity delivered is less than Quantity of Product which results in a Product Delivery Shortfall, and the Firm Energy

Quantity is greater than the Green Attributes Quantity which results in a Green Attributes Imbalance. Seller is required to first physically cure and then, if not completely cured physically, financially cure both the Product Delivery Shortfall and the Green Attributes Imbalance per Cure Provision and the Shortfall Damages section.

For example, in 2010 Product Delivery Shortfall is 50 GWh and Green Attributes Imbalance is 75 GWh. The 75 GWh of Green Attributes Imbalance must be physically (Firm Energy Quantity + Green Attributes Quantity) and, as applicable, financially cured in 2011 per Cure Provision and Shortfall Damages section. The amount of the Product Delivery Shortfall (Product Shortfall Amount) and Green Attributes Imbalance (Green Attributes Deficit Amount) that is not physically cured is subject to Shortfall Damages.

4. Firm Energy Quantity and Green Attributes Quantity delivered are both less than Quantity of Product, and Green Attributes Quantity delivered is greater than Firm Energy Quantity. Buyer is not obligated to pay for Green Attributes Quantity delivered in excess of the Firm Energy Quantity delivered. Seller is required to cure Product Delivery Shortfall pursuant to the Cure Provision and pay Shortfall Damages on what is not physically cured.

For example, in 2010 Product Delivery Shortfall is 80 GWh and the amount of Green Attributes Quantity delivered exceeds Firm Energy Quantity by 40 GWh. Buyer is not required to purchase the 40 GWh of Green Attributes, but Seller is required to first physically cure (Firm Energy + Green Attributes) and then, if not completely cured physically, financially cure the Product Delivery Shortfall of 80 GWh in 2011 per Cure Provision and Shortfall Damages section. The amount of the Product Delivery Shortfall that is not physically cured is subject to Shortfall Damages.

## APPENDIX I

### SHORTFALL DAMAGES

In accordance with the provisions of this Confirmation, Shortfall Damages means the liquidated damages payment(s) that Seller must pay to Buyer for a Green Attributes Imbalance and / or for a Product Delivery Shortfall no later than fifteen (15) calendar days after delivery of Buyer's Failure Notice to avoid an Event of Default if Seller does not elect to cure and cure such Green Attributes Imbalance and / or Product Delivery Shortfall within that same fifteen-day time period.

The Shortfall Damages shall be calculated as set forth below.

For a Green Attributes Imbalance: Fifty Dollars (████) for each MWh of the Green Attributes Deficit Amount that Seller fails to cure in accordance with the Cure Provision.

For a Product Delivery Shortfall: Fifty Dollars (████) for each MWh of the Product Shortfall Amount that Seller fails to cure in accordance with the Cure Provision.

## APPENDIX II

The Wind Facilities are the following eight (8) facilities:

Seven Mile Hill I (Carbon County, Wyoming, CEC number 60807A, WREGIS number W975)

Seven Mile Hill II (Carbon County, Wyoming, CEC number 60808A, WREGIS number W976)

Glenrock I (Converse County, Wyoming, CEC number 60805A, WREGIS number W964)

Rolling Hills (Converse County, Wyoming, CEC number 60806A, WREGIS number W928)

Wolverine Creek (Bonneville and Bingham Counties, Idaho, CEC number 60564A, WREGIS number W188)

Marengo II (Columbia County, Washington, CEC number 60730A, WREGIS number W772)

Glenrock III (Converse County, Wyoming, CEC number 60804A, WREGIS number W965)

Goodnoe Hills (Klickitat, Washington, CEC number pending, filed 4/21/2009, WREGIS number W536)

“Qualified Project” means any of the foregoing wind energy electric generating facilities that qualifies and is certified by the CEC as an ERR for purposes of the California Renewables Portfolio Standard and has commenced initial operation after January 1, 2005.

“Complying Facility” means a generating facility from which Seller may deliver Green Attributes pursuant to the Cure Provision and that (a) at the time of such delivery qualifies and is certified by the CEC as an ERR for purposes of the California Renewables Portfolio Standard, is registered with WREGIS, and has commenced initial operation after January 1, 2005, and may be an in-state or out-of-state resource but is located within the United States, and (b) otherwise complies with the Confirmation.



**APPENDIX III**

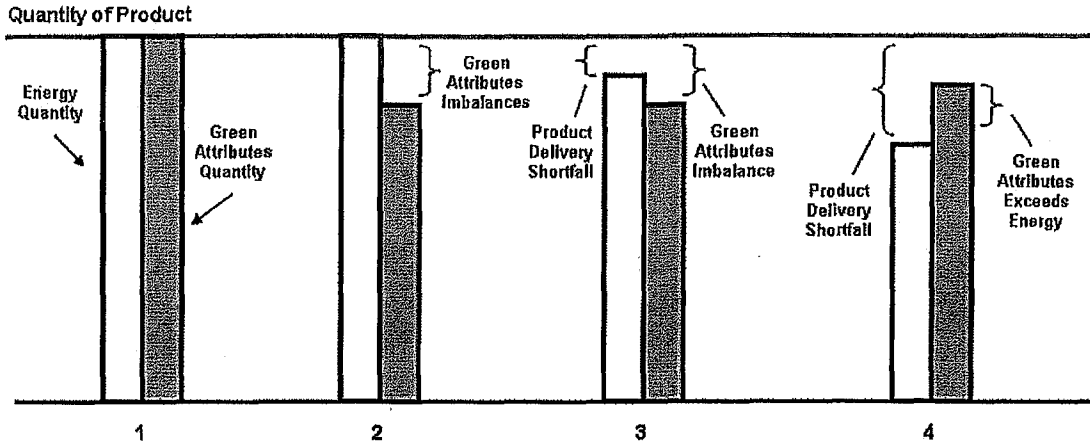
If the Goodnoe Wind Facility identified on Appendix II is not certified by the CEC as an BRR by December 21, 2009, then Seller may adjust the Green Attributes Quantity and the Firm Energy Quantity to the amount specified for each in Table 2 below after providing five (5) days prior Notice to Buyer.

Regardless of any such adjustment, the Firm Energy Quantity shall match (upon conversion to MWh) the Green Attributes Quantity, as required under the Confirmation.

**TABLE 2: QUANTITY OF PRODUCT**

Contract Years 2010 through 2012	Green Attributes Quantity (MWh)	Firm Energy Quantity (as scheduled and delivered at COB) (MW)
Consisting of Quarter 1, Quarter 2, and Quarter 4 of each Contract Year	[REDACTED] MWh in Contract Year 2010 [REDACTED] MWh in Contract Year 2011 [REDACTED] MWh in Contract Year 2012	[REDACTED] for each hour of each day in each Delivery Month during each applicable Quarter in each Contract Year

Exhibit 1: Green Attributes Imbalance and Product Delivery Shortfall



This Exhibit is for illustrative purposes only and will not be used in the construction or interpretation of any provision of the Confirmation or Agreement. Without limiting the generality of the foregoing, and without providing that this Exhibit is to be used for construction or interpretation, in the event of any variance between the terms hereof and the terms of the Confirmation or Agreement, the terms of the Confirmation or Agreement, as applicable, control.

1. Firm Energy Quantity and Green Attributes Quantity delivered meet Quantity of Product requirements for Firm Energy Quantity and Green Attributes Quantity (as set forth in Table 1 of the Confirmation). Cure Provision and Shortfall Damages section for Green Attributes Imbalance and/or Product Delivery Shortfall are not applicable because the Firm Energy Quantity and the Green Attributes Quantities megawatt hours are equal to one another.

With respect to 2, 3, and 4 below, Seller must cure the greater of Product Delivery Shortfall or Green Attributes Imbalance in the subsequent Contract Year.

2. Firm Energy Quantity delivered is more than Green Attributes Quantity. This results in a Green Attributes Imbalance and is subject to the Cure Provision and Shortfall Damages section. Amount of Green Attributes Imbalance (Green Attributes Deficit Amount) not physically cured per Cure Provision is subject to Shortfall Damages.

For example, in 2010 the Green Attributes Imbalance is 50 GWh. This Green Attributes Deficit Amount must be physically (Firm Energy + Green Attributes) cured first and then, if not completely cured physically, financially cured in 2011 per Cure Provision and Shortfall Damages section.

3. Firm Energy Quantity and Green Attributes Quantity delivered is less than Quantity of Product which results in a Product Delivery Shortfall, and the Firm Energy

Quantity is greater than the Green Attributes Quantity which results in a Green Attributes Imbalance. Seller is required to first physically cure and then, if not completely cured physically, financially cure both the Product Delivery Shortfall and the Green Attributes Imbalance per Cure Provision and the Shortfall Damages section.

For example, in 2010 Product Delivery Shortfall is 50 GWh and Green Attributes Imbalance is 75 GWh. The 75 GWh of Green Attributes Imbalance must be physically (Firm Energy Quantity + Green Attributes Quantity) and, as applicable, financially cured in 2011 per Cure Provision and Shortfall Damages section. The amount of the Product Delivery Shortfall (Product Shortfall Amount) and Green Attributes Imbalance (Green Attributes Deficit Amount) that is not physically cured is subject to Shortfall Damages.

4. Firm Energy Quantity and Green Attributes Quantity delivered are both less than Quantity of Product, and Green Attributes Quantity delivered is greater than Firm Energy Quantity. Buyer is not obligated to pay for Green Attributes Quantity delivered in excess of the Firm Energy Quantity delivered. Seller is required to cure Product Delivery Shortfall pursuant to the Cure Provision and pay Shortfall Damages on what is not physically cured.

For example, in 2010 Product Delivery Shortfall is 80 GWh and the amount of Green Attributes Quantity delivered exceeds Firm Energy Quantity by 40 GWh. Buyer is not required to purchase the 40 GWh of Green Attributes, but Seller is required to first physically cure (Firm Energy + Green Attributes) and then, if not completely cured physically, financially cure the Product Delivery Shortfall of 80 GWh in 2011 per Cure Provision and Shortfall Damages section. The amount of the Product Delivery Shortfall that is not physically cured is subject to Shortfall Damages.

## APPENDIX I

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In accordance with the provisions of this Confirmation, Shortfall Damages means the liquidated damages payment(s) that Seller must pay to Buyer for a Green Attributes Imbalance and / or for a Product Delivery Shortfall no later than fifteen (15) calendar days after delivery of Buyer's Failure Notice to avoid an Event of Default if Seller does not elect to cure and cure such Green Attributes Imbalance and / or Product Delivery Shortfall within that same fifteen-day time period.

The Shortfall Damages shall be calculated as set forth below.

For a Green Attributes Imbalance: Fifty Dollars ( ) for each MWh of the Green Attributes Deficit Amount that Seller fails to cure in accordance with the Cure Provision.

For a Product Delivery Shortfall: Fifty Dollars ( ) for each MWh of the Product Shortfall Amount that Seller fails to cure in accordance with the Cure Provision.

## APPENDIX II

The Wind Facilities are the following seven (7) facilities:

Seven Mile Hill I (Carbon County, Wyoming, CEC number 60807A, WREGIS number W975)

Seven Mile Hill II (Carbon County, Wyoming, CEC number 60808A, WREGIS number W976)

Glenrock 1 (Converse County, Wyoming, CEC number 60805A, WREGIS number W964)

Rolling Hills (Converse County, Wyoming, CEC number 60806A, WREGIS number W928)

Wolverine Creek (Bonneville and Bingham Counties, Idaho, CEC number 60564A, WREGIS number W188)

Marengo II (Columbia County, Washington, CEC number 60730A, WREGIS number W772)

Glenrock III (Converse County, Wyoming, CEC number 60804A, WREGIS number W965)

“Qualified Project” means any of the foregoing wind energy electric generating facilities that qualifies and is certified by the CEC as an ERR for purposes of the California Renewables Portfolio Standard and has commenced initial operation after January 1, 2005.

“Complying Facility” means a generating facility from which Seller may deliver Green Attributes pursuant to the Cure Provision and that (a) at the time of such delivery qualifies and is certified by the CEC as an ERR for purposes of the California Renewables Portfolio Standard, is registered with WREGIS, and has commenced initial operation after January 1, 2005, and may be an in-state or out-of-state resource but is located within the United States, and (b) otherwise complies with the Confirmation.

**EXECUTED VERSION**

**MASTER POWER PURCHASE AND SALE AGREEMENT  
CONFIRMATION LETTER  
BETWEEN  
PACIFICORP  
AND  
SOUTHERN CALIFORNIA EDISON COMPANY**

This confirmation letter ("Confirmation") confirms the Transaction between PacifiCorp ("Seller") and Southern California Edison Company ("Buyer" or "SCE") dated as of May 29, 2009 ("Confirmation Effective Date") regarding the sale and purchase of the Product, as such term is defined below in Section 1.1, in accordance with and subject to the terms and provisions of this Confirmation, the EEI Master Power Purchase & Sale Agreement, together with the Cover Sheet, any amendments and annexes thereto between Seller and SCE dated as of May 29, 2009 ("Master Agreement"), and Paragraph 10 of the EEI Collateral Annex to the Master Agreement (Paragraph 10 and the Collateral Annex are both referred to herein as the "Collateral Annex") (the Master Agreement and the Collateral Annex shall be collectively referred to as the "EEI Agreement"). The EEI Agreement and this Confirmation shall be collectively referred to herein as the "Agreement." Capitalized terms used but not defined in this Confirmation shall have the meanings ascribed to them in the EEI Agreement or the Tariff. If any term in this Confirmation conflicts with the Tariff or EEI Agreement, the definitions set forth in this Confirmation shall supersede.

**ARTICLE 1  
COMMERCIAL TERMS**

**1.1 Product Information**

<b>Seller: PACIFICORP</b>		<b>Buyer: SOUTHERN CALIFORNIA EDISON COMPANY</b>	
<b>Trading:</b>	<u>Seller</u>	<u>Buyer</u>	
	Day Ahead: 503-813-6168 Real Time: 503-813-5389	Day Ahead: 626-307-4487 / 626-307-4430 Real Time: 626-307-4453 / 626-307-4416	
<b>Scheduling:</b>	<u>Seller</u>	<u>Buyer</u>	
	Day Ahead: 503-813-6757 Real Time: 503-813-5389 / 5374	Day Ahead: 626-307-4425 / 626-307-4413 Real Time: 626-307-4405 / 626-307-4416	
<b>Product:</b>	California RPS-eligible electric energy		
<b>Project:</b>	<p>All Product sold hereunder shall be from one or more of the wind facilities listed below:</p> <p>Wolverine Creek (Bonneville &amp; Bingham Counties, Idaho, WREGIS ID W188, CEC ID 60564A);</p> <p>Leaning Juniper (Gilliam County, Oregon, WREGIS ID W200, CEC ID 60562A);</p> <p>Marengo (Columbia County, Washington, WREGIS ID W185, CEC ID 60729A);</p> <p>Marengo Expansion (Columbia County, Washington, WREGIS ID W772, CEC ID 60730A);</p> <p>Rolling Hills (Converse County, Wyoming, WREGIS ID W928, CEC ID pending);</p> <p>Glenrock I (Converse County, Wyoming, WREGIS ID W964, CEC ID pending).</p> <p>"Project" shall include, and be limited to, the facilities listed above that have received LORS Certification.</p> <p>The Parties acknowledge and agree that the Project constitutes a pool of facilities that Seller is permitted to utilize in order to satisfy its obligations hereunder.</p>		

**EXECUTED VERSION**

	<p>The Parties further acknowledge and agree that, with respect to Section 3.2(a) of this Confirmation, Project shall solely be limited to the actual Product generated and delivered by one of the facilities included in the Project used to satisfy the Total Quantity, and that Buyer is not entitled to any additional Product produced by the facilities in the Project above and beyond the Total Quantity.</p> <p>Seller shall use commercially reasonable efforts to obtain LORS Certification from the CEC.</p>
<b>Quantity</b>	██████
<b>Total Quantity:</b>	<p>"Total Quantity" shall be equal to the product of:</p> <p>(i) all hours from October 1, 2009 to December 31, 2012, exclusive of all hours in the months of July through September, and</p> <p>(ii) Quantity.</p>
<b>Delivery Obligation:</b>	<p>The obligation to provide the Total Quantity over the Delivery Period is a firm obligation in that Seller shall delivery the Total Quantity consistent with the terms of this Confirmation without excuse other than Force Majeure; provided that, Seller shall be permitted to fulfill the Total Quantity from any single or combination of facilities that constitute the Project.</p> <p>During the Energy Delivery Period, Seller shall generate, transmit and integrate wind generation from the Project into Seller's electrical system on an hourly basis to be delivered to Buyer as WSPP Schedule C energy.</p> <p>During each applicable month of the Energy Delivery Period, Seller shall schedule and deliver the Quantity amount of WSPP Schedule C energy to the Delivery Point consistent with the Scheduling Interval.</p>
<b>Price:</b>	<p>2009: Index plus ██████/MWh</p> <p>2010: Index plus ██████/MWh</p> <p>2011: Index plus ██████/MWh</p> <p>2012: Index plus ██████/MWh</p>
<b>Term:</b>	<p>The Term of this Transaction shall commence upon the Confirmation Effective Date; and shall continue until delivery by Seller to Buyer of the Total Quantity of Product has been completed and all other obligations of the Parties under this Agreement have been satisfied.</p>
<b>Delivery Period:</b>	<p>The Delivery Period of this Transaction shall commence upon October 1, 2009; and shall continue until delivery by Seller to Buyer of the Total Quantity of Product has been completed.</p>
<b>Energy Delivery Period:</b>	<p>The Energy Delivery Period shall be October 1, 2009 to December 31, 2012 (exclusive of the months of July through September).</p>
<b>Termination Rights:</b>	<p>Either Party may terminate this Confirmation on notice (consistent with section 10.7 of the Master Agreement) if (i) the CPUC issues a final and non-appealable order not granting CPUC Approval on or before December 31, 2009; or (ii) Buyer has not obtained or waived CPUC Approval by December 31, 2009, and notice of such termination is given within fifteen (15) days.</p> <p>Any termination made under this section shall be without liability or obligation to the other</p>

**EXECUTED VERSION**

	party except for payment of any WSPP Schedule C energy already delivered and received before notice of such termination.
<b>Delivery Point:</b>	Palo Verde 500kV
<b>Scheduling Obligations:</b>	<p>Seller shall schedule WSPP Schedule C energy consistent with the most recent rules adopted by the Western Electricity Coordinating Council ("WECC").</p> <p>Both Parties shall act as their own scheduling coordinators and shall notify each other of pre-schedules on the business day preceding the scheduled delivery, or as mutually agreed by the Parties, in accordance with WECC guidelines, pursuant to the WECC ISAS daily scheduling calendar and the WECC Business Practices.</p> <p>NERC E-Tags will comply with the delivery requirements as specified by the CEC.</p>
<b>Scheduling Interval:</b>	In accordance with this Confirmation, Seller shall schedule and deliver to Buyer the WSPP Schedule C energy over all hours of every day for each applicable month during the Energy Delivery Period.

**ARTICLE 2  
DEFINITIONS**

"CEC" means the California Energy Commission or its regulatory successor.

"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;<sup>1</sup> (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

<sup>1</sup> 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.



## EXECUTED VERSION

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 weighted average (rounded to the nearest hundredth place) of the day-ahead index price as published by the Intercontinental Exchange, Inc. ("ICE") for the "Palo Peak" or "Palo Off-Peak" Hub (whichever is applicable), 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.

"LORS Certification" means certification by the CEC of an electric generation facility not located within the state of California that such facility meets California's environmental quality laws, ordinances, regulations, and standards as set forth in the CEC's RPS Eligibility Guidebook.

"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**

Throughout all applicable months of the Energy Delivery Period, Seller shall deliver and convey the portion of the Total Quantity of electric energy associated with the Product by delivering such energy to the Delivery Point consistent with the Delivery Obligation.

#### **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.

Subject to Section 3.2(b), the Green Attributes are delivered and conveyed when the electric energy is delivered and conveyed.

(b) For each applicable month of the Delivery Period, Seller shall deliver and convey the Green Attributes associated with the electric energy delivered in Section 3.1 within five (5) Business Days after the end of the month in which the WREGIS Certificates for the Green Attributes are created by properly transferring such WREGIS Certificates, in accordance with the rules and regulations of WREGIS, equivalent to the quantity of Green Attributes to Buyer into Buyer's WREGIS account such that all right, title and interest in

**EXECUTED VERSION**

and to the WREGIS Certificates shall transfer from Seller to Buyer; provided that Seller shall not transfer any Green Attributes or WREGIS Certificates to Buyer before CPUC Approval is obtained or waived, and Buyer shall not be required to pay subsection (b) of the Monthly Cash Settlement Amount for any Green Attributes transferred before CPUC Approval is obtained or waived.

**3.3 WREGIS Registration**

During the Term, Seller, at its own cost and expense, shall maintain its registration with WREGIS and shall use its reasonable efforts to ensure that all Green Attributes transferred to Buyer under this Confirmation count 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 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 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.

**ARTICLE 5  
COMPENSATION**

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:

- (a) the applicable Index price multiplied by the quantity of WSPP Schedule C energy scheduled, delivered and received by Buyer pursuant to Section 3.1 during the applicable Calculation Period; and
- (b) (i) For Green Attributes pertaining to generation during 2009, [REDACTED] multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period;
- (ii) For Green Attributes pertaining to generation during 2010, [REDACTED] multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period;
- (iii) For Green Attributes pertaining to generation during 2011, [REDACTED] multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period; or

## EXECUTED VERSION

- (iv) For Green Attributes pertaining to generation during 2012 [REDACTED] multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period.

**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.

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

Southern California Edison Company  
Attn: Michele Walker/Renewable Alternative Power Contract Manager  
GO1, Quad 4D, 490N  
P.O. Box 800  
Rosemead, CA 91770  
Email: Michele.Walker@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.

### 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 [REDACTED].

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 and 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; and

## EXECUTED VERSION

- (e) following certification of the facility(s) in the Project by the CEC as an RPS-eligible resource, the facility(s) in the Project and all electrical output from the facility(s) in the Project are registered with WREGIS as California RPS-eligible.

### ARTICLE 7 GENERAL PROVISIONS

#### **7.1 Facility Identification**

Within five (5) Business Days after the end of each month during the Delivery Period, exclusive of the months of July, August, September, November and December, Seller shall identify and provide estimates of the facility(s) included in the Project that the Product was delivered from for that month.

Within five (5) Business Days after the end of each November during the Delivery Period, Seller shall identify and provided estimates of the facility(s) included in the Project that the Product was delivered from for that month and identify the facility(s) in the Project that the Product will be delivered from for the month of December.

#### **7.2 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.

#### **7.3 Obligation To Deliver WREGIS Certificates**

Notwithstanding anything to the contrary contained in the Master Agreement, in the event Seller declares an Early Termination Date pursuant to Section 5.2 of the Master Agreement, Seller shall not be permitted to suspend performance with respect to the obligation to transfer WREGIS Certificates associated with Green Attributes that Buyer has already paid for pursuant to Article Five of this Confirmation.

Notwithstanding anything to the contrary contained in the Master Agreement, Seller shall not be permitted to suspend performance under Section 5.7 of the Master Agreement with respect to the obligation to transfer WREGIS Certificates associated with Green Attributes that Buyer has already paid for pursuant to Article Five of this Confirmation.

Notwithstanding anything to the contrary contained in the Master Agreement, the obligation to transfer WREGIS Certificates associated with Green Attributes that Buyer has already paid for pursuant to Article Five of this Confirmation shall survive the termination of this Confirmation.

### ARTICLE 8 CREDIT AND COLLATERAL

#### **8.1 Seller Collateral Requirements**

Notwithstanding anything to the contrary contained in the EEI Agreement, Seller's Collateral Requirement and Exposure for this Transaction is deemed to be zero dollars (\$0.00).

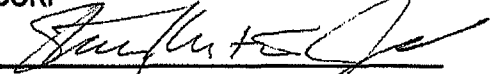
#### **8.2 Buyer Collateral Requirements**

Notwithstanding anything to the contrary contained in the EEI Agreement, Buyer's Collateral Requirement and Exposure for this Transaction is deemed to be zero dollars (\$0.00).

EXECUTED VERSION

ACKNOWLEDGED AND AGREED TO May 29, 2009:

PACIFICORP

By: 

Name: Stacey Kusters

Title: Director, Origination

Date: May 29, 2009

SOUTHERN CALIFORNIA EDISON COMPANY

By: \_\_\_\_\_

Name: Stuart R. Hemphill

Title: Vice President, Renewable and  
Alternative Power

Date: May \_\_, 2009

**MASTER POWER PURCHASE AND SALE AGREEMENT  
CONFIRMATION LETTER  
BETWEEN  
PACIFICORP  
AND  
SOUTHERN CALIFORNIA EDISON COMPANY**

This confirmation letter ("Confirmation") confirms the Transaction between PacifiCorp ("Seller") and Southern California Edison Company ("Buyer" or "SCE") dated as of May 29, 2009 ("Confirmation Effective Date") regarding the sale and purchase of the Product, as such term is defined below in Section 1.1, in accordance with and subject to the terms and provisions of this Confirmation, the EEI Master Power Purchase & Sale Agreement, together with the Cover Sheet, any amendments and annexes thereto between Seller and SCE dated as of May 29, 2009 ("Master Agreement"), and Paragraph 10 of the EEI Collateral Annex to the Master Agreement (Paragraph 10 and the Collateral Annex are both referred to herein as the "Collateral Annex") (the Master Agreement and the Collateral Annex shall be collectively referred to as the "EEI Agreement"). The EEI Agreement and this Confirmation shall be collectively referred to herein as the "Agreement." Capitalized terms used but not defined in this Confirmation shall have the meanings ascribed to them in the EEI Agreement or the Tariff. If any term in this Confirmation conflicts with the Tariff or EEI Agreement, the definitions set forth in this Confirmation shall supersede.

**ARTICLE 1  
COMMERCIAL TERMS**

**1.1 Product Information**

<b>Seller: PACIFICORP</b>		<b>Buyer: SOUTHERN CALIFORNIA EDISON COMPANY</b>	
<b>Trading:</b>	<u>Seller</u>	<u>Buyer</u>	
	Day Ahead: 503-813-6168 Real Time: 503-813-5389	Day Ahead: 626-307-4487 / 626-307-4430 Real Time: 626-307-4453 / 626-307-4416	
<b>Scheduling:</b>	<u>Seller</u>	<u>Buyer</u>	
	Day Ahead: 503-813-6757 Real Time: 503-813-5389 / 5374	Day Ahead: 626-307-4425 / 626-307-4413 Real Time: 626-307-4405 / 626-307-4416	
<b>Product:</b>	California RPS-eligible electric energy		
<b>Project:</b>	<p>All Product sold hereunder shall be from one or more of the wind facilities listed below:</p> <p>Wolverine Creek (Bonneville &amp; Bingham Counties, Idaho, WREGIS ID W188, CEC ID 60564A);</p> <p>Leaning Juniper (Gilliam County, Oregon, WREGIS ID W200, CEC ID 60562A);</p> <p>Marengo (Columbia County, Washington, WREGIS ID W185, CEC ID 60729A);</p> <p>Marengo Expansion (Columbia County, Washington, WREGIS ID W772, CEC ID 60730A);</p> <p>Rolling Hills (Converse County, Wyoming, WREGIS ID W928, CEC ID pending);</p> <p>Glenrock I (Converse County, Wyoming, WREGIS ID W964, CEC ID pending).</p> <p>"Project" shall include, and be limited to, the facilities listed above that have received LORS Certification.</p> <p>The Parties acknowledge and agree that the Project constitutes a pool of facilities that Seller is permitted to utilize in order to satisfy its obligations hereunder.</p>		

**EXECUTED VERSION**

	<p>The Parties further acknowledge and agree that, with respect to Section 3.2(a) of this Confirmation, Project shall solely be limited to the actual Product generated and delivered by one of the facilities included in the Project used to satisfy the Total Quantity, and that Buyer is not entitled to any additional Product produced by the facilities in the Project above and beyond the Total Quantity.</p> <p>Seller shall use commercially reasonable efforts to obtain LORS Certification from the CEC.</p>
<b>Quantity</b>	██████████
<b>Total Quantity:</b>	<p>"Total Quantity" shall be equal to the product of:</p> <p>(i) all hours from October 1, 2009 to December 31, 2012, exclusive of all hours in the months of July through September, and</p> <p>(ii) Quantity.</p>
<b>Delivery Obligation:</b>	<p>The obligation to provide the Total Quantity over the Delivery Period is a firm obligation in that Seller shall delivery the Total Quantity consistent with the terms of this Confirmation without excuse other than Force Majeure; provided that, Seller shall be permitted to fulfill the Total Quantity from any single or combination of facilities that constitute the Project.</p> <p>During the Energy Delivery Period, Seller shall generate, transmit and integrate wind generation from the Project into Seller's electrical system on an hourly basis to be delivered to Buyer as WSPP Schedule C energy.</p> <p>During each applicable month of the Energy Delivery Period, Seller shall schedule and deliver the Quantity amount of WSPP Schedule C energy to the Delivery Point consistent with the Scheduling Interval.</p>
<b>Price:</b>	<p>2009: Index plus ██████████/MWh</p> <p>2010: Index plus ██████████/MWh</p> <p>2011: Index plus ██████████/MWh</p> <p>2012: Index plus ██████████/MWh</p>
<b>Term:</b>	<p>The Term of this Transaction shall commence upon the Confirmation Effective Date; and shall continue until delivery by Seller to Buyer of the Total Quantity of Product has been completed and all other obligations of the Parties under this Agreement have been satisfied.</p>
<b>Delivery Period:</b>	<p>The Delivery Period of this Transaction shall commence upon October 1, 2009; and shall continue until delivery by Seller to Buyer of the Total Quantity of Product has been completed.</p>
<b>Energy Delivery Period:</b>	<p>The Energy Delivery Period shall be October 1, 2009 to December 31, 2012 (exclusive of the months of July through September).</p>
<b>Termination Rights:</b>	<p>Either Party may terminate this Confirmation on notice (consistent with section 10.7 of the Master Agreement) if (i) the CPUC issues a final and non-appealable order not granting CPUC Approval on or before December 31, 2009; or (ii) Buyer has not obtained or waived CPUC Approval by December 31, 2009, and notice of such termination is given within fifteen (15) days.</p> <p>Any termination made under this section shall be without liability or obligation to the other</p>

	party except for payment of any WSPP Schedule C energy already delivered and received before notice of such termination.
<b>Delivery Point:</b>	Palo Verde 500kV
<b>Scheduling Obligations:</b>	<p>Seller shall schedule WSPP Schedule C energy consistent with the most recent rules adopted by the Western Electricity Coordinating Council ("WECC").</p> <p>Both Parties shall act as their own scheduling coordinators and shall notify each other of pre-schedules on the business day preceding the scheduled delivery, or as mutually agreed by the Parties, in accordance with WECC guidelines, pursuant to the WECC ISAS daily scheduling calendar and the WECC Business Practices.</p> <p>NERC E-Tags will comply with the delivery requirements as specified by the CEC.</p>
<b>Scheduling Interval:</b>	In accordance with this Confirmation, Seller shall schedule and deliver to Buyer the WSPP Schedule C energy over all hours of every day for each applicable month during the Energy Delivery Period.

**ARTICLE 2  
DEFINITIONS**

"CEC" means the California Energy Commission or its regulatory successor.

"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;<sup>1</sup> (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

<sup>1</sup> 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.



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 weighted average (rounded to the nearest hundredth place) of the day-ahead index price as published by the Intercontinental Exchange, Inc. ("ICE") for the "Palo Peak" or "Palo Off-Peak" Hub (whichever is applicable), 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.

"LORS Certification" means certification by the CEC of an electric generation facility not located within the state of California that such facility meets California's environmental quality laws, ordinances, regulations, and standards as set forth in the CEC's RPS Eligibility Guidebook.

"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**

Throughout all applicable months of the Energy Delivery Period, Seller shall deliver and convey the portion of the Total Quantity of electric energy associated with the Product by delivering such energy to the Delivery Point consistent with the Delivery Obligation.

#### **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.

Subject to Section 3.2(b), the Green Attributes are delivered and conveyed when the electric energy is delivered and conveyed.

(b) For each applicable month of the Delivery Period, Seller shall deliver and convey the Green Attributes associated with the electric energy delivered in Section 3.1 within five (5) Business Days after the end of the month in which the WREGIS Certificates for the Green Attributes are created by properly transferring such WREGIS Certificates, in accordance with the rules and regulations of WREGIS, equivalent to the quantity of Green Attributes to Buyer into Buyer's WREGIS account such that all right, title and interest in

and to the WREGIS Certificates shall transfer from Seller to Buyer; provided that Seller shall not transfer any Green Attributes or WREGIS Certificates to Buyer before CPUC Approval is obtained or waived, and Buyer shall not be required to pay subsection (b) of the Monthly Cash Settlement Amount for any Green Attributes transferred before CPUC Approval is obtained or waived.

**3.3 WREGIS Registration**

During the Term, Seller, at its own cost and expense, shall maintain its registration with WREGIS and shall use its reasonable efforts to ensure that all Green Attributes transferred to Buyer under this Confirmation count 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 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 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.

**ARTICLE 5  
COMPENSATION**

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:

- (a) the applicable Index price multiplied by the quantity of WSPP Schedule C energy scheduled, delivered and received by Buyer pursuant to Section 3.1 during the applicable Calculation Period; and
- (b) (i) For Green Attributes pertaining to generation during 2009, [REDACTED] multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period;
- (ii) For Green Attributes pertaining to generation during 2010, [REDACTED] multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period;
- (iii) For Green Attributes pertaining to generation during 2011, [REDACTED] multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period; or

- (iv) For Green Attributes pertaining to generation during 2012, [REDACTED] multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period.

**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.

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

Southern California Edison Company  
Attn: Michele Walker/Renewable Alternative Power Contract Manager  
GO1, Quad 4D, 490N  
P.O. Box 800  
Rosemead, CA 91770  
Email: Michele.Walker@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.

## **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 \$25,000.00.

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 and 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; and

- (e) following certification of the facility(s) in the Project by the CEC as an RPS-eligible resource, the facility(s) in the Project and all electrical output from the facility(s) in the Project are registered with WREGIS as California RPS-eligible.

**ARTICLE 7  
GENERAL PROVISIONS**

**7.1 Facility Identification**

Within five (5) Business Days after the end of each month during the Delivery Period, exclusive of the months of July, August, September, November and December, Seller shall identify and provide estimates of the facility(s) included in the Project that the Product was delivered from for that month.

Within five (5) Business Days after the end of each November during the Delivery Period, Seller shall identify and provided estimates of the facility(s) included in the Project that the Product was delivered from for that month and identify the facility(s) in the Project that the Product will be delivered from for the month of December.

**7.2 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.

**7.3 Obligation To Dellver WREGIS Certificates**

Notwithstanding anything to the contrary contained in the Master Agreement, in the event Seller declares an Early Termination Date pursuant to Section 5.2 of the Master Agreement, Seller shall not be permitted to suspend performance with respect to the obligation to transfer WREGIS Certificates associated with Green Attributes that Buyer has already paid for pursuant to Article Five of this Confirmation.

Notwithstanding anything to the contrary contained in the Master Agreement, Seller shall not be permitted to suspend performance under Section 5.7 of the Master Agreement with respect to the obligation to transfer WREGIS Certificates associated with Green Attributes that Buyer has already paid for pursuant to Article Five of this Confirmation.

Notwithstanding anything to the contrary contained in the Master Agreement, the obligation to transfer WREGIS Certificates associated with Green Attributes that Buyer has already paid for pursuant to Article Five of this Confirmation shall survive the termination of this Confirmation.

**ARTICLE 8  
CREDIT AND COLLATERAL**

**8.1 Seller Collateral Requirements**

Notwithstanding anything to the contrary contained in the EEI Agreement, Seller's Collateral Requirement and Exposure for this Transaction is deemed to be zero dollars (\$0.00).

**8.2 Buyer Collateral Requirements**

Notwithstanding anything to the contrary contained in the EEI Agreement, Buyer's Collateral Requirement and Exposure for this Transaction is deemed to be zero dollars (\$0.00).

ACKNOWLEDGED AND AGREED TO May 29, 2009:

PACIFICORP

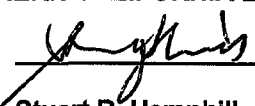
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: May \_\_\_\_, 2009

SOUTHERN CALIFORNIA EDISON COMPANY

By:  \_\_\_\_\_

Name: Stuart R. Hemphill

Title: Vice President, Renewable and  
Alternative Power

Date: May 29, 2009