



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

April 07, 2008

Email/US Mail

Vikie Bailey-Goggins
Administrator
550 Capitol Street, N.E., Ste 215
Salem, OR 97301-2551

RE: PGE's Final DRAFT Renewables-Only Request for Proposals

Ms. Bailey-Goggins:

Enclosed please find PGE's Final DRAFT Request for Proposal for Renewable Resources (RFP), Final DRAFT Renewable Wholesale Energy Purchase and Sales Agreement, Final DRAFT Asset Purchase Agreement, and Final DRAFT Confidentiality and Nondisclosure Agreement, pursuant to Order No. 06-446, Competitive Bidding Guideline No. 6.

PGE began this RFP process in late 2007 as an all-source RFP. Following a recommendation in March 2008 by the OPUC Staff to suspend PGE's Integrated Resource Plan and for PGE to proceed with a renewables-only RFP, PGE has hereby revised its all-source final RFP draft submitted to the OPUC on January 21, 2008, to include requests for renewable energy resources only. PGE submitted a draft RFP on March 20, 2008. This filing incorporates comments on the draft RFP.

If you have any questions or require further information, please call Rebecca Brown at (503) 464-8545. Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,

Patrick G. Hager
Manager, Regulatory Affairs

PGH:smg

Encl.

Portland General Electric Company

REQUEST FOR PROPOSALS

Renewable Energy Resources

April 7, 2008



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Purpose and Scope

Portland General Electric Company (PGE), Oregon's largest electric utility, is soliciting bids through this Request for Proposals (RFP) for renewable electric energy products described below. In June 2007, PGE filed with the Oregon Public Utilities Commission (OPUC) its *2007 Integrated Resource Plan (IRP)*, identifying specific planning assumptions and resource needs for upcoming years. The IRP is available on PGE's Internet site at: http://www.portlandgeneral.com/about_pge/current_issues/energy_strategy/pge_irp_2007.pdf

PGE began this RFP process in late 2007 as an all-source RFP. Following a recommendation in March 2008 by the OPUC staff to suspend PGE's Integrated Resource Plan and for PGE to proceed with a renewables-only RFP, PGE hereby revises its all-source final RFP draft submitted to the OPUC on January 21, 2008, to be a request for renewable energy supply resources only.

Resource Targets

PGE is seeking to acquire up to 218 MWa of mid-to-long-term renewable energy supply to be available beginning in the 2009 – 2014 timeframe. PGE will consider proposals based on a variety of structures and commercially viable resource types. Acceptable bids for renewable resources include power purchase agreements (PPA) as well as a range of ownership structures, including sales of existing assets, acquisition of project development or natural resource rights and options, build-own-transfer agreements and part ownership. Evaluation and selection of new renewable energy supplies will be conducted consistent with the criteria and methodology contained herein. Our 2007 IRP identified a preferred incremental portfolio mix including the following with regard to renewable resources:

- Up to 218 MWa of renewable energy resources, including but not limited to:
 - Biomass
 - Wind
 - Geothermal
 - Solar
 - Wave energy

Renewable resources must meet the requirements of Oregon's Renewable Energy Standard ("RES"), as defined in Senate Bill 838. In addition, renewable bids must

include all environmental attributes, including associated tradable renewable energy credits (TRCs).

Notwithstanding the above preferred target, PGE reserves the right to vary from this target energy quantity based on evaluation of price and risk factors of received bids.

This competitive RFP is being conducted in consultation with the OPUC and other participants in PGE's IRP public process, and in accordance with OPUC Order 06-446 (UM-1182), dated August 10, 2006 ("Competitive Bidding Guidelines").

About PGE

Located in Oregon's Willamette Valley, PGE serves approximately 804,000 retail customers within a 4,000 square mile service territory (see Figure 1).

- Service territory population 1.57 million, about 43% of the state's population.
- Serves 52 cities, the largest being Portland and Salem.
- 26,000 miles of transmission and distribution lines.
- Net plant-in-service, \$3.0 billion.
- Average annual demand in 2012, approximately 2,630 MWa.
- Expected peak load in 2012, 4,127 MW.
- Approximately 1,830 MWa of owned generation for resource planning purposes, including eight hydro generation facilities, three gas-fired thermal plants, the new Biglow Canyon wind farm, majority ownership of one coal-fired thermal plant, and joint ownership in two units of another coal plant facility. We also hold long-term contracts for energy from the Mid-Columbia hydroelectric projects on the Columbia River, and regularly enter into short and mid-term wholesale power supply contracts.

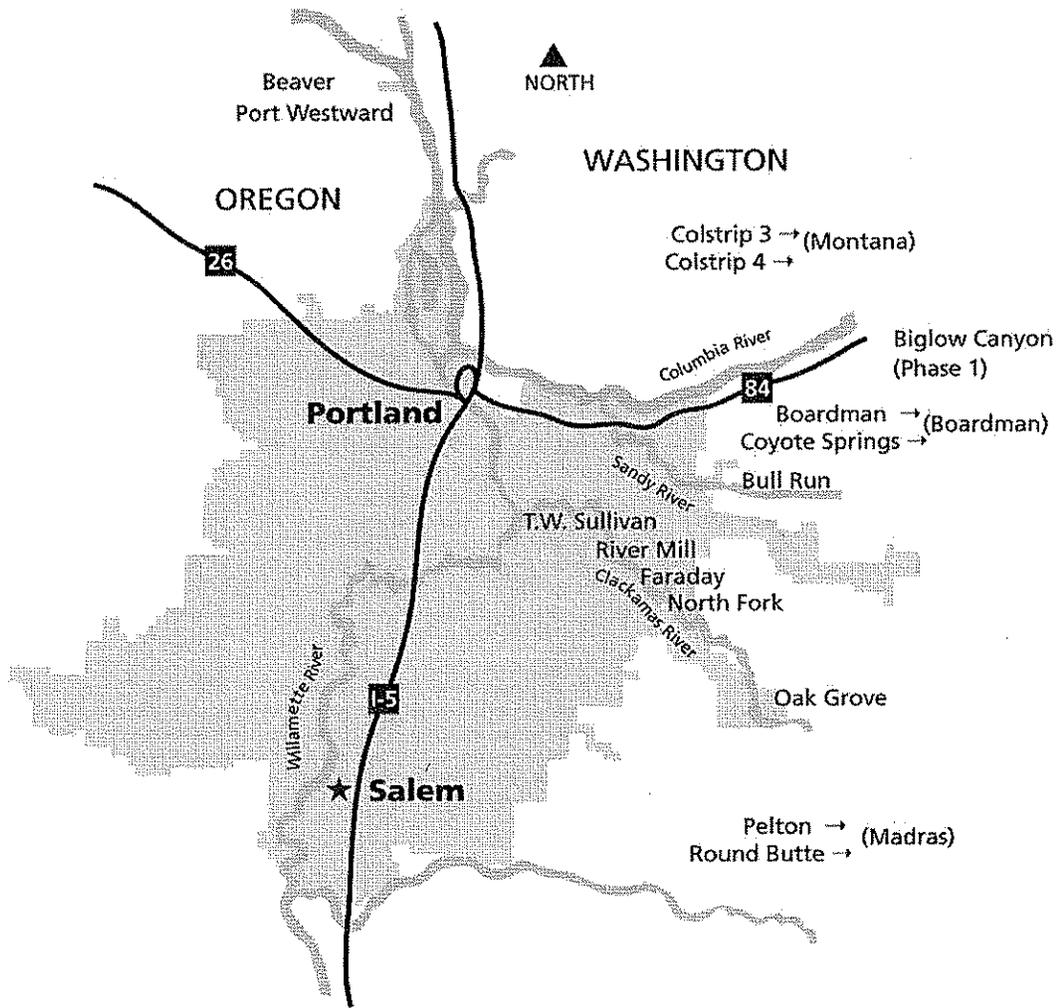


Figure 1. PGE Service Territory

For more information, see PGE's Internet site: www.portlandgeneral.com.

RFP Schedule

- November 20, 2007 — Selected Accion Group as Independent Evaluator (IE).
- December 21, 2007 — Provided draft all-source RFP to all interested parties.
- January 10 & 11, 2008 — Bidder and stakeholder pre-RFP workshop.
- January 21, 2008 — PGE submits final draft all-source RFP to OPUC for approval.
- January 21, 2008 — IE submits assessment of the final draft all-source RFP to OPUC.
- April 7, 2008 — PGE submits final draft renewable RFP to OPUC for approval.
- April 14, 2008 — OPUC approves draft renewable RFP at public meeting.
- April 15, 2008 — PGE issues RFP
- May 23, 2008 — RFP responses due
- July 3, 2008* — PGE identifies initial short list, initiates negotiations.
- August 29, 2008* — PGE selects final short list of bids.
- September 2008* — IE issues final closing report to OPUC.

**Note – these dates are subject to change depending on the quantity and complexity of bids received.*

Guidelines for Submitting Proposals

This section describes the guidelines Bidders must follow when submitting proposals.

Registration on PGE's RFP Web Site

All prospective bidders, stakeholders, and other interested parties are requested to register on PGE's RFP web site at www.portlandgeneralRFP.com. The web site is secure so that confidential information can be posted and exchanged via the site. Bidders will be able to upload electronic copies of their bid documents to the site.

Other features of the site include:

- The ability to download all RFP public documents, including copies of this document and all related contracts and appendices.
- An announcement board for posting of information to the public and bidders
- The ability for Bidders to post questions that are available to all users, and comments that are confidential.
- Confidential bid folders for each bid, for the retention and exchange of bid-specific data.
- Confidential evaluation folders for the retention of data provided by the PGE Evaluation Team, for use during regulatory review

Limited information regarding the RFP will also be available on PGE's main web site at:

http://www.portlandgeneral.com/about_pge/current_issues/energy_strategy/request_proposals.asp?bhcp=1

Procedural and Commercial Questions

All correspondence regarding procedural questions, bid submissions and questions related to product characteristics, terms and conditions should be submitted on PGE's RFP website at www.portlandgeneralRFP.com. PGE will post answers to questions from Bidders, stakeholders, and other interested parties on the site. Registered users will be notified by e-mail when the "Q&A" section of this Web site is updated.

Submitting Bids

Parties submitting bids under this RFP (Bidders) may submit bids responding to one or more of the renewable electric energy products. Electronic copies of bids must be posted to www.portlandgeneralRFP.com by 4:00 p.m. Pacific Daylight Time on May 23, 2008. In addition, three complete hard copies of bids must be *received by* 4:00 p.m. Pacific Daylight Time on May 23, 2008. Bids must be sealed, and sent to:

Dorothy Sosnowski, Project Manager
Portland General Electric Company
121 SW Salmon St. 3WTC0306
Portland, OR 97204

In the event that the Bidder discovers an error or omission in the bid after shipping hard copies, Bidder must note any changes in the electronic filing and such changes must be posted by 4:00 PM on May 23, 2008. In the event of differences between the hard copy and electronic copy, the electronic version shall control. In addition, three corrected hard copies must be received by PGE within three business days of the filing deadline, or by 4:00 PM on May 28, 2008.

All bids received will be date stamped and initialed. Bids received after the deadline, or containing materially incomplete information will not be considered.

Submitting Confidentiality and Non-Disclosure Agreements

Bidders may submit signed confidentiality agreements to the address above up until the deadline for bid submission (4:00 PM on May 23, 2008). However, bidders who desire to have PGE execute the confidentiality agreement prior to bid submission must submit their signed agreement no later than two weeks prior to bid submission, or by 4:00 PM on Friday, May 9. Due to the need to establish uniform procedures that safeguard the confidentiality of all information marked confidential and the expected number of bidders, PGE will not be able to accept changes to the posted Confidentiality and Non-Disclosure Agreement.

Validity of Price and Offer

By submitting a bid, the Bidder acknowledges and agrees that each of its bids constitutes an offer that shall remain irrevocable for 140 days after the bid responses are due, as defined under "RFP Schedule" above.

Price and Non-Price Bid Evaluation Criteria

Price comprises 60 percent of our evaluation criteria, reflecting PGE's intent and commitment to obtain the best possible value for our customers. Non-price factors primarily reflect risk attributes of the bid proposals. Bidders are advised that they are competing primarily on price. Bids that offer the best combination of price and associated risk will be selected for the short list and post-bid negotiations.

Reservation of Rights

This RFP is not, and shall not be construed to be, an offer by PGE. PGE is not bound to enter into negotiations or execute an agreement with, or purchase any products from, any Bidder as a result of this RFP. No rights shall be vested in any Bidder, individual or entity by virtue of its preparation to participate in, or its participation in, this RFP. No binding commitment shall arise on the part of PGE to any Bidder under this RFP until and unless the parties execute definitive agreements that become effective in accordance with their terms.

Each Bidder shall be solely responsible for all costs it incurs in preparing to participate in, participating in, or responding to this RFP.

The bids received will be evaluated and selected based on the information supplied by each Bidder pursuant to this RFP. PGE reserves the right to modify or withdraw from this RFP process, or modify the RFP Schedule and any provisions contained herein, for any reason. As part of our normal course of business, PGE conducts bilateral discussions with developers and other electric energy providers. PGE also reserves the right, consistent with the Competitive Bidding Guidelines, to make purchase commitments at any time to suppliers not participating in this RFP process.

PGE reserves to itself:

- The selection of short-listed bids and the awarding of contracts, if any, in the exercise of its sole discretion.
- The right to reject any and all bids, and any portion of a specific bid for any reason.
- The right to waive any informality or irregularity in any bid received.
- The right to award a contract to a Bidder based on a combination of price and non-price factors, a quantitative and qualitative assessment of portfolio fit, and post-bid negotiations.

PGE shall have no obligation to provide a reason for rejecting a Bidder's bid.

Confidentiality and Nondisclosure

In accordance with an executed Confidentiality and Nondisclosure Agreement, PGE will maintain the confidentiality of any claimed proprietary and confidential information contained in a bid, provided that such information is clearly identified by the Bidder as "Confidential Information" on each page on which such proprietary and confidential material appears. Each Bidder must execute and return a copy of the Confidentiality and Nondisclosure Agreement, the form for which is included separately in the RFP packet, as soon as possible, but no later than its timely submission of its bid or bids. *It is the Bidder's responsibility to indicate clearly in its proposal what materials it deems to be proprietary and confidential.*

PGE may release such information to PGE employees or attorneys, and external consultants who are involved in the RFP process, or have a need to know for business reasons in connection with the RFP process, to the Independent Evaluator, to the staff of the OPUC and any other person qualified to receive such information pursuant to the Modified Protective Order issued by the OPUC on October 16, 2007 ("Modified Protective Order"), or as may be required by judicial or administrative process or otherwise by law. Renewable bids that PGE recommends for funding from the Energy Trust of Oregon (ETO) will be released to the ETO for their review.

Document Retention

All bids and exhibits supplied to PGE during the RFP process will become the property of PGE. PGE will retain all bid materials supplied to it and pertinent information generated internally by it in connection with the RFP process in accordance with PGE's document retention policies.

Bid Evaluation Process

This section describes PGE’s process for evaluating bids received in response to this RFP. For details about our scoring criteria, see the sections “Bid Pre-Qualifications” and “Criteria Used for Scoring Qualified Bids” below.

Reviewing, Ranking and Selecting Bids

In selecting the RFP short list, PGE will use a first-price, sealed-bid format. Under this format, Bidders may not update pricing during the scoring and evaluation period. We will use the first prices provided by Bidders to select our short list of candidates, and then negotiate price and non-price elements during post-bid negotiations. The scoring process is illustrated in Figure 2, below.

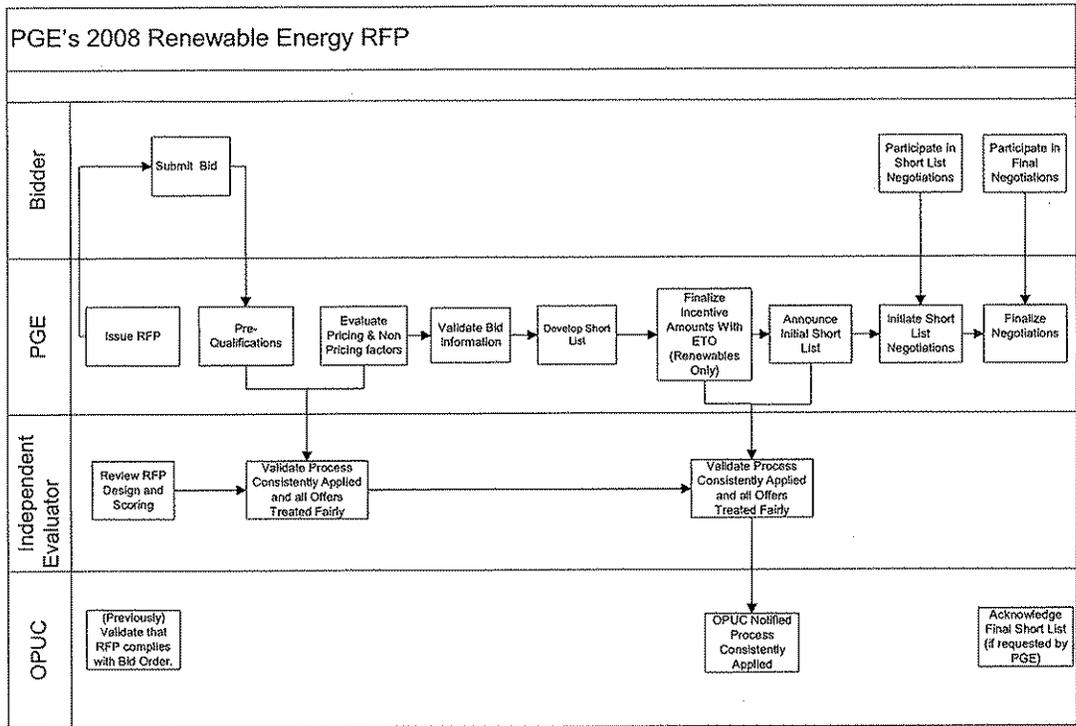


Figure 2. Resource Selection Process

PGE reserves the right to request additional information regarding any proposal received.

Bids will be evaluated using a two-step process.

- *Assessment of Pre-Qualifications* – First, PGE will screen bids according to pre-established qualifying criteria, *i.e.*, minimum quantity and term, and quality of credit.
- *Evaluation of Scoring Factors* – Next, PGE will score bids that meet the pre-qualification standards. Overall scores will be comprised of price and non-price factors.

Independent Evaluator

PGE will use an independent, third-party evaluator, Accion Group, to help ensure that the RFP is conducted fairly and properly and that all offers are treated objectively and consistently. The Independent Evaluator will:

- Consult with PGE in preparing the RFP and submit its assessment of the final draft RFP to the OPUC when PGE files for RFP approval.
- Independently score all or a sample of the bids to determine whether the selections for the initial and final short-lists are consistent with the scoring criteria.
- Compare the results of the Independent Evaluator's scoring with PGE's scoring and work with PGE to reconcile and resolve scoring differences, if any.
- Prepare a Closing Report for the OPUC after PGE has selected the final short-list.
- Make any detailed bid scoring and evaluation results available to PGE, the OPUC and non-bidding parties in the RFP docket subject to the terms of the Modified Protective Order.

Requested Power Products

PGE requests proposals for renewable electric energy products, as described in this section, and summarized below. See Appendices A and B for specific product term sheets. PGE will be willing to consider projects that begin before the specified dates, provided they meet our portfolio needs.

Renewable resources must meet the requirements of Oregon’s Renewable Energy Standard (“RES”), as defined in Senate Bill 838. In addition, renewable bids must include all environmental attributes, including associated tradable renewable energy credits (TRCs).

PGE is targeting up to 218 MWa of renewable energy resources via this RFP. Depending on bids received, we may also transact for more or less than the 218 MWa target.

Table 1. Summary of Requested Renewable Energy Products

Type	Product	Block			Start			Term	
		Min	Pref.	Max.	Min	Pref.	Max.	Min.	Pref.
Renewable Energy*	Power Purchase Agmt	2 MW	<150 MWa	218 MWa	Jan-09	Jan-12	Jan-14	5 years	20+ years
	Ownership	2 MW	<150 MWa	218 MWa	Jan-09	Jan-12	Jan-14	NA	

* Renewable resources must meet the requirements of Oregon's Renewable Energy Standard, as defined in SB 838. All Associated Tradable Renewable Energy Credits (environmental attributes) must be included with bid for the bid to be considered under this RFP.

Renewable Electric Energy Products Requested

Firm Physical Energy Purchase – PGE will consider purchasing up to 218 MWa of firm renewable energy, delivered to PGE’s service territory beginning no earlier than January 1, 2009, with a preferred start date of January 1, 2012. The minimum quantity for renewable-based bids is 2 MW, and the minimum duration is five years. To the extent that the Bidder does not provide firming, regulation or other ancillary services for integrating the power product, PGE will include our estimated cost of obtaining these services in our bid evaluation. See Appendix A for a sample term sheet and required bid information.

Ownership Position in a Renewable Energy Resource – PGE will consider acquiring an ownership position of up to 218 MWa in long-term renewable energy resources. Ownership proposals may include (but are not limited to) the sale of existing plants, acquisition of project development or natural resource rights and options, part ownership and build-own-transfer agreements. We will also consider hybrid structures that include both an ownership component and a

power purchase agreement (e.g. the sale of a phase or portion of a project with an off-take agreement for the remaining balance). See Appendix B for a listing of the elements of an ownership offer and required bid information.

Point of Delivery and Transmission

PGE's preferred Point of Delivery (POD) is the PGE Service Territory as shown in Figure 1 above. PGE is electrically connected to both Bonneville Power Administration (BPA) and PacifiCorp. To ensure that bid proposals are evaluated on a comparable basis, POD scoring evaluation will include both price factors to quantify the cost and non-price factors to quantify the risk associated with delivery to PGE. The transmission component will not be a threshold determinant; however, proposals without a delivery component will be scored accordingly. In addition, confirmation of firm delivery capability or rights to transmit the proposed energy supply to PGE's system will ultimately be required prior to execution of any contracts in connection with this RFP. If a proposal includes interconnection or transmission service, bidder will be required to supply all information as detailed in Appendix F.

Alternative Bid Structures

Bidders may submit bids that differ from the attached term sheets with respect to the allocation of risks between the Bidder and PGE, provided the risks assigned to each party are clearly identified in the bid. Risks may include, but are not limited to, those for providing fuel, environmental impacts, providing firm transmission, or providing ancillary services to firm the output variability associated with non-firm, non-dispatchable resources. Please note that the Price Factor criteria assume that the Bidder will provide all required reserves for the energy as defined by the Western Electricity Coordinating Council (WECC).

About the Term Sheets

Term Sheets are Examples Only

As discussed above under "Alternative Bid Structures," the draft term sheets included in the appendices are provided as examples only and, while they include expressions of preferred product structures and characteristics, they are not intended to exclude other proposals for meeting PGE's renewable energy needs. Bidders should mark up the sample term sheets as needed. In any case, bids must include sufficient information for PGE to make a thorough evaluation of the proposals.

Starting Date for Renewable Energy

PGE will consider bids with start dates earlier than those shown in the term sheets, but no earlier than January 1, 2009.

Firm Transactions

For the purposes of this RFP, a "firm transaction" is one for which the only excuse for failure to deliver or receive is force majeure, as defined in the purchase agreement templates. **Firm energy includes reserves and ancillary services** to ensure that energy schedules are certain and delivered intact throughout the hour.

Contract Terms and Conditions

Energy Purchase Agreement

The contract template for power purchases is included in Appendix C – Wholesale Renewable Power Purchase Agreement. Bidders must review the purchase agreement template included in this RFP, and must include any proposed revisions to the contract (shown in red-line) as part of their response package to this RFP. PGE will evaluate all proposed revisions, but is under no obligation to accept any revisions or adopt any changes. Changes, if any, to terms and conditions or revisions to the templates will be discussed with Bidders selected for post-bid negotiations.

Ownership Position in a Renewable Energy Resource

PGE invites bidders to submit proposals for various types of asset sale and ownership transfer agreements. The contract template is included in Appendix D – Asset Purchase Agreement. PGE recognizes that terms may need to vary significantly based on the many possible variations of an ownership transaction. As such, bidders are required to redline this Asset Purchase Agreement with their bid.

Ownership proposals may include (but are not limited to) sales of existing assets, acquisition of project development or natural resource rights, build-own-transfer agreements or joint ownership. We will also consider hybrid structures that include both an ownership component and a power purchase agreement (e.g. the sale of a phase or portion of a project with an off-take agreement for the remaining output). Bidders submitting a proposal for a PGE ownership position in a renewable energy resource are requested to provide as part of their response package to this RFP the documents identified in Appendix B. PGE will consider proposed changes to the terms and conditions in those documents, but will be under no obligation to accept them without modification. Changes to terms and conditions or revisions to the documents will be discussed with Bidders selected for post-bid negotiations.

Bid Pre-Qualifications

To be considered for evaluation, all proposals must meet the requirements specified below.

General

General pre-qualifications include minimum bid quantity, minimum bid term, credit, and bidder qualifications.

Minimum Bid Quantity

The minimum bid amount is 2 MW. PGE has specified a low minimum bid amount because we would like to encourage the submission of a variety of renewable bid technologies in this RFP and also recognize that the current incentives available in Oregon, including the Business Energy Tax Credit and Energy Trust of Oregon incentives, favor smaller renewable projects.

Minimum Bid Term

The minimum bid term is five years.

Credit and Bidder Qualifications

All transactions are contingent upon the Bidder meeting and maintaining the credit requirements established by PGE's Credit Risk Management Department:

- Bidder's or Bidder's credit support provider's (if any) long-term, senior unsecured debt that is not supported by third-party credit enhancement must be rated by one or more of the following agencies: BBB- or higher by Standard & Poor's and Fitch, BBB (low) by DBRS, or Baa3 or higher by Moody's Investor Services, Inc. If the Bidder or Bidder's credit support provider is reviewed by more than one agency, PGE will consider the lowest rating maintained.
- Bidders that are not rated, and bids offering full project ownership, will be subject to review by PGE's Credit Risk Management Department for qualification.

Typically contracts will only be awarded to Bidders that have minimum investment grade credit rating or provide acceptable performance assurance. Alternatively, the Bidder must provide performance assurance in the form of a parental guarantee, a letter of credit and/or cash, based on the Bidder's and/or

Guarantor's credit profile and the amount of expected financial exposure related to the project.

Bids for an outright purchase of a 100 percent interest in a plant will be considered regardless of the creditworthiness of the Bidder. If the plant is not yet complete, PGE's Credit Risk Management Department requirements will apply until commercial operation of the plant. All information required to evaluate and establish credit will be subject to the Confidentiality and Nondisclosure Agreement.

As applicable, the Bidder must provide documentation, satisfactory to PGE, that it is able to schedule power and operate under industry standards established by the Federal Energy Regulatory Commission (FERC), Western Electricity Coordinating Council (WECC) and the North American Energy Reliability Council (NERC), or other applicable regulatory body or government agency.

For New Projects Used to Support Bids

Commercial In-Service Date

Projects being developed to support bids must have a reasonable commercial in-service date of no later than January 1, 2014. The Bidder must identify the renewable power supply source it intends to use to support its bid commitments before the project in-service date. PGE will consider projects that begin before the specified dates, provided they meet our portfolio needs.

Technology

Projects being developed to support bids shall use commercially viable generation technology. The Bidder shall specify the generation technology it proposes to use and provide preliminary design studies – completed in sufficient detail to identify all major equipment and components. The Bidder will also provide a site layout plan, and a project milestone schedule indicating critical path elements. For generation technologies that are not in common use by electric utilities, the Bidder shall identify electric projects where the technology is already being used or provide documents describing the technology in reasonable detail.

Suitability of Site

The Bidder must identify the project site location, show site control and provide satisfactory evidence that the site is not otherwise committed or encumbered and is available for the full-term of the proposed bid. The Bidder must have identified all required site-specific permits and have prepared a plan or schedule

for obtaining all permits and licenses. For proposals to sell project development rights or lease options, the Bidder should identify any required permits and licenses that the bidder intends to acquire and those that the purchaser would be responsible to obtain.

Fuel Supply (where applicable)

The Bidder must demonstrate physical and commercial access to fuel supplies and fuel transportation for the term of the contract proposed in its bid. PGE will not accept bids for biomass or biogas projects that pass fuel risk to PGE. PGE maintains this position because unlike other fuel types (such as coal or natural gas), PGE does not have the ability to reasonably hedge biomass or biogas fuel costs.

Criteria Used for Scoring Qualified Bids

This section briefly describes the criteria PGE will use to evaluate bids submitted in response to the RFP. The following tables summarize these criteria. For details about information that should accompany each bid, see "Appendix E, Required Bidder Profile," and "Appendix F, Required Bidder Information."

Table 2. Evaluation Criteria for Renewable Energy Products

<i>Factors</i>	<i>Descriptions</i>	<i>Sub Total</i>	<i>Total</i>
Price Factors	Base prices adjusted for considerations described in following paragraph		60%
Non-Price Factors			
	Project Development <ul style="list-style-type: none"> ▪ Project financing ▪ Site control ▪ Developer experience ▪ Permitting status 	6.5%	
	Project Characteristics <ul style="list-style-type: none"> ▪ Fuel supply diversity, resource risk, and O&M reliability characteristics ▪ Point-of-delivery ▪ Project location ▪ Resource supply diversity ▪ Resource adequacy ▪ Extension option or equity position 	12.5%	
	Product Characteristics <ul style="list-style-type: none"> ▪ Guaranteed Availability Factor (GAF) and/or Monthly Availability Guarantee (MAG) ▪ Compensation for failure to meet GAF or MAG ▪ Dispatchability ▪ Amount (MW/h) ▪ Product flexibility ▪ Contract term 	10%	
	Credit Factors	5%	
	Environmental Factors	6%	
	Total Non-Price Factors:		40%
Total:			100%

Price Factors

Price represents a significant portion of the overall score. To evaluate bids containing different product characteristics on a comparable basis, prices submitted by the bidder will be subject to adjustment for the following considerations:

- *Additional costs associated with delivering product to PGE's service territory from proposed PODs (if outside PGE's service territory).*
- *Ancillary services, if not included in product pricing – see discussion below.*
- *Variability of output by time-of-day or season – If the bid does not include integration for intermittent and non-dispatchable resources, we will estimate the cost and include it in our price analysis.*
- *Quality and firmness of energy.*
- *Any other factor necessary to ensure bids are evaluated on a comparable basis.*
- *Generation output profile – hourly energy production by month vs. flat hourly market prices.*

The price will be calculated as the ratio of the bid's projected total cost per MWh to forecast market prices using real-levelized or annuity methods (per Guideline 9a. of the Competitive Bidding Guidelines).

PGE may require performance assurances in support of the Bidder's obligations, which may include one or more subordinate liens in combination with corporate guarantees, escrow accounts, cash deposits or letters of credit. PGE retains the right to adjust the bid price to include the cost to us of performance assurances if the bidder does not provide adequate performance assurance. Lower levels of performance assurances may be acceptable, if there are other compelling compensating factors as determined by PGE in its sole discretion.

Point of Delivery (POD) – If delivery to PGE's service territory is not included in product pricing, applicable transmission service cost will be applied. These costs include wheeling, losses, and required ancillary services as prescribed in applicable tariffs. If the Bidder has transmission service to a POD other than PGE's service territory, Bidder shall provide all contracts and agreements for all such service so that PGE can determine the appropriate service that may be required to deliver the bid product from the POD to PGE's service territory.

Ancillary Services – If ancillary services are not included in product pricing, power product bids for delivery to PGE's service territory will at a minimum need the following ancillary services to meet control area operations and transmission provider requirements:

- *Operating and supplemental reserves*

- Generation and energy imbalance
- Scheduling, system control and dispatch
- Reactive support and voltage control

Bidders shall provide a comprehensive list of all ancillary services they are planning to provide in delivering the energy product to the POD. To the extent that any of these required ancillary services are not being supplied by the Bidder, PGE will, for scoring purposes, adjust the price provided by the Bidder to reflect the cost of acquiring additional ancillary services required.

Non-Price Factors

Project Development

This category scores the likelihood that a project supporting a bid will be placed in commercial service. The evaluation criteria for this category generally address construction and development risks associated with the completion of projects that are not yet in commercial operation, and which are necessary to support bids. Plants that are already operating or are sufficiently advanced in construction may be deemed to earn the maximum possible score from this category.

For projects that are less advanced, we will consider the following criteria for scoring:

- Method and status of project financing
- Level of site control by developer
- Project team experience
- Status of required permits, licenses and studies
- Status of equipment supply and engineering, procurement and construction (EPC) agreements

Point of Delivery

POD is both a price and non-price factor. This category scores the risks associated with potential transmission constraints or curtailments in delivering the power from external PODs to PGE's service territory. When scoring for non-price factors, we will factor in the risks of transmission congestion.

The preferred POD for products specified in this RFP is PGE's service territory. Bidders are encouraged to submit separate bids for delivery to our system or other PODs where appropriate, to allow the Bidder and PGE to consider any comparative advantages in costs or differences in risk tolerance for exposure to incremental transmission expenses and uncertainties for PODs external to PGE's

system. Bidder must identify the POD for each bid, and will be responsible for all transmission arrangements and costs to the specified POD. These costs include those of any required interconnection and transmission service.

Most of PGE's long-term rights to transmission on BPA's system are already dedicated to existing resources. While PGE will evaluate each proposal and POD on a case by case basis, Bidders should assume that PGE has no unutilized, long-term firm transmission rights that are available to be re-directed to transmitting proposed resources to PGE's service territory.

The Pacific Northwest (PNW) transmission system currently has numerous constraints that can limit the firm delivery of power products for extended periods of time. BPA has proposed to conduct a system-wide open season for transmission service during the first half of 2008. If BPA is successful with this process, then the region may develop new long-term transmission service in a more timely fashion and at a more predictable cost. The scoring process for this RFP assumes continuation of the status quo; however, PGE retains the right to adjust the delivery risk of external PODs based upon the progress of BPA's open season process.

A Bidder may specify multiple PODs in its bid, provided it specifies which party has the right to choose the applicable POD. Bids that assign this option to PGE will be scored more favorably than those that do not.

Except for Qualifying Facilities (QFs) under the Public Utility Regulatory Policies Act of 1978 (PURPA), for proposed projects within PGE's service territory, interconnection to, and transmission service on, PGE's transmission system will be provided under the terms and conditions of PGE's federal Open Access Transmission Tariff (OATT), PGE's Generator Interconnection Guidelines, and all applicable orders and rules. Interconnection of proposed QFs in PGE's service territory shall be governed by applicable PGE tariffs and applicable state orders and rules.

Confirmation of firm delivery capability or rights to transmit the proposed energy supply to PGE's system will be required prior to execution of any contracts in connection with the RFP.

PGE's federal Open Access Transmission Tariff (OATT) is available at:
http://www.oatioasis.com/PGE/PGEdocs/PGE_CURRENT_OATT_Part_I_as_of_10-12-07_Schedules_Attachmen%E2%80%A6.pdf

PGE's Generator Interconnection Guidelines are available at:
http://oasis.portlandgeneral.com/pdf/gen_inter.pdf
http://oasis.portlandgeneral.com/pdf/gen_inter.pdf

Physical Project Characteristics

This category captures the physical characteristic risks of the bid products. The evaluation criteria for this category generally address physical and operational risks associated with the production and delivery of power to PGE. Some of the characteristics that we will consider in our scoring are:

- Resource supply diversity
- Resource adequacy
- Point of delivery (as discussed above)
- Project location
- Fuel supply diversity (for biomass projects) and O&M reliability characteristics
- Risk that the resource will not perform as expected (for variable and intermittent resources)
- Project life and extension options. Rights that allow PGE to extend the life of a resource beyond the initial term or forecast provide potential future risk mitigation. As a result, proposals that provide rights to long-term access to the resource or energy supply will be scored higher than proposals that do not provide similar rights.

Our non-price scoring criteria also values projects that provide benefits to Oregon and our local economy. The criteria include a benefit for location within Oregon, and a somewhat higher benefit for location within our service territory.

Power Product Characteristics

This category scores how well the bid product matches PGE's operational needs. The evaluation criteria for this category generally address price, performance and supply concentration risks, along with the benefits of flexibility and optionality. Some of the characteristics that we will consider in our scoring are:

- Guaranteed Availability Factor (GAF)¹ or Monthly Availability Guarantee (MAG) and compensation for failure to achieve it. When scoring for this performance factor, no points will be awarded a bid that has neither a MAG nor a GAF. Projects with both a GAF and a MAG will receive a maximum score. Projects with a MAG only will receive an intermediate score.
- Dispatchability

¹ Guaranteed Availability Factor assumes that both the plant is mechanically available and there is fuel to operate (i.e. biomass). A GAF as applied to an intermittent resource such as wind or solar would imply a guaranteed level of energy production. Monthly availability guarantee assumes that the plant is mechanically available to operate (i.e. typically applied wind, solar and other intermittent resources).

- Product flexibility
- Contract term
- Amount (MW per hour)

Credit Evaluation

This category scores the creditworthiness of the Bidder. We will take into account the following credit considerations in our scoring:

- Debt and equity ratings
- Performance assurance
- Financial ratio analysis
- Default risk
- Credit concentration and liquidity
- Enforceability of contractual credit terms
- Bidder revisions to contract templates that may affect credit requirements

Environmental Impacts

To address environmental concerns, we will review the following characteristics in this scoring category, where applicable:

- Air emissions (including particulate matter, NO_x, SO₂, and CO), net of any mitigation efforts to be provided by bidder (lbs/ MWh)
- Land use (acres disturbed per MWa)
- Water use and/or discharge (gallons per MWh)
- Waste directly related to power production (lbs/MWh)

PGE is willing to consider other project specific environmental benefits that a Bidder is able to offer that are not mentioned in this solicitation. Bidders are encouraged to describe any such project-specific factors that they believe would be valuable to PGE.

Additional Considerations for Renewable Resources

Firm Physical Energy Purchases from Non-dispatchable, Intermittent Resources – Bids for firm energy from resources such as wind require integration services to supply a firm, in-hour product. Bidders have the choice of acquiring integration services on their own behalf, or requesting that PGE self-supply such services. Because PGE has a limited ability to self-supply integration services, we may acquire such services on the bidder's behalf from another supplier, such as BPA. In making this decision, PGE will evaluate market prices for integration services,

our own portfolio flexibility and resource mix and internal opportunity costs. If a bidder would like PGE to supply integration services, we will add the estimated cost of these services to the bidder's price.

PGE is completing its own wind integration study to better determine actual costs of integrating wind and other intermittent resources into our system at various penetration levels. While results of the study are expected to be available when PGE completes the final short list, results will not be available by the time PGE completes the initial short list for this RFP. When determining the price scores for the initial short list in the absence of the study results, PGE will assign the wind integration costs estimated in the 2007 IRP of \$10/ MWh in \$2006² to all bids not providing wind integration services. We will use the study results in determining final short list selections.

PGE will comprehensively quantify the costs and benefits of the variability of each project separately. Price scoring will quantify the total energy of the project as bid and the value of the project's energy shape if the energy has not already been shaped to a flat output. Non-Price scoring will take into account annual availability and other variation in output of each project. Bidders may, in the interest of optimizing their bid, elect to provide pricing separately for optional components, such as shaping and scheduling notice.

Another important element of integration services is the scheduling notice period. Longer notice periods provide load-serving entities higher supply certainty and reduced exposure to market risk by limiting reliance upon spot markets to absorb fluctuations in energy production. For non-price scoring purposes, PGE prefers to know as far in advance as possible the amount of energy to be supplied in any given hour.

We will award the highest non-price score to products which, after integration, provide a flat volume of power for all hours. However, we recognize that such certainty has an associated cost, and will score that as part of the price factor scoring. For example, we would expect the price of a product that is flat for all hours, *i.e.*, no variability, to be more expensive than a variable product provided with a 168-hour scheduling notice. Both of these products would likely be more expensive than one provided with a 24-hour scheduling notice. We expect the product with the combination of lowest price and the longest scheduling notice to achieve the highest overall score.

Price to PGE – The ETO has limited funding available via the open solicitation process that could be used to “buy down” the costs of renewable resources of 20 MW or less in size to that of non-renewable alternatives (see Appendix G). The

² See 2007 IRP, page 107.

ETO may help fund more than one renewable project, but reserves the right to make no funding offers. PGE will score all bids for renewable resources and finalize the initial short list based on their price to PGE *after* applying any subsidies agreed to by the ETO.

The ETO has a preference for projects based in Oregon, but will defer judgment until bids are reviewed and costs are defined.

Bidders are requested to submit their bid pricing without including any ETO funding, unless a funding commitment has already been obtained from the ETO, as approved by the ETO Board of Directors. If a funding commitment has been pre-approved by the ETO, please specify the amount separately in the pricing section of the bid.

Production Tax Credit and Investment Tax Credit - In the event that the federal Production Tax Credit (PTC) and Investment Tax Credit for Solar (ITC) are not renewed by the time bids are due (May 23, 2008), bidders are requested to submit their annual pricing both with and without the PTC and ITC and to state the basis (i.e. assumptions for tax credit renewal) on which they are calculating the PTC and ITC.

Technical evaluation of renewable bids – PGE will use consultants, if necessary, to help us evaluate such technical information as wind speed, solar insolation data, and geothermal reservoir exploration and modeling.

Post-Bid Negotiations

PGE's goal is to conduct an efficient post-bid negotiation process. PGE will initiate negotiations with a short list of Bidders whose proposals rank highest in the evaluation process and whose proposed transactions, PGE believes in its sole discretion, offer value to PGE's energy supply portfolio for customers, and have a reasonable likelihood of being executed.

The number of Bidders with whom negotiations will be held will depend upon the bids received, the results of the scoring process and other factors described more fully in the sections "Bid Evaluation Process" and "Criteria Used for Scoring Qualified Bids." Selection for the short-list and initiation of negotiations do not constitute a winning bid.

PGE intends to negotiate price and non-price elements during the post-bid negotiations. Any contract contemplated by this RFP shall not bind PGE until execution of a definitive agreement by both PGE and the Bidder and, if required, the agreement is approved or otherwise authorized by the appropriate regulatory agencies.

A number of factors will be considered in the post-bid process to ensure an appropriate fit with our overall energy portfolio. These include concentrations of risk and contract terms, firmness of delivery, fuel risk exposure and leverage effects. Leverage effects refer to the impact of long-term contracts on PGE's debt-equity ratio and cost of borrowing³. The leverage impacts of contracts will be considered during the post-short list bid evaluation process.

As defined in the Oregon Competitive Bidding Guidelines, considerations of ratings agency debt imputation (the leverage adjustment) will be reserved for the selection of the final bids from the initial short list of bids. PGE will obtain an advisory opinion from a ratings agency to substantiate our analysis and final resource selections, if requested by the Commission.

PGE shall have no obligation to enter into a definitive agreement with any Bidder to this RFP and, at its sole discretion, may terminate negotiations with any Bidder at any time without liability or obligation to any Bidder. Whether or not, and until, negotiations with Bidders produce final and fully executed contracts satisfactory to PGE for its resource targets under the RFP, PGE reserves the right to pursue any and all other resource options available to it.

³ If PGE purchases power under a contract requiring fixed payments, Standard & Poor's may calculate the net present value (NPV) of the fixed payments and impute a percentage of that as debt on PGE's balance sheet.

Appendix A – Energy Product, Firm Physical Energy Purchase

Sample Term Sheet – For Discussion Only

<i>Product:</i>	Firm Physical Renewable Energy Purchase
<i>Product Seller:</i>	Bidder
<i>Product Purchaser:</i>	Portland General Electric Company (PGE)
<i>Available Hours:</i>	On-Peak and off-peak hours. On-peak hours include hours ending 0700 through 2200, Pacific Prevailing Time (PPT), Monday through Saturday, excluding NERC holidays. Off-peak hours include hours ending 0100 through 0600 and hours ending 2300 through 2400, PPT, Monday through Saturday, and hours ending 0100 through 2400, PPT, Sundays and NERC holidays.
<i>Term:</i>	Bidder to provide. The minimum bid term is 5 years, with a start date no earlier than January 2009; the latest acceptable start date is January 2014. <i>Sample: Commencing January 1, 2010, for up to 20 years.</i>
<i>Contract Quantity:</i>	Bidder to provide. <i>Sample: 2 MW minimum, 218 MWa maximum.</i> <i>Preferred: 2 MW to 150 MWa</i>
<i>Delivery Point:</i>	Bidder to provide. <i>Preferred: PGE service territory</i>
<i>Quality:</i>	Firm transactions as defined in "About the Term Sheets." Bidders proposing energy service from non-dispatchable sources, such as hydro, wind or solar, must provide descriptions and costs of ancillary services required to firm their products.
<i>Energy Payment:</i>	Bidder to provide. <i>Sample: \$USD ____ per MWh.</i>

Appendix B – Elements of a Renewable Resource Ownership Offer

[Draft– For Discussion Only]

PGE invites offers for ownership positions of up to 218 MWa that fit our mid- to long-term renewable resource requirements. Ownership bids may include (but are not limited to) the sale of existing plants, acquisition of project development or natural resource rights and options, joint ownership and build-own-transfer agreements. We will also consider hybrid structures that include both an ownership component and a power purchase agreement (e.g. the sale of a phase or portion of a project with an off-take agreement for the remaining output). In making such proposals, Bidders are asked to provide the following (as applicable):

- Detailed description of the project including, but not limited to, the location, availability of transmission, and fuel type, fuel source(s) and fuel transportation (where applicable).
- Current and proposed ownership structure.
- Project pro forma financial operating statements and documentation supporting significant assumptions. Documentation should at least address operating and financial information, such as output and efficiency, estimates for unit availability, O&M costs, fuel and fuel transportation costs (where applicable), transmission costs and losses, expected ongoing capital requirements, warranties and guarantees, project operating characteristics, and all regulatory compliance requirements.
- Current and proposed capital structure.
- Legal and regulatory requirements to complete siting and construction.
- Whether the project is turnkey or PGE will be involved in the development.
- Whether the project would be operated under a joint ownership arrangement.
- Payment schedule for purchase of ownership position.
- Current and proposed operating agreement(s).
- Description of project management and workforce agreements(s).
- Associated development contract, *e.g.*, Engineering, Procurement and Construction (EPC), long-term service agreement (LTSA).
- Joint ownership agreement, if any.
- For projects currently in operation, provide operating history and any other information required to evaluate the proposal.
- For projects in the planning or development phase, provide information on liquidated damages related to the project missing significant project development and

operational milestones and missing the stated capacity. Also, describe the developer's insurance coverage during construction and at project completion including insurance amounts, deductibles, and the timing of coverage effectiveness.

PGE retains the right to contact contractors, equipment suppliers and others engaged in developing or operating the project(s) described in the ownership proposal. PGE may also request additional information relevant to specific bids.

Appendix C – Wholesale Renewable Power Purchase Agreement

Template provided in a separate document available for download on www.portlandgeneralRFP.com.

Appendix D – Asset Purchase Agreement

Template provided in a separate document available for download on www.portlandgeneralRFP.com.

Appendix E – Required Bidder Profile

Company Name:		
Name of Contact:		
Title:		
Mailing Address:		
Telephone:	Fax:	E-mail:

Bidder's general background and principal business:

Legal entity that would be the contracting party to a power purchase contract with PGE. State whether this entity will be formed for the sole purpose of the project and a description of the ownership and debt arrangements:

Bidder's senior unsecured debt rating:

- Standard & Poor's
- Moody's Investor Services., Inc.
- Fitch Ratings
- DBRS

Appendix F – Required Bid Information

Please use the following multi-page form to provide required information regarding each bid. Wherever possible, enter information directly onto the form. Check boxes () indicate documents that are likely to be provided as attachments to the form.

For early-stage ownership proposals, including acquisition of project development or natural resource rights, please fill out sections as applicable.

1. Project Description

Project name: Location: Initial in-service date(s): Nameplate capacity (MW): Expected monthly and annual energy generation (MWh):

<i>Term Sheet:</i> <input type="checkbox"/> Provide a term sheet describing energy product being bid and price, including any exceptions or modifications to the applicable sample term sheet found in the RFP. <input type="checkbox"/> Submit the appropriate sample purchase agreement provided with the RFP including all requested amendments to the document. All modifications of the credit terms and conditions will be used for the credit evaluation:
<i>Term:</i> Include any provisions for renewal or extension:

One- or two-paragraph summary of proposal:
--

2. Project Development Criteria

For bids supplying power products from specific generating projects that will not be in commercial operation by June 1, 2008, please supply the following additional information.

Project name:

Permitting and Licensing Status

- Please list, provide copies of, and describe the current status and jurisdictional responsibility for all licenses, permits, zoning variances, and other regulatory approvals necessary for the construction and operation of the project.
- Status categories include: approved, not approved but application submitted, working on application, work on application has not begun.
- For each license, permit, zoning variance and regulatory approval that has not yet been obtained, show the sequencing and duration of permitting and licensing activities in a project schedule diagram, including expected construction time.
- For projects in the permitting and licensing phase, identify whether there is opposition to the siting of this project and how this opposition impacts project permitting.
- Discuss in general terms your approach for resolving these permitting issues or any planned mitigation measures.
- Could any of these permitting issues significantly delay or prevent successful siting of the project?

Progress to Date

- Describe the progress in development or construction of the project to date, including a description of any contracts or letters of intent signed in connection with the project, or a description of other factors demonstrating project progress.
- Include current status of project design and engineering, and equipment procurement.

Milestone Schedule

Submit an overall milestone schedule for the generating project that identifies all key dates including but not limited to dates for regulatory approvals, finalization of transmission and interconnection agreements, finalization of fuel supply agreements (where applicable), status of equipment and major components supply agreements, pre-construction milestones and construction milestones. The schedule that is submitted must be attainable and one to which the Bidder will commit to in the executed agreement. Include all aspects of the development including fuel and transmission infrastructure activities.

Project name:

Experience of Developer Team

Provide the following information:

- Describe the developer's participation in successfully developing power production projects in the U.S., emphasizing projects located in the Pacific Northwest and similar to the project proposed in the bid.
- List members of the development team.
- Provide a resume for each individual, including training, experience with power project development, functions performed, and area of expertise.
- Summarize the current status and a short description of power project development efforts

with which team members have been involved. The summary for each team member should include the type of projects developed (e.g., wind, biomass, etc.), current owner of the projects, geographic location and current status, e.g., operating, in construction, permitted.

- Describe business-related litigation or regulatory investigations in which the developer or development team members were previously (in the last 7 years), are currently, or are expected to be engaged.

Financial Plans

Provide the financial information listed below to the extent the information is currently available:

- Describe whether the Bidder intends to internally finance construction of specific generating project(s), or plans to obtain project financing from another source.
- Describe any existing commitments by financial institutions and provide documentation supporting these commitments. *In lieu* of such information, describe the plans for securing such commitments.

List the name, telephone number and contact person of the developer's:

Commercial bank:

Financial advisor:

Bond underwriter:

Other key financial trustee, advisor, counsel or lender:

- Provide a list of projects in the development phase, identifying the manufacturer of the principal components, counterparties in power sales agreement(s), the stage of completion of the project, the estimated operational date, the original estimated operational date, the percentage the project is over- or under-budget, and the project financing sources.
- Identify the extent to which the developer is committed to providing additional assets if necessary to complete the project.
- Has the Bidder already committed to proceed with construction of specific generating projects? If not, what actions or events would need to occur before the Bidder can commit to such construction?
- If the decision to proceed with the generating project depends on obtaining power purchase with third parties, please identify the amount of the project output that needs to be subscribed before the Bidder will proceed with construction, and the amount of firm commitments through executed agreements that the Bidder already has for output from the project.
- Identify the counterparty, product amount and term of each executed agreement. If such information is confidential, please provide a summary of amounts committed.

Site Control

Site control is an important factor in our RFP evaluation, and should be interpreted to include the site itself, along with all required easements and access required for the site.

Project name:

- Describe the level of control of the generation project site, e.g., ownership, lease, option, letter of intent.
- If the Bidder does not have control over the project site, describe the actions already taken to obtain control of the site.

3. Project Characteristics

For bids supplying energy products from a specific generating project, provide a reasonably detailed description of the project, including the information requested below.

Source of supply:

Identify all project(s) that will be used to support the bid:

Resource Base of Energy Product

- Describe the project site(s), including a description of the facilities of any thermal energy users and any other major structures related to the production of electricity or thermal energy.
- Concisely describe the technology used for the generation of electricity, including a technical description of, and vendor for, each turbine generator and emissions control technology, as applicable, and each principal fuel or energy source to be used.
- Provide the necessary design documents that will enable PGE to evaluate the engineering design and equipment used for transmission interconnection.
- Provide any additional design documents that would enable PGE to evaluate the engineering design, equipment and layout of the project.
- Describe all licensing and regulatory requirements.

Maintenance and Outages

Describe the normal annual maintenance outage for the project, including timing and expected duration.

List major outages planned during the contract period.

Point-of-Delivery

Identify the POD(s) for the bid:	
Provide evidence satisfactory to PGE of the Bidder's ability to deliver the power product to each specified POD on a firm basis. Including the following information:	
Provide all applicable interconnection and transmission service agreements:	
Identify any restrictions on operation imposed by applicable interconnection and transmission agreements. Include any requirement to participate in remedial action schemes or be subject to re-dispatch as identified by the transmission provider.	
If the proposed POD is not within PGE's service territory, describe the basis upon which the power is expected to be delivered to PGE's service territory, including: <input type="checkbox"/> Firm Delivery - Describe actions taken to secure firm rights to PGE. <input type="checkbox"/> Non-firm Delivery - Please describe:	
Key dates for finalizing the interconnection and transmission agreements.	
Dates	Agreements
Completion dates for transmission facility additions or modifications necessary to secure such service.	
Dates	Transmission Facility Additions

Request Pro Forma (for equity bids only; note that ETO-eligible bids will be required to provide a pro forma to the ETO)

Provide a summary of the major project capital and operating expenses and documentation to support the reasonableness of the estimates. Include a budget with a breakdown of projected capital costs.

Provide *pro forma* financing projections showing the projected cash flow and financing. At a minimum the pro forma should include the following:

- Annual energy production and assumed revenue.
- Annual operating expenses including lease or royalty payments.
- Planned or required reserve and contingency amounts.
- Transmission costs, losses and ancillary services to deliver energy produced at the project to the POD.
- Debt service and debt coverage ratios.
- Depreciation.
- Taxes.
- Net Income.
- Equity rate of return.

Provide the *pro forma* in hard copy and electronically as an Excel file.

Biomass, Biogas and Solid Waste

Please fill out a separate copy of this section for each biomass, biogas or solid waste project used to support the bid.

Project name:
<input type="checkbox"/> Provide documentation that will enable PGE to evaluate project fuel suppliers for current and future production and delivery capabilities, and financial strength.
Discuss the status of fuel supply and transportation contracts with potential suppliers and any contingencies that could affect the availability of fuel supply to the facility:
<input type="checkbox"/> If contracts have not been signed, provide copies of correspondence or other materials from these parties that demonstrate their level of commitment to the project.
Projection of the price of fuel over the term of the proposed contract:
<input type="checkbox"/> Provide the basis for the price projection.
Projection of annual fuel availability for the term stated in your bid:
Include assumptions and associated variable costs necessary to operate the unit and tipping fees received in association with procurement of fuel.
For projects not already in commercial operation, describe any new fuel transportation infrastructure that would be needed before commercial operation of the project:
What actions are needed to ensure this new infrastructure is developed in a timely manner to support the scheduled in-service date of the project?
<input type="checkbox"/> Provide any additional information the Bidder believes is pertinent to evaluating access to fuels for the project.

Hydroelectric

Complete a separate copy of this section for each SB 838-qualifying renewable hydroelectric project used to support the bid.

Project name:
For projects already in operation: Hourly net energy production records for the period that the project has been operating: <input type="checkbox"/> Also provide a projection of forward-going energy production.
For all hydroelectric projects: <input type="checkbox"/> Provide resource assessment reports for the project, and augment if necessary with the following information:
Water flow data and basis of the project head assumptions used in the development of the net annual and monthly energy projections. Include: <input type="checkbox"/> Identification of the organization responsible for data collection and analysis, the period over which the data was collected, a discussion of the approach used for collecting data, and data quality assurance procedures. <input type="checkbox"/> The analysis used to determine the project head assumptions. <input type="checkbox"/> A table of projected monthly and annual water flows (average, adverse, and favorable) over the term of the proposed power purchase contract, including any assumptions for such projections, and a conversion of such flows into kilowatts and kilowatt-hours.
Does the project have a certificate from the Low Impact Hydroelectric Institute indicating the project meets the requirements for classification as a low impact hydroelectric project? If not, is the project seeking a certification from the Low Impact Hydroelectric Institute?
Estimate the daily variability of flows which can be used to forecast the range in daily net energy output from the project:
Contingencies that could affect the availability of water flow and head to the facility: Include: <input type="checkbox"/> Present or future issues regarding fish or other concerns that could possibly place operational restrictions on the project. <input type="checkbox"/> Available hours of draw-down from any water storage at the project assuming full generator output, reservoir draw-down capability and downstream flow restrictions. <input type="checkbox"/> Any regulatory, including license conditions, restrictions that may impact operations.
<ul style="list-style-type: none"> ▪ Plant configuration: ▪ Year built: ▪ Equipment ratings: ▪ Number of units: ▪ Ending date of the current license: ▪ Date of any efficiency upgrade and output (in MW) added to the facility due to such upgrades: <input type="checkbox"/> Provide the detailed analysis used to estimate the annual and monthly net energy output of

the hydroelectric project.

List and individually quantify all sources of losses, and provide the basis for quantification.

Wave Energy

For projects already in operation (or planned projects with test buoys deployed):
 Hourly net energy production records for the period that the project has been operating:

Also provide a projection of forward-going energy production.

In addition, please provide the following:

- Plant configuration:
- Year built:
- Number of units:
- Ending date of the current license:

Describe the equipment to be used and the layout of your wave project. Include the size, technology type and manufacturer of the individual wave turbine units:

Provide a resource assessment report which includes adequate information to develop net annual and monthly energy projection.

Wind

Complete a separate copy of this section for each wind project used to support the bid.

Project name:

Existing projects:

Provide hourly net energy production records for the period that the project has been in operation.

All projects:

Provide any assessment reports that have been prepared for the project and augment them if necessary with the following information:

Provide source and basis of the wind speed data used in the development of the energy projections for the project.

Include:

- Purpose and location of the data collection.
- Period of record.
- Number of on-site and off-site meteorological stations used.
- Data quality assurance procedures.
- Levels of measurements.
- Seasonal data recovery and the organization responsible for the data collection and analysis.

<ul style="list-style-type: none"> <input type="checkbox"/> Methodology used to develop the estimated long-term, hub-height, average annual wind speed and wind speed frequency distribution for the project site. <input type="checkbox"/> Time-of-day, monthly and annual representative hub-height wind frequency distributions at intervals of 0.5 m/s. Provide these tables on paper and electronically in an Excel file. <input type="checkbox"/> Duration of on-site measurements (minimum of one year strongly preferred).
Describe the equipment to be used and the layout of your wind project. Include the size, technology type and manufacturer of the individual wind turbine units:
<ul style="list-style-type: none"> <input type="checkbox"/> Provide the wind speed versus power curve for the wind turbine generators proposed. <input type="checkbox"/> Provide the detailed analysis used to estimate the net annual and monthly energy output of the wind project. All sources of losses should be listed and individually quantified, along with the basis for quantification. <input type="checkbox"/> Provide a typical hourly energy production from the facility for a one-year period electronically as an Excel spreadsheet (PGE suggests that data be provided for calendar year 2007, if available). We will use this information to understand the hourly variability of the resource.

Solar

Complete a separate copy of this page for each solar project used to support the bid.

Project name:
<ul style="list-style-type: none"> <input type="checkbox"/> Provide any available assessment reports for the project and augment them, if necessary, with a detailed description of the solar and climatic data that were recorded for the site, and how they were sampled and processed (minimum of one year of data strongly preferred).
<ul style="list-style-type: none"> <input type="checkbox"/> Describe in detail the analysis that used the solar and climatic data from the site to estimate the net annual and monthly energy output from the project. <input type="checkbox"/> Provide a typical hourly energy production from the facility for a one-year period electronically as an Excel spreadsheet. We will use this information to understand the hourly variability of the resource. <input type="checkbox"/> List and quantify all sources of losses, and provide the basis for the quantification.
<ul style="list-style-type: none"> <input type="checkbox"/> Describe the solar incidence data supporting project energy generation assumptions. <input type="checkbox"/> Describe source and location of the data obtained and, if different from project site, provide an engineering review of its applicability to the proposed site. <input type="checkbox"/> Identify locations of any operating sites where technology identical to that proposed is employed.
Describe the physical layout of the plant:
Proposed type of solar technology:
Manufacturer and supplier of the photovoltaic panels:
<ul style="list-style-type: none"> <input type="checkbox"/> Provide operational history of the technology, and maintenance requirements.

Geothermal

Complete a separate copy of this page for each geothermal project used to support the bid.

Project name:
Provide: <ul style="list-style-type: none"><input type="checkbox"/> Project overview, site location and geological summary of site.<input type="checkbox"/> Resource assessment reports that have been prepared for the project and augment them if necessary with the following information.
<input type="checkbox"/> Status of the exploration program at the site, including information on the organizations performing the field work, a summary of the various data collected at the site, and the approach used for validating that data.
<input type="checkbox"/> Describe the analysis used to convert data obtained from the geothermal site into a reservoir model. <input type="checkbox"/> Identify if the resource is in a known geothermal resource area, and include an assessment of the resource potential, an estimate of the annual production from the resource, an estimate of resource life, and uncertainties associated with the development and life of the resource.
<input type="checkbox"/> Discuss the proposed geothermal power production technology appropriate for the site and the proposed long-term drilling program for the site. <input type="checkbox"/> Identify any innovative design or special operational features that will be required at this site. <input type="checkbox"/> Discuss the nature of the geothermal resource, and any challenges, including environmental, in drilling or conversion of the resource as a result of the geothermal characteristics.
<input type="checkbox"/> Provide the detailed analysis used to support the estimate of net annual and monthly energy output of the geothermal project. <input type="checkbox"/> List and quantify all sources of losses, and provide the basis for the quantification.
<input type="checkbox"/> Describe the type of the proposed geothermal conversion technology, the plant technology to be used, operational characteristics and maintenance requirements.

O&M Reliability – All Projects

For each project used to support a bid, provide the following information.

Project name:
Describe the experience and expertise of the project's current (or proposed, if applicable) O&M operator and the recent operating experience(s) of the plant(s). <ul style="list-style-type: none"><input type="checkbox"/> Describe any training program for the plant staff.<input type="checkbox"/> Does the project have access to support from a centralized engineering staff? If so, please describe.<input type="checkbox"/> Provide a list of the major critical spare parts held in inventory by the project, either at the site or at a common inventory location, or indicate if such parts are readily available from the vendor.<input type="checkbox"/> Are spare transformers installed at the site for backup?<input type="checkbox"/> Does the project have a long-term service agreement with the vendor for major equipment?

Describe the level of participation that PGE would be given in capital and O&M decisions that could affect reliability of plant operations.

Would PGE have any rights to require replacement of the plant operator?

If so, under what conditions would PGE have such rights?

Describe the Bidder's asset management strategy for future operation of the project.

4. Power Product Characteristics

Resource Output

For all proposals, provide the following information on the quantity of firm energy and peak capacity, if applicable, offered to PGE from the project. The amount offered must be the quantity of firm energy and capacity metered at the POD.

Project name:

Guaranteed Availability Factor

Provide a Guaranteed Availability Factor (GAF) for all proposals:

- Products that can supply the contracted quantity of megawatts per hour on a firm basis during all hours of the contract term will be deemed to provide a 100 percent GAF. The GAF should be a monthly value, and not include annual scheduled maintenance.
- Annual maintenance outages must not be scheduled for thermal generation plants between November 1 and February 28, and between July 1 and September 30. Annual maintenance outages may be scheduled at any time for intermittent resources such as PV and thin film solar or wind, provided that such outages do not account for more than 10% of the site capacity at any one time; outages for intermittent resources that are expected to account for more than 10% of the site capacity must not be scheduled between November 1 and February 28, and between July 1 and September 30.
- For year-around products, scheduled maintenance shall not exceed 400 hours per year, except for major overhauls required under a manufacturer's long-term service agreement.
- Scheduled maintenance outage hours in excess of this requirement will be charged against the GAF.
- Provide detailed information, including proposed dollar amounts, on how Bidder proposes to compensate PGE if the generating project fails to meet its GAF, *i.e.*, full compensation for replacement power, liquidated damages or other mechanisms (see PGE sample Contracts)

Monthly Energy and Peak Capacity

- Provide a table displaying by month (typical 24-hour period within the month for variable or intermittent resources) for the entire term of the bid, as well as the peak capacity in MW (if applicable) to be supplied under the bid proposal, as metered at the POD. If appropriate, include the guaranteed heat rate (Btu/kWh-HHV) at rated output in the table, accompanied by a heat rate curve.

Power Product Quality:

For energy service from intermittent, non-dispatchable sources such as wind and solar,

describe Bidder's approach for obtaining the integration services needed to firm their products (if any):

Temperature Variability

For each project used to support a bid, provide if appropriate, the following information.

Project name:

- To the extent that the guaranteed quantity of energy, peak capacity (if applicable) or heat rate in the bid is dependent on ambient temperature, clearly identify and describe the relationship and provide estimates for the range of variation.
- At a minimum, provide an estimate for the quantity of energy, peak capacity (if applicable) and heat rate for a hot summer day and a cold winter day.

Resource Variability

Project name:

- Proposals that offer a delivery schedule other than a flat schedule as requested by the product term sheets must include a clear description of the proposed delivery schedule and its relationship with the actual production of the project.
- Supply in a table the variation in energy output by month during on-peak and off-peak hours (see sample table, below).
- Expand upon the information provided in the table if this format is insufficient to fully describe the output variability of the bid.

Monthly Output Variability of the Bid (MWh)

<i>Month</i>	<i>Average Energy On-Peak Hours ending 07-22, Monday to Saturday (MWh)</i>	<i>Average Energy Off-Peak Hours ending 23-06 and all-day Sunday (MWh)</i>
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

Information for Cogeneration Projects

Name: Corporate owner: Industrial process at the site:
Describe in detail the effects that the loss of the cogeneration host would have on continued operation of the cogeneration project, including output, operational flexibility and price.
Pertinent operational information concerning the steam host:

Other Factors Affecting Resource Variability

For each project used to support a bid, provide if appropriate, the following information.

Project name:
Identify and describe in detail: <input type="checkbox"/> Environmental restrictions. <input type="checkbox"/> Operational limitations. <input type="checkbox"/> Other factors relevant to resources supporting a bid that may prevent the resource from meeting its guaranteed monthly quantities of energy (or peak capacity, if applicable).

Power Product Flexibility

Project name:
<input type="checkbox"/> Completely describe all dispatch and operating schedule flexibility that will be available to PGE by contract.
Describe any restrictions or limitations on PGE's right to dispatch, curtail, or schedule reduced energy output from the product (as applicable). For dispatch or curtailment describe: <ul style="list-style-type: none">▪ Minimum run time per dispatch call:▪ Minimum down time per curtailment:▪ Startup time and costs for a cold start:▪ Startup time and costs for a hot start:▪ Cost impact of dispatch, if any:▪ Ramping rates:▪ Multiple party output issues:
For turn-down (operation at below 100 percent of base output), provide the following:

<ul style="list-style-type: none"> ▪ Minimum turndown value: ▪ Maximum hour-to-hour adjustment: ▪ Cost impact of turndown, if any: ▪ Multiple party output issues: <p>Please provide Information about heat rate degradation for plant turn-down:</p>
<p>Will PGE have the right to make real time adjustment to pre-schedules? If so, under what conditions will this right be limited?</p> <p>Will PGE have the right to request inter-hour shaping? If so, under what conditions?</p>
<p>Is Bidder willing to give PGE the discretion to schedule annual maintenance? If so state any conditions on such scheduling.</p>

<p>How will the operating flexibility associated with dispatchability, turndown, real time adjustments and inter-hour shaping affect O&M costs and capital replacements?</p>
<p>How does the Bidder envision PGE communicating its needs for operational flexibility to the project, and how will the project respond to such needs:</p>
<p>What other operating flexibility is provided by the project that is not adequately described above?</p>
<p><input type="checkbox"/> Describe in detail the features in project design that will enable the project to provide this operating flexibility.</p>

Rights to Firm Energy

For each project used to support a bid, provide if appropriate, the following information.

<p>Project name:</p>
<ul style="list-style-type: none"> <input type="checkbox"/> If the Bidder is offering only a portion of the project's firm energy to PGE, describe each entity's rights to the firm energy produced by the project. <input type="checkbox"/> Describe the process for coordinating the differing operational requirements of the purchasers.

Additional Project-Specific Benefits

Project name:
<input type="checkbox"/> For all bids, if you believe that there are other project-specific benefits that PGE would find attractive, describe such benefits and the basis for your belief that PGE would find them attractive.

5. Credit Support and Quality of Credit

<p>Provide the following:</p> <ul style="list-style-type: none"><input type="checkbox"/> A corporate organizational chart identifying the Bidder and, if applicable, the Bidder's credit support provider.<input type="checkbox"/> A list describing the relationship of the Bidder to its credit support provider, the developer and development team, or the thermal host, as applicable.<input type="checkbox"/> The unsecured credit ratings of the Bidder, the Bidder's credit support provider, the developer and the development team, or the thermal host, as applicable.<input type="checkbox"/> The most recent summary, opinion or update by S&P, Moody's, Fitch and DBRS, as applicable.<input type="checkbox"/> The DUNS number of the Bidder, the Bidder's credit support provider, developer and the development team, or the thermal host, as applicable.<input type="checkbox"/> Bidder's audited financial statements for the three most recent fiscal years (Fiscal YE 2005 – 2007). In the event Bidder cannot provide the information, Bidder shall provide that information for its credit support provider.<input type="checkbox"/> Audited financial statements for the three most recent fiscal years from the developer and development team.<input type="checkbox"/> Audited financial statements for the three most recent fiscal years from the thermal host associated with a cogeneration resource, if applicable.<input type="checkbox"/> Performance Assurance Draft: Letter of Credit or Guaranty (if applicable) <p>All transactions are contingent upon the Bidder, or its credit support provider, meeting and maintaining the credit and performance assurance requirements established by PGE's Credit Risk Management Department.</p>

6. Environmental Characteristics

If supplying the product from one or more specific resources, provide the following information for each resource.

- Project name:
- Discuss known environmental issues related to the development and operation of the project.
- Describe environmental impacts of, and existing environmental constraints on, existing and proposed projects.
- Provide the information requested in the following subsections for *existing and proposed* projects.

Air Quality

Complete the following table, and provide the information requested below (as applicable).

Emission Disclosures

<i>Emission</i>	<i>Lbs./MWh</i>
Sulfur Dioxide:	
Nitrogen Oxide:	
Carbon Dioxide:	
Carbon Monoxide:	
Particulate:	
Solid Waste (i.e. ash):	

Project name:
Describe the following: <ul style="list-style-type: none"> <input type="checkbox"/> Air pollution controls used on the project, e.g., type, emissions controlled and removal efficiency. <input type="checkbox"/> Whether the proposed project will exceed any criteria of the National Ambient Air Quality Standards (NAAQS) for any pollutant when operating on either primary or backup fuel. Also describe the "Prevention of Significant Deterioration Increment Consumption" due to this project, as applicable.
State whether the project requires a federal, state or local "air permit": <ul style="list-style-type: none"> <input type="checkbox"/> If relevant, Include a copy of this permit, if approved, or a copy of the permit application, if submitted.
Describe any significant toxic air pollutants that may be released from the project:

<i>Land Use (for proposed projects only)</i>
Project name:
Please specify the total acres disturbed by your project.

Is the proposed project consistent with the recommended uses of adopted local and state land use plans?
Will the project need a zoning change?
If there is likely to be public controversy related to the proposed project, please explain.

<i>Water use:</i>
Describe any type and quantity of wastewater discharge (in gallons per MWh).
Describe any water requirements for production, cooling, or cleaning and the water rights/ plans associated with meeting these needs.

<i>Waste:</i>
Please describe the total amount of waste (in lbs per MWh) directly related to power production (e.g. ash):

<i>Noise (for proposed projects only)</i>
Project name:
Characterize the ambient day and night sound environment in the area surrounding the project site.
Provide estimates for the day and night noise levels of the proposed project.
Describe proposed sound attenuation strategies or equipment planned for the project.

<i>Project name:</i>
<i>Scenic Visibility (for proposed projects only)</i>
Give the distance in miles that the project, or its effect, will be visible from any of the locations

described in the following table:

<i>Feature</i>	<i>Distance from Project (Miles)</i>
<ul style="list-style-type: none"> ▪ State parks or state forest preserves. ▪ National wildlife refuges or state game refuges. ▪ National natural landmarks or other outstanding natural features. ▪ National park service lands. ▪ Rivers designated as wild, scenic or recreational. ▪ Designated wilderness areas. 	

Threatened and Endangered Species

Project name:

If the project site or contiguous areas contain any species of plant or animal life identified as threatened or endangered, please list and explain mitigation measures.

If the project site contains any plants or animals being proposed or considered as candidates for threatened or endangered lists, please list and explain mitigation measures.

Fish and Wildlife

Project name:

- Provide copies of wildlife studies that have been performed for the project.
- For wind generation projects, discuss any avian issues, and describe proposed solutions.
- For proposed hydroelectric projects, discuss whether in-steam flow studies will be required, or have been performed, and the results from such studies.
- For proposed hydroelectric projects, discuss major license conditions affecting resource management including, but not limited to, whether fish passage facilities will be required.

Mitigation

Project name:

Briefly describe any environmental mitigation methods, both required and volunteered, that are included as part of an operating project or will be included as part of a proposed project.

Appendix G – Energy Trust of Oregon

The Energy Trust of Oregon (ETO) began operation as a nonprofit organization in March 2002 to fulfill a mandate to invest public purpose charge monies for energy efficiency, conservation and renewable energy resources in Oregon. The mandate emerged from 1999 energy restructuring legislation (Senate Bill 1149) that included a three percent public purpose charge added to the rates of the two largest investor-owned utilities.

Subsequent action by the Oregon Public Utility Commission (OPUC) encouraged the startup of a new nonprofit organization to administer the funds created by the legislation. The ETO was formed as an independent, private corporation operating under a contract with the OPUC that dedicates funds collected by utilities to the ETO. The ETO receives funding every year from monies collected from PacifiCorp and PGE ratepayers to support a broad range of renewable resources for projects 20 MW or less in size.

Role of the ETO in PGE's RFP

PGE will review bids based on renewable generation that may or may not presume ETO funding. PGE will subsequently forward all bids to the ETO that PGE is recommending for its initial short list, along with our ranking and recommendations regarding funding. Our recommendations will be based on pre-qualification assessments, and scoring of price and non-price factors. The ETO will make its own assessment of the bids that PGE recommends for funding, and will agree or negotiate funding levels. PGE's initial short list will be finalized after ETO funding has been determined.

Funding From the ETO

The ETO funds the above-market costs of new renewable resources. The market cost for energy with the same power characteristics as that produced by the proposed renewable resource can be defined as the regulatory forward price curve, the utility's published avoided cost, the average result from this RFP or an alternative. PGE and the ETO will agree on the relevant market cost for determining subsidy levels, if any are required.

If market prices are lower than the prices needed to justify construction of the preferred renewable resource(s), the ETO will support the project(s) under a Project Support Agreement. Support can take one of several possible forms: subsidizing the initial costs of a project, committing available funds to subsidize the energy price on a per unit basis over time, and other options that may be

proposed. The ETO has indicated that it is more interested in providing support that is associated with some form of performance guarantee.

The ETO expects to have limited funding to help support one or more projects through this RFP with PGE. The ETO is able to fund new renewable energy projects, or new additions to existing renewable energy projects. They are able to fund resources that are⁴:

- Fueled by geothermal, solar, wave, wind, or by biomass that use organic wastes from plant, animal or human sources to generate electricity.
- Hydroelectric facilities located outside state and federally protected areas.

The ETO will not provide funds to the project prior to completion of construction and testing, but has indicated a willingness to place funds in an appropriate escrow account to assure project sponsors that the funds will be available at the appropriate times.

Ownership of Tradable Renewable Energy Credits (TRCs)

Pursuant to a contract to be entered into between PGE and the ETO, PGE will own, as trustee, and control all the TRCs and environmental attributes of a project supported by the ETO during the term of any PPA or project executed by PGE. Under this RFP, if the ETO receives TRCs, it will transfer them to PGE for the benefit of PGE's customers. The ETO does not and cannot claim rights to TRCs arising from projects it does not fund.

⁴ For a complete list of renewable resource eligible for ETO funding, see <http://www.energytrust.org/RR/index.html>

**FORM WHOLESALE RENEWABLE POWER PURCHASE
AGREEMENT**

Between

Portland General Electric Company

And

[Counterparty]

This WHOLESALE RENEWABLE POWER PURCHASE AGREEMENT for Energy (“Agreement”) is entered into effective as of the _____ day of _____, 200_ (“Effective Date”), by and between [*Counterparty*], a [*STATE*] corporation (“Counterparty”), and Portland General Electric Company, an Oregon corporation (“PGE”). PGE and Counterparty are also referred to herein individually as a “Party” and collectively as the “Parties.”

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions.

As used in this Agreement, the following terms, when initially capitalized, shall have the meanings specified in this Section 1.1.

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

1.1.2 “Agreement” means this Wholesale Renewable Power Purchase Agreement for Energy entered into between Counterparty and PGE and all incorporated appendices, exhibits, schedules and attachments hereto, as may be amended by the Parties from time to time.

1.1.3 “Ancillary Services” means all ancillary products associated, in accordance with Prudent Electric Industry Practice, with the generation of electrical Energy, including, without limitation, spinning reserves, non-spinning reserves, reactive power and voltage control.

1.1.4 “Bankrupt” means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it and such petition filed or commenced against it is not dismissed after one hundred and eighty (180) days, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

1.1.5 “Beneficiary Party” means the Party to whom Performance Assurance is delivered pursuant to this Agreement.

1.1.5 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. local time for the relevant Party’s principal place of business. The relevant Party, in

each instance unless otherwise specified, shall be the Party by whom the notice or payment or delivery is to be received.

1.1.6 “Capacity” means ___ MW.

1.1.7 “Claiming Party” has the meaning set forth in Section 4.2.

1.1.8 “Collateral Threshold” means, with respect to PGE, \$_____ in USD, and with respect to Counterparty \$_____ in USD (or its equivalent in another currency), provided, however, that a Party's Collateral Threshold shall be zero (\$0) upon the occurrence and during the continuance of an Event of Default, or Material Adverse Change with respect to such Party.

1.1.9 “Contract Price” means the United States Dollars to be paid per MWh for Energy delivered pursuant to this Agreement and for the Environmental Attributes produced by the Facility [*to be provided by Bidder*] calculated as provided in Exhibit B. The Contract Price includes payment for all Environment Attributes.

1.1.10 “Contract Quantity” means ___MWh of Firm Energy that Counterparty agrees to make available or sell and deliver, or cause to be delivered, to PGE, and that PGE agrees to purchase and receive, or cause to be received, from Counterparty during each hour of each day of the Contract Term, except during periods of scheduled maintenance of the Facility as provided in Exhibit--.

1.1.11 “Contract Term” means the period of time referenced in Section 2.1.

1.1.12 “Control Area” means an electric power system or combination of electric power systems under the control of an operator who acts to (i) match, at all times, the power output of the electric generators within the electric power system(s) and the capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s), (ii) maintain scheduled interchange with other control areas, within the limits of Prudent Electric Utility Practice, (iii) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Prudent Electric Utility Practice and (iv) provide sufficient generating capacity to maintain operating reserves in accordance with Prudent Electric Utility Practice.

1.1.13 “Costs” means, with respect to a Party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party in entering into new arrangements which replace this Agreement and all reasonable attorneys’ fees and expenses incurred by a Party in connection with enforcing its rights under this Agreement. Costs shall not include any expenses incurred by such Party in either entering or terminating any arrangement pursuant to which it has hedged its obligations.

1.1.14 “Counterparty” means _____, the Party to this Agreement that is obligated to sell and deliver and, or cause to be delivered, the Product, as specified in this Agreement.

1.1.15 “Credit Rating” means (i) with respect to any entity other than a financial institution, the (a) current ratings issued or maintained by S&P or Moody’s with respect to such entity’s long-term senior, unsecured, unsubordinated debt obligations (not supported by third party credit enhancements) or (b) corporate credit rating or long-term issuer rating issued or maintained with respect to such entity by S&P or Moody’s, or (ii) if such entity is a financial institution, the ratings issued or maintained by S&P or Moody’s with respect to such entity’s long-term, unsecured, unsubordinated deposits.

1.1.16 “Cross Default Amount” means with respect to PGE, \$ _____ in USD, and with respect to Counterparty or its Guarantor, if applicable, \$ _____ in USD (or its equivalent in another currency).

1.1.17 “Daily” means any 24-Hour period commencing at 0000 Hours.

1.1.18 “Defaulting Party” has the meaning set forth in Section 5.1.

1.1.19 “Delivery Period” has the meaning set forth in Section 2.2.

1.1.20 “Delivery Point” means the PGE system.

1.1.21 “Determination Period” means each calendar Month during the Contract Term; provided that if the remaining term of this Agreement is less than one calendar Month, the Determination Period shall be the remaining term of this Agreement.

1.1.22 “Early Termination Date” has the meaning set forth in Section 5.2.1.

1.1.23 “Effective Date” has the meaning set forth in the first paragraph of this Agreement.

1.1.24 “Energy” means electric energy, expressed in megawatt hours (“MWh”), delivered pursuant to this Agreement.

1.1.25 “Environmental Attributes” means the aggregate amount of environmental offsets or other environmental benefits related to the Energy generated by the Facility and the aggregate amount of credits, offsets or other environmental or renewable energy credit trading program derived from the use, purchase or distribution of Energy from the Project or any similar program pursuant to any federal, state or local legislation or regulation. Environmental Attributes include all environmental attributes arising as a result of the generation of electricity from the Project, whether or not such environmental attributes have been verified or certified and whether or not creditable under any applicable legislative or regulatory program. Notwithstanding any other provision of this Agreement, “Environmental Attributes” do not include: (i) the PTCs, (ii) any investment tax credits, and any other tax credits, deductions, or tax benefits associated with the Project, or (iii) any state, federal, local, or private cash payments or grants relating in any way to the Project, the electric power or steam generation output of the Project or any payments from the ETO to Counterparty.

1.1.26 “ETO” means the Energy Trust of Oregon, Inc., an Oregon non-profit corporation established to develop and implement energy efficiency and conservation programs and stimulate the development of new renewable energy resources consistent with Oregon law and its Grant Agreement with the Oregon Public Utilities Commission dated March 1, 2002.

1.1.27 “Equitable Defenses” means any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

1.1.28 “Event of Default” has the meaning set forth in Section 5.1.

1.1.29 “FERC” means the Federal Energy Regulatory Commission or any successor government agency.

1.1.30 “Final Completion” means The Facility shall have achieved Capacity MW and Counterparty shall have delivered to PGE a certificate signed by an officer of Counterparty (1) certifying that all of the Project’s licenses, permits, and approvals necessary for Counterparty’s construction of the Project, and the production and delivery of electric power to PGE have been obtained from applicable federal, state or local authorities, and (2) listing all such Project-related licenses, permits and approvals; (3) certifying there has been passage of control of the Project from the Project’s construction contractor to Counterparty; (iii) certifying there has been commencement of Daily or regular Project operations; and (iv) certifying there has been synchronization of the Project into the control area power grid for generating electricity and

Counterparty shall have (at its sole cost) obtained any requisite electric transmission services, as deemed necessary by Counterparty to meet its obligations under this Agreement, and Counterparty’s Transmission Provider shall have delivered a fully executed copy of the Interconnection Agreement to PGE.

1.1.31 “Firm” used in the context of “Firm Energy” means the only excuse for the interruption of delivery of the Product is if the interruption is excused by Force Majeure and that all scheduled energy includes the provisions by the Counterparty of reserves as required by the WECC.

1.1.32 “Force Majeure” is defined in Section 4.1.

1.1.33 “Gains” means, with respect to a Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of its obligations with respect to this Agreement determined in a commercially reasonable manner.

1.1.34 “Governmental Authority” means any national, state, provincial or local government, any political subdivision thereof or any other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law; provided, however, that “Governmental Authority” shall not in any event include either Party.

1.1.35 “Governmental Charges” means any charges or costs that are assessed or levied by any entity, including local, state or federal regulatory or taxing authorities or any Transmission Provider that would affect sale and purchase of a Product contemplated by this Agreement, either directly or indirectly.

1.1.36 “Guarantor” means, with respect to Counterparty, _____.

1.1.37 “Guaranty” means an instrument or agreement pursuant to which a Guarantor guarantees the performance of each and all of the obligations of a Counterparty, which instrument or agreement is reasonably acceptable in form and substance to PGE.

1.1.38 “Guaranty Default” means with respect to a Guaranty or the Guarantor thereunder, the occurrence of any of the following events: (i) any representation or warranty made or deemed to be made or repeated by such Guarantor in connection with such Guaranty shall be false or misleading in any material respect when made or when deemed made or repeated; (ii) such Guarantor fails to pay, when due, any amount required pursuant to such Guaranty; (iii) the failure of such Guarantor to comply with or timely perform any other material covenant or obligation set forth in such Guaranty if such failure is not capable of remedy or shall not be remedied in accordance with the terms and conditions of such Guaranty; (iv) a Merger Event occurs with respect to such Guarantor; (v) such Guaranty shall expire or terminate, or shall fail or cease to be in full force and effect and enforceable in accordance with its terms against such Guarantor, prior to the satisfaction of all obligations of the guaranteed Party under this Agreement, in any such case without replacement; (vi) such Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of, its Guaranty, or (vii) such Guarantor becomes Bankrupt; provided, however, that no Guaranty Default shall occur or be continuing in any event with respect to a Guaranty after the time such Guaranty is required to be canceled or returned to a Party in accordance with the terms of this Agreement.

1.1.39 “Indemnitee” has the meaning set forth in Section 13.2.

1.1.40 “Indemnitor” has the meaning set forth in Section 13.2.

1.1.41 “Indemnity Claims” means all third party claims or actions, threatened or filed, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ fees and court costs, whether resulting from a settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

1.1.42 “Interest Rate” means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

1.1.43 “Law” means any law, rule, regulation, order, writ, judgment, rulings or orders by or before any court or any governmental authority.

1.1.44 “Letter(s) of Credit” means one or more irrevocable, transferable, standby letters of credit issued by a major U.S. commercial bank or a U.S. branch office of a major foreign commercial bank with such bank having shareholders’ equity of at least \$10 billion USD and a Credit Rating of at least A1 from Moody’s or A+ from S&P, in a form and substance reasonably acceptable to the Beneficiary Party. The costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

1.1.45 “Letter of Credit Default” means with respect to a Letter of Credit, the occurrence of any of the following events: (i) the issuer of such Letter of Credit shall fail to be a major U.S. commercial bank or a U.S. branch office of a major foreign commercial bank with such bank having shareholders’ equity of at least \$10 billion USD and a Credit Rating of at least A1 from Moody’s or A+ from S&P; (ii) the issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit; (iii) the issuer of such Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; (iv) such Letter of Credit shall be within 15 Business Days of expiration or terminate, or shall fail or cease to be in full force and effect at any time during the Term, in any such case without replacement; (v) the issuer of such Letter of Credit shall become Bankrupt; or (vi) a Merger Event occurs with respect to the issuer of such Letter of Credit; provided, however, that no Letter of Credit Default shall occur or be continuing in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be canceled or returned in accordance with the terms of this Agreement.

1.1.46 “Losses” means, with respect to a Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of its obligations with respect to this Agreement determined in a commercially reasonable manner.

1.1.47 "Material Adverse Change" means (i) with respect to PGE, PGE shall have a Credit Rating below BBB- by S&P and below Baa3 by Moody's or both ratings are withdrawn or terminated on a voluntary basis by the rating agencies, (ii) with respect to Counterparty, Counterparty or Counterparty's Guarantor, if applicable, shall have a Credit Rating below BBB- by S&P and below Baa3 by Moody's or both ratings are withdrawn or terminated on a voluntary basis by the rating agencies, if rated by both services. If Counterparty or Counterparty's Guarantor is rated by only one service, a Material Adverse Change shall occur if the lower of the two ratings fall below the pertinent level specified above or if such rating is withdrawn or terminated on a voluntary basis by the rating agency.

1.1.48 "Merger Event" means, with respect to a Party or other entity, that such Party or other entity consolidates or amalgamates with, or merges into or with, or transfers all or substantially all of its assets to another entity, and (i) the resulting, surviving or transferee entity fails, at the time of such consolidation, amalgamation, merger or transfer, to assume each and all of the obligations of such Party or other entity hereunder or under any Guaranty or Letter of Credit or other performance assurance, either by operation of law or pursuant to an agreement reasonably satisfactory to the other Party, or (ii) the benefits of any Guaranty, Letter of Credit, or other performance assurance or credit support provided pursuant to this Agreement fail, at any time following such consolidation, amalgamation, merger or transfer, to extend to the performance by such Party or such resulting, surviving or transferee entity of its obligations hereunder, or (iii) the Credit Rating (from any of S&P or Moody's) of the resulting, surviving or transferee entity is not equal to or higher than that of such Party or other entity immediately prior to such consolidation, amalgamation, merger, or transfer.

1.1.1 1.1.47 "Mid Columbia" means an area which includes points at any of the switchyards associated with the following four hydro projects: Rocky Reach, Rock Island, Wanapum and Priest Rapids. These switchyards include: Rocky Reach, Rock Island, Wanapum, McKenzie, Valhalla, Columbia, Midway and Vantage. Mid-Columbia shall also include points in the "Northwest Hub," as defined by BPA. For scheduling purposes, the footprint described above shall dictate the delivery point name for the then current WECC scheduling protocols. If the footprint changes during the Term, a mutually agreed upon footprint that describes an area containing the most liquidity for trading purposes shall apply.

1.1.49 "Month" means a calendar month commencing at HE 0100 PPT on the first day of such month through HE 2400 PPT on the last day of such month.

1.1.50 "Moody's" means Moody's Investor Services, Inc. or its successor.

1.1.51 "MW" means megawatt.

1.1.52 "MWh" means megawatt hour.

1.1.53 "Non-Defaulting Party" has the meaning set forth in Section 5.2.1.

1.1.54 "Off-Peak Hours" shall mean all hours ending 01:00:00 through 06:00:00 and hours ending 23:00:00 through 24:00:00, PPT, Monday through Saturday and hours ending 01:00:00 through 24:00:00, PPT, on Sundays and NERC designated holidays.

1.1.55 "On-Peak Hours" shall mean all hours ending 07:00:00 through 22:00:00 PPT, Monday through Saturday, excluding NERC designated holidays.

1.1.56 "Performance Assurance" means collateral in the form of either cash, Letter(s) of Credit, or other security acceptable to the Beneficiary Party.

1.1.57 "Person" means an individual, partnership, corporation, limited liability company, joint venture, association, trust, unincorporated organization, Governmental Authority, or other form of entity.

1.1.58 "Pledgor" shall have the meaning as determined by Section 9.4.

1.1.59 "PPT" means Pacific Prevailing Time, that is, prevailing Standard Time or Daylight Savings Time in the Pacific Time Zone.

1.1.60 "Present Value" means a present value calculation derived by using a commercially reasonable discount rate for each remaining Month of the Contract Term.

1.1.61 "Price Source" means a nationally-recognized market price index for the [Hub Name] or recognized and independent brokers or dealers active in the [Hub Name] Next Day physical power market, containing (or reporting) the specified price (or prices from which the specified price is calculated) set forth in this Agreement.

1.1.62 "Product" means 1) the Contract Quantity of Firm Energy and electric capacity, all reserves required by the WECC for all Scheduled Energy or other product(s) related thereto as specified in this Agreement by the Parties, and 2) Environmental Attributes

1.1.63 "Prudent Electric Industry Practice" means those practices, methods, standards and acts engaged in or approved by a significant portion of the electric power generation industry in the Western Interconnection that at the relevant time period, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with good business practices, reliability, economy, safety and expedition, and which practices, methods, standards and acts reflect due regard for operation and maintenance standards recommended by the Facility's equipment suppliers and manufacturers, operational limits, and all applicable laws and regulations. Prudent Electric Industry Practice is not intended to be limited to the optimum practice, method, standard or act to the exclusion of all others, but rather to those practices, methods and acts generally acceptable or approved by a significant

portion of the electric power generation industry in the relevant region, during the relevant period, as described in the immediately preceding sentence.

1.1.64 "Replacement Price" is described in Section 6.1.2.

1.1.65 "Rounding Amount" means \$250,000 in USD (or its equivalent in another currency).

1.1.66 "S&P" means the Standard & Poor's, a division of McGraw-Hill Companies, Inc., or any successor thereto.

1.1.67 "Sales Price" is described in Section 6.2.2.

1.1.68 "Schedule," "Scheduled" or "Scheduling" means the act of each Party or its designated representatives, including its Transmission Providers, if applicable, notifying, requesting and confirming to each other, on a weekly basis but no later than 10:00 AM the last business day of the Week, the Contract Quantity of Firm Energy to be delivered for the subsequent 168 hours from Sunday through Saturday and on a prescheduled, hourly schedule or real-time schedule the Contract Quantity of Firm Energy to be delivered to and at and from the Delivery Point according to customary WECC scheduling practices.

1.1.69 "Secured Party" shall have the meaning as determined by Section 9.4.

1.1.70 "Settlement Amount" means, with respect to this Agreement and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in USD, which such Party incurs as a result of the termination and liquidation of this Agreement pursuant to Section 5.2.2.

1.1.71 "Taxes" means all taxes, rates, levies, adders, assessments, surcharges, duties and other fees and charges of any nature, including but not limited to ad valorem, consumption, excise, franchise, gross receipts (including any [State Name] business and occupation tax and [State Name] public utility tax and any successor tax thereto), import, export, license, property, sales, stamp, storage, transfer, turnover, use, or value-added taxes, and any and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto.

1.1.72 "Termination Payment" has the meaning set forth in Section 5.3

1.1.73 "The Facility" means _____.

1.1.74 "Trading Day" means a day in respect of which the relevant Price Source reported, published or announced the Floating Price.

1.1.75 "Transmission Provider(s)" means any entity (including any FERC-authorized regional transmission organization) transmitting Energy on behalf of

Counterparty to and at the Delivery Point; or on behalf of PGE at and from the Delivery Point.

1.1.76 “Transmission Services” means any and all services (including but not limited to Ancillary Services and control area services) required for the transmission and delivery of Energy to the Delivery Point or at and from the Energy Delivery Point.

1.1.77 “Transmission System(s)” means the transmission system(s) of the Transmission Provider(s) to be used by Counterparty for the purpose of transmitting Energy to and at, the Delivery Point; or by PGE for the purpose of transmitting Energy at and from, the Delivery Point.

1.1.78 “USD” means United States Dollars.

1.1.79 “WECC” means the Western Electricity Coordinating Council or any successor thereto.

1.1.74 “Western Interconnection” means network of subsystems of generators, transmission lines, transformers, switching stations, and substations owned or operated by members of the WECC and including 14 western states, British Columbia, Alberta and parts of Baja, Mexico

1.2 Interpretations.

Unless the context otherwise requires:

1.2.1 Words singular and plural in number shall be deemed to include the other and pronouns having masculine or feminine gender shall be deemed to include the other.

1.2.2 Subject to Article 15, any reference in this Agreement to any Person includes its successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities.

1.2.3 Any reference in this Agreement to any Section, Exhibit or Appendix means and refers to the Section contained in, or Exhibit or Appendix attached to, this Agreement.

1.2.4 Other grammatical forms of defined words or phrases have corresponding meanings.

1.2.5 A reference to writing includes typewriting, printing, lithography, photography and any other mode of representing or reproducing words, figures or symbols in a lasting and visible form.

1.2.6 Unless otherwise expressly provided in this Agreement, a reference to a specific time for the performance of an obligation is a reference to that time in the place where that obligation is to be performed.

1.2.7 A reference to a Party to this Agreement includes that Party's successors and permitted assigns.

1.2.8 Unless otherwise expressly provided in this Agreement, a reference to a document or agreement, including this Agreement, includes a reference to that document or agreement as modified, amended, supplemented or restated from time to time.

1.2.9 References in this Agreement to "or" shall be deemed to be disjunctive but not necessarily exclusive (i.e., unless the context dictates otherwise, "or" shall be interpreted to mean "and/or" rather than "either/or").

1.2.10 If any payment, act, matter or thing hereunder would occur on a day that is not a Business Day, then such payment, act, matter or thing shall, unless otherwise expressly provided for herein, occur on the next Business Day.

1.3 Technical Meanings.

Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings.

ARTICLE 2 CONTRACT TERM; DELIVERY PERIOD; PRICE; RIGHT OF FIRST REFUSAL

2.1 Contract Term.

The Contract Term shall begin on _____ ("Effective Date") and shall continue through _____ [Date] (the "Contract Term"), unless otherwise terminated in accordance with its terms; provided, however, that such termination shall not affect or excuse the performance of either Party under any provision of this Agreement that by its terms survives any such termination and; provided further, that this Agreement and any other documents executed and delivered hereunder shall remain in effect until both Parties have fulfilled all of their obligations with respect to this Agreement.

2.2 Delivery Period.

The Contract Quantity of Firm Energy shall be made available by Counterparty to PGE at the Delivery Point during the Contract Term ("Delivery Period").

2.3 Price.

PGE shall pay to Counterparty the Contract Price For Firm Energy as provided in Exhibit B.

2.4 Delivery Point.

Commencing on the Effective Date and continuing throughout the Contract Term, Counterparty shall sell and deliver and PGE shall buy and receive at the Delivery Point Firm Energy as scheduled by PGE in accordance with Article 3.

2.5 Right of First Refusal

[to be negotiated]

**ARTICLE 3
COVENANTS**

3.1 Counterparty and PGE's Obligations.

3.1.1 Construction of Facility [Applicable Yes ___; No ___]

If applicable, shall be on the schedule set forth in Exhibit C ___, and subject to liquidated damages payments for failure to meet agreed upon schedule as set forth therein.

3.1.2 Operations

Shall be pursuant to Exhibit D.

3.1.3 Delivery of Firm Energy and Environmental Attributes.

Counterparty shall sell and deliver, and PGE shall purchase and have the right purchase and receive the Product and as provided in Exhibit D. Counterparty will deliver, or cause to be delivered, and PGE will receive, or cause to be received, the Firm Energy portion to the Product at the Delivery Point in accordance with this Agreement. Title to Energy shall pass to PGE at the Delivery Point. Environmental Attributes shall be measured at the Facility busbar. Title to such Environmental Attributes shall pass to PGE when generated, as metered at the Facility busbar. PGE shall own or be entitled to claim all Environmental Attributes during the Contract Term (including any value in the ownership, use or allocation of Environmental Attributes created by legislation or regulation after the Effective Date) provided, however that during the term of the _____ Agreement title to such Environmental Attributes shall be held by PGE in trust for the benefit of its Oregon customers as provided in the Master Funding Agreement between PGE and the ETO dated October 20, 2005.

3.1.3.1 Counterparty's obligation to deliver the amount of Product purchased by PGE shall be absolute and the only excuse for failure of Counterparty to deliver the Contract Quantity of Product as Scheduled shall be a Force Majeure or PGE's failure to receive.

3.2 Delivery Point.

The Delivery Point for Product delivered by Counterparty to PGE will be at PGE's system or any other alternate Delivery Point as mutually agreed to by the Parties.

3.3 Metering.

Metering of Environmental Attributes. Environmental Attributes shall be deemed delivered and sold under this Agreement as they are produced and measured by the Project meter at the Measuring Point. The Project Metering Equipment shall serve as the record source for purposes of calculating, certifying, and auditing Environmental Attributes. Counterparty shall provide, install, and maintain at its sole cost all Metering Equipment for recording and measuring Environmental Attributes delivered to PGE under this Agreement. Counterparty shall deliver to PGE by the 10th day of the current Month a certificate in the form of Appendix L for the Environmental Attributes generated during the preceding Month.

3.4 Transmission and Scheduling.

3.4.1 Responsibility for Transmission and Scheduling. Counterparty shall arrange for, pay all costs, and be responsible for transmission service, including but not limited to control area services, Ancillary Services, reserves, imbalance or inadvertent energy flows, and transmission losses and loss charges relating to the transmission of the Product, to the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Provider(s), in accordance with the practice of the Transmission Provider(s), to deliver the Product to the Delivery Point. PGE shall arrange for, pay all costs, and be responsible for transmission service, including but not limited to control area services, spinning and supplemental reserves, imbalance or inadvertent energy flows, and transmission losses and loss charges relating to the transmission of the Product, at and from the Delivery Point and shall Schedule or arrange for Scheduling services with its Transmission Provider(s) to receive the Firm Energy at the Delivery Point. Each Party shall designate authorized representatives responsible for Scheduling. Notwithstanding the foregoing and for the avoidance of doubt, Counterparty is responsible for providing all reserves required by the WECC for all Scheduled Energy.

3.4.2 Preschedules. Counterparty shall provide preschedules for all deliveries of energy hereunder, including identification of receiving and generating control areas, by 10:00:00 PPT on the last Business Day prior to each Sunday to Saturday period for the Weekly Amount and each Business Day for each Scheduled date of delivery for hourly amounts. The Parties' respective representatives shall also maintain daily hourly real-time Schedule coordination; provided, however, that in the absence of such coordination, the hourly schedule established by the exchange of preschedules shall be considered final. Counterparty shall notify PGE's dispatch schedulers ("PGE's Real Time Desk") of any curtailments of greater than 5 MW from the submitted Daily

Preschedule as soon as possible. All schedules hereunder shall be accounted for on the basis of scheduled hourly quantities of Firm Energy at the Delivery Point, except that when deliveries are interrupted for any reason, schedules shall be reduced thereafter to reflect such interruptions. In case the scheduled deliveries and receipt of Firm Energy are not maintained for an entire hour, deliveries shall be pro-rated on a mutually agreed-upon basis. Counterparty and PGE shall maintain records of hourly energy schedules for accounting and operating purposes. The final E-Tag shall be the controlling evidence of the Parties' Schedule. All energy shall be prescheduled according to customary WECC scheduling practices.

3.4.3 Interruptions and Curtailments. In the event of interruptions or curtailments, except as may be caused by a Force Majeure event or PGE's failure to receive, Counterparty shall use commercially reasonable efforts to Schedule make-up Energy to the Delivery Point on a real-time basis in order to maintain the Scheduled Weekly Amount of Energy for affected hours; provided, however, that in the event of any failure by Counterparty to Schedule any such make-up Energy to the Delivery Point, PGE may exercise any rights and remedies provided under this Agreement or by law.

3.4.4 Maximum Delivery Amounts. Counterparty shall sell and deliver, and PGE shall buy and receive, all Firm Energy scheduled and delivered pursuant to this Agreement, up to a maximum of Capacity MW. This Agreement does not create, nor should it be construed to include any obligation on PGE to buy from Counterparty, or for Counterparty to sell to PGE, the Energy that the Project may be able to produce in excess of the Capacity MW addressed in this Agreement.

ARTICLE 4 FORCE MAJEURE

4.1 Definition.

Force Majeure means an event or circumstance which prevents one Party from performing its obligations to deliver or receive the Product under this Agreement, which event or circumstance was not anticipated as of the Effective Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on; (i) the loss of PGE's markets; (ii) PGE's inability economically to use or resell the Product purchased hereunder; (iii) the loss or failure of Counterparty's supply or equipment; or; (iv) Counterparty's ability to sell the Product at a price greater than the Contract Price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless; (i) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the Delivery Point and, (ii) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to

conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred.

4.2 Occurrence and Notice.

To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the “Claiming Party”) gives notice and details of the Force Majeure to the other Party as soon as practicable, then, unless the terms of this Agreement specify otherwise, the Claiming Party shall be excused from the performance of its obligations with respect to such transaction. The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. The non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

4.3 Obligations.

No Party shall be relieved by operation of this Article 4 of any liability to pay for Products delivered hereunder or to make payments then due or which the Party is obligated to make with respect to performance which occurred prior to the Force Majeure.

ARTICLE 5 EVENTS OF DEFAULT; REMEDIES

5.1 Events of Default.

An “Event of Default” shall mean, with respect to a Party (a “Defaulting Party”), the occurrence of any of the following:

5.1.1 the occurrence of a Material Adverse Change with respect to the Defaulting Party; provided, such Material Adverse Change shall not be considered an Event of Default if the Defaulting Party establishes and maintains for so long as the Material Adverse Change is continuing, Performance Assurance to the Non-Defaulting Party [in an amount equivalent to the Termination Payment as determined by Section 5.3 and in accordance with Section 9.3];

5.1.2 the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within two (2) Business Days after written notice;

5.1.3 any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

5.1.4 the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default of such

Party's obligations to deliver or receive the Product, the exclusive remedy for which is provided in Article 6);

5.1.5 such Party becomes Bankrupt;

5.1.6 the failure of such Party to establish, maintain, extend or increase Performance Assurance when required pursuant to this Agreement;

5.1.7 the occurrence of a Merger Event with respect to such Party or its Guarantor;

5.1.8 the occurrence and continuation of (i) a default, event of default or other similar condition or event in respect of such Party or any other party specified for such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than the applicable Cross Default Amount specified for such Party in Section 1.1.16, which results in such indebtedness becoming immediately due and payable or (ii) a default by such Party or any other party specified for such Party in making on the due date therefor one or more payments, individually or collectively, in an aggregate amount of not less than the applicable Cross Default Amount as specified herein;

5.1.9 the occurrence of a Letter of Credit Default;

5.1.10 with respect to such Party's Guarantor, if any:

5.1.10.1 any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;

5.1.10.2 the failure of the Guarantor to make any payment required or to perform any other material covenant or obligation in any Guaranty made in connection with this Agreement;

5.1.10.3 the Guarantor becomes Bankrupt;

5.1.10.4 the failure of the Guarantor's Guaranty to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of Counterparty under this Agreement to which such Guaranty shall relate without the written consent of PGE; or

5.1.10.5 the Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any Guaranty; or

5.1.10.6 the occurrence of a Guaranty Default.

5.2 Declaration of an Early Termination Date and Calculation of Settlement Amounts.

5.2.1 Early Termination Date. If an Event of Default with respect to a Defaulting Party shall have occurred at any time during the Contract Term and be continuing, the other Party (the “Non-Defaulting Party”) shall have the right to (i) designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date (“Early Termination Date”) on which to liquidate, terminate, and accelerate all amounts owing between the Parties, (ii) withhold any payments due to the Defaulting Party under this Agreement and (iii) suspend performance. If an Early Termination Date has been designated, the Non-Defaulting Party shall calculate, in a commercially reasonable manner, its Gains or Losses and Costs resulting from the termination of this Agreement as of the Early Termination Date and the Termination Payment (hereinafter defined) payable hereunder shall be calculated in accordance with Section 5.2.2 below.

5.2.2 Calculation of Settlement Amounts. The Gains or Losses resulting from the termination of this Agreement shall be determined by calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of this Agreement. The Gains or Losses shall be calculated for a period equal to the lesser of the remaining Contract Term or 60 months (“Settlement Period”). The quantity of Energy in each month of the Settlement Period shall be equal to the hours in such month (or portion thereof) multiplied by ___ MW (“Settlement Energy”). The Non-Defaulting Party (or its agent) may determine its Gains and Losses by reference to information either available to it internally or supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. However, it is expressly agreed that (i) a Party shall not be required to enter into a replacement agreement in order to determine the Termination Payment (as hereafter defined) and (ii) a Party’s Gains, Losses or Costs will in no event include any penalties, ratcheted demand or similar charges. At the time for payment of any amount due under this Section 5.2, each Party shall pay to the other Party all additional amounts payable by it pursuant to this Agreement, but all such amounts shall be netted and aggregated with any Termination Payment payable hereunder.

5.3 Net Out of Settlement Amounts.

The Non-Defaulting Party shall aggregate all Settlement Amounts into a single amount by: netting out (i) all Settlement Amounts that are due to the Defaulting Party, plus any cash or other form of security then available to the Non-Defaulting Party pursuant to Article 9, plus any or all other amounts due to the Defaulting Party under this Agreement against (ii) all Settlement Amounts that are due to the Non-Defaulting Party, plus any cash or other form of security then available to the Defaulting Party pursuant to Article 9, plus any or all other amounts due to the Non-Defaulting Party under this

Agreement, so that all such amounts shall be netted out to a single liquidated amount (the "Termination Payment") payable by one Party to the other. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate.

5.4 Notice of Payment of Termination Payment.

As soon as practicable after calculating the Termination payment, the Non-Defaulting Party shall give notice to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. If the Termination Payment is due from the Defaulting Party, the Termination Payment shall be made by the Defaulting Party within two (2) Business Days after such notice is effective. Notwithstanding any provision to the contrary contained in this Agreement, the Non-Defaulting Party shall not be required to pay to the Defaulting Party any amount under this Article 5 until the earlier of (i) the date the Non-Defaulting Party receives confirmation satisfactory to it in its reasonable discretion (which may include an opinion of its counsel) that all other obligations of any kind whatsoever of the Defaulting Party to make any payments to the Non-Defaulting Party under this Agreement or otherwise which are due and payable as of the Early Termination Date have been fully and finally performed, or (ii) 180 days after the Early Termination Date.

5.5 Disputes with Respect to Termination Payment.

If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment in whole or in part, the Defaulting Party shall, within two (2) Business Days of receipt of Non-Defaulting Party's calculation of the Termination Payment provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall pay the non-disputed amount of the Termination Payment as provided in Section 5.4 and transfer, within two (2) Business Days, Performance Assurance to the Non-Defaulting Party in an amount equal to the disputed amount of the Termination Payment.

5.6 Closeout Setoffs.

After calculation of a Termination Payment in accordance with Section 5.3, if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to (i) set off against such Termination Payment any amounts due and owing by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party and/or (ii) to the extent the purchases or sales are not yet liquidated in accordance with Section 5.3, withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Section shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which the Non-Defaulting Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

5.7 Suspension of Performance.

Notwithstanding any other provision of this Agreement, if an Event of Default shall have occurred and be continuing, the Non-Defaulting Party, upon written notice to the Defaulting Party, shall have the right (i) to suspend performance under this Agreement; provided, however, in no event shall any such suspension continue for longer than ten (10) Business Days with respect to any single Scheduled Product unless an early Termination Date shall have been declared and notice thereof pursuant to Section 5.4 given, and (ii) to the extent an Event of Default shall have occurred and be continuing to exercise any remedy available at law or in equity.

ARTICLE 6 REMEDIES FOR FAILURE TO DELIVER/RECEIVE

6.1 Remedy for Counterparty's Failure to Deliver.

6.1.1 Liquidated Damages Due to PGE. If Counterparty fails to Schedule and/or deliver all or part of the Product pursuant to this Agreement, and such failure is not excused under the terms of this Agreement or by PGE's failure to perform, then Counterparty shall pay PGE within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

6.1.2 Calculation of Replacement Price. The Replacement Price in regard to any Product Scheduled but not delivered to PGE by Counterparty shall be the price at which PGE either:

- (i) purchased a replacement for any such Product in a commercially reasonable manner, adding any:
 - (a) costs reasonably incurred by PGE in replacing such Product; and
 - (b) additional transmission charges, if any, reasonably incurred by PGE in delivering such Product to the Delivery Point;
- (ii) or, absent a purchase, then the market price at the Mid Columbia for such Product not delivered as determined by PGE in a commercially reasonable manner.

However, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall PGE be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Counterparty's liability.

6.2 PGE's Failure to Receive.

6.2.1 Liquidated Damages Due to Counterparty. If PGE fails to receive all or part of the Product Scheduled pursuant to this Agreement and such failure is not excused under the terms of this Agreement or by Counterparty's failure to perform, then PGE shall pay Counterparty, on the date payment would otherwise be due in respect of the month in which the failure occurred or within five (5) Business Days of invoice receipt, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Sales Price from the Contract Price plus the Tax Benefits, if any, associated with the amount of Product Scheduled by Counterparty but not received by PGE, plus a "gross up" amount to take into account the federal, state, and local income tax to Counterparty on such payments in lieu of PTCs so that the net amount retained by Counterparty, after payment of federal, state, and local income taxes, is equal to the amount of the actual PTC to which Counterparty would have been entitled with respect to the Energy not taken by PGE. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

6.2.2 Calculation of Sales Price. The Sales Price in regard to any Product Scheduled but not received by PGE shall be the price at which Counterparty:

- (i) resells for delivery any such Product in a commercially reasonable manner, deducting from such proceeds any:
 - (a) costs reasonably incurred by Counterparty in reselling such Product; and
 - (b) additional transmission charges, if any, reasonably incurred by Counterparty in delivering such Product to the third party purchasers at the Mid Columbia.
- (ii) or, absent a sale, the market price at the Delivery Point for such Product not received as determined by Counterparty in a commercially reasonable manner.

However, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Counterparty be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize PGE's liability.

6.3 Duty to Mitigate.

Subject to Sections 6.1.2 and 6.2.2, each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance of this Agreement.

6.4 Acknowledgement of the Parties.

The Parties stipulate that the payment obligations set forth in this Article 6 are reasonable in light of the anticipated harm and the difficulty of estimation or calculation of actual damages and waive the right to contest such payments as an unreasonable penalty. If either Party fails to pay undisputed amounts in accordance with this Article 6 when due, the other Party shall have the right to: (i) suspend performance until such amounts plus interest at the Interest Rate have been paid, and/or (ii) exercise any remedy available at Law or in equity to enforce payment of such amount plus interest at the Interest Rate. With respect to the amount of such damages only, the remedy set forth in this Article 6 shall be the sole and exclusive remedy of the Parties of the failure of Counterparty to sell and deliver, and PGE to purchase and receive the Product and all other damages and remedies are hereby waived. Disagreements with respect to the calculation of damages pursuant to this Article 6 shall be submitted to arbitration in accordance with the arbitration procedures set forth in Article 17.

6.5 Survival.

The provisions of this Article 6 shall survive the expiration or termination of this Agreement for any reason.

ARTICLE 7 PAYMENT AND NETTING

7.1 Billing Period.

Unless otherwise specifically agreed upon by the Parties, the Month shall be the standard period for all payments under this Agreement (other than for Counterparty or PGE failure under Sections 6.1 and 6.2 respectively and for termination in Section 5.4). On or before the tenth (10th) day of each Month, each Party will render to the other Party an invoice for the payment obligations, if any, incurred hereunder during the preceding Month.

7.2 Timeliness of Payment.

Unless otherwise agreed by the Parties in this Agreement, all invoices under this Agreement shall be due and payable in accordance with each Party's invoice instructions on or before the later of the twentieth (20th) day of each Month, or the tenth (10th) day after receipt of the invoice or, if such day is not a Business Day, then on the next Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

7.3 Disputes and Adjustments of Invoices.

A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice, rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twenty-four (24) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 7.3 within twenty-four (24) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance of this Agreement occurred, the right to payment for such performance is waived.

7.4 Netting of Payments.

The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Products during the monthly billing period under this Agreement, including any related damages calculated pursuant to Article 5 (unless one of the Parties elects to accelerate payment of such amounts as permitted by Article 6), interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

7.5 Payment Obligation Absent Netting.

If no mutual debts or payment obligations exist and only one Party owes a debt or obligation to the other during the monthly billing period, including, but not limited to, any related damage amounts calculated pursuant to Article 6, interest, and payments or credits, that Party shall pay such sum in full when due.

ARTICLE 8 LIMITATIONS

THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR

WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE 9 CREDIT AND COLLATERAL REQUIREMENTS

The applicable credit and collateral requirements shall be as follows:

9.1 Financial Information.

If requested by a Party, the other Party shall deliver (i) within 120 days following the end of each fiscal year, a copy of such Party's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Party's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles, consistently applied; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the other Party diligently pursues the preparation, certification and delivery of the statements.

9.2 Collateral and Security.

The Parties agree that, in order to secure their respective obligations hereunder, subject to Section 9.3 below:

Counterparty shall cause its Guarantor to execute and deliver to PGE a Guaranty agreement in a form and amount reasonably acceptable to PGE. Such Guaranty shall be delivered prior to the execution and delivery of this Agreement; or, Counterparty, shall provide Performance Assurance in the form of cash or Letter of Credit in an amount reasonably acceptable to PGE. If applicable, such Performance Assurance shall be delivered prior to the execution and delivery of this Agreement.

9.3 Provision of Performance Assurance.

If at any time and from time to time during the term of this Agreement (and notwithstanding whether an Event of Default has occurred), the Termination Payment that would be owed to a Party exceeds such Party's Collateral Threshold, then the other Party, on any Business Day, may request the first party to provide Performance Assurance for the period equal to the lesser of (i) the remaining period of the Contract Term or (ii) for a period of twenty-four (24) months commencing from the date of notice of such required Performance Assurance, (rounding upwards for any fractional amount to the next Rounding Amount), less any Performance Assurance already posted with the requesting Party. Such Performance Assurance shall be delivered to the requesting Party within two (2) Business Days of the date of such request. On any Business Day (but no more frequently than weekly with respect to Letters of Credit and daily with respect to cash), the posting Party, at its sole cost, may request that such Performance Assurance be reduced correspondingly to the amount of such excess Termination Payment (rounding downwards for any fractional amount to the next Rounding Amount). In the event that a Party fails to provide Performance Assurance pursuant to the terms of this Article 9 within two (2) Business Days, then an Event of Default under Article 5 shall be deemed to have occurred and the other Party will be entitled to the remedies set forth in Article 5 of this Agreement. For purposes of this Section 9.3, the calculation of the Termination Payment shall be calculated pursuant to Section 5.3 by the Non-Defaulting Party as if this Agreement had been liquidated, and in addition thereto, shall include all amounts owed but not yet paid by Defaulting Party to the Non-Defaulting Party.

9.4 Grant of Security Interest/Remedies.

To secure its obligations under this Agreement and to the extent a Party delivers Performance Assurance hereunder, such Party (the "Pledgor") hereby grants to the other Party (the "Secured Party") a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, Secured Party, and Pledgor agrees to take such action as the Secured Party reasonably requires in order to perfect the Secured Party's first-priority security interest in, and lien on (and

right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof.

Upon or at any time after the occurrence and during the continuation of an Event of Default or an Early Termination Date affecting the Pledgor, the Secured Party may do any one or more of the following: (i) exercise any of the rights and remedies of a Secured Party with respect to all Performance Assurance, including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the Pledgor in the possession of the Secured Party or its agent; (iii) draw on any outstanding Letter of Credit issued for its benefit; and (iv) liquidate all Performance Assurance then held by or for the benefit of the Secured Party free from any claim or right of any nature whatsoever of Pledgor, including any equity or right of purchase or redemption by Pledgor. The Secured Party shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Pledgor's obligations under this Agreement (the Pledgor remaining liable for any amounts owing to the Secured Party after such application), subject to the Secured Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

9.5 Holding Performance Assurance.

The Secured Party will be entitled to hold Performance Assurance in the form of cash provided that the following conditions are satisfied: (i) the Secured Party is not a Defaulting Party and a Material Adverse Change has not occurred and is continuing with respect to such Party and (ii) Performance Assurance may be held only in a jurisdiction within the United States.

9.6 Delivery of Performance Assurance.

Upon the occurrence and during the continuance of a Material Adverse Change or an Event of Default with respect to the Secured Party, the Secured Party shall deliver (or cause to be delivered) not later than two (2) Business Days after request by Pledgor, all Performance Assurance in its possession or held on its behalf by a financial institution, to a segregated, safekeeping or custody account ("Collateral Account") within a financial institution that is a major U.S. commercial bank or a U.S. branch office of a major foreign commercial bank, with such bank having shareholder's equity of at least \$10 billion USD and a Credit Rating of at least A1 from Moody's or A+ from S&P approved by Pledgor (which approval shall not be unreasonably withheld). The title of the Collateral Account shall indicate that the property contained therein is being held as Performance Assurance for the Secured Party. The financial institution shall serve as custodian with respect to the Performance Assurance in the Collateral Account and shall hold such Performance Assurance for the security interest of the Secured Party and, subject to the security interest, for the ownership of Pledgor.

9.7 Performance Assurance Event of Default.

Failure by the Secured Party to comply with any of the obligations under Section 9.6 will constitute an Event of Default with respect to the Secured Party if the

failure continues for two (2) Business Days after notice of the failure is given to the Secured Party.

9.8 Interest Rate on Cash Collateral.

Performance Assurance in the form of cash shall bear interest at the Interest Rate on Cash Collateral and shall be paid to the Pledgor on the third Business Day of each calendar month. "Interest Rate on Cash Collateral" means the lesser of (i) the maximum amount allowed by applicable law and (ii) the Federal Funds Rate for the holding period. The "Federal Funds Rate" means the effective Federal Funds Rate as published daily by the Federal Reserves Bank H.15 Statistical Release website for each day of the holding period less fifty basis points (0.50). Such interest shall be calculated on the basis of the actual number of days elapsed over a year of 360 days.

ARTICLE 10 GOVERNMENTAL CHARGES

10.1 Cooperation.

Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

10.2 Non-Sale Related Governmental Charges and Taxes.

Counterparty shall pay or cause to be paid all charges or taxes imposed by any government authority ("Governmental Charges") on or with respect to the Product arising prior to the Delivery Point. PGE shall pay or cause to be paid all Governmental Charges on or with respect to the Product at and from the Delivery Point (other than those related to the sale of the Product and are, therefore, the responsibility of the Counterparty). In the event Counterparty is required by law or regulation to remit or pay Governmental Charges which are PGE's responsibility hereunder, PGE shall promptly reimburse Counterparty for such Governmental Charges. If PGE is required by law or regulation to remit or pay Governmental Charges which are Counterparty's responsibility hereunder, PGE may deduct the amount of any such Governmental Charges from the sums due to Counterparty under Article 7 of this Agreement. Nothing herein shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law.

10.3 Sale-related Governmental Charges and Taxes.

In addition to all other payments required under this Agreement, Counterparty shall be solely responsible for all existing and any new sales, use, excise, ad valorem, and any other similar taxes imposed or levied by any federal, state or local governmental agency on the Product sold and delivered hereunder (including any taxes imposed or levied with respect to the transmission of such energy) up to the delivery of such Product to the Delivery Point.

10.4 Indemnification.

Each Party shall indemnify, release, defend and hold harmless the other Party from and against any and all liability for taxes imposed or assessed by any taxing authority with respect to the Product sold, delivered and received hereunder that are the responsibility of such Party pursuant to this Article 10.

ARTICLE 11 RATES AND TERMS BINDING; FERC STANDARD OF REVIEW

11.1 Mobile-Sierra Doctrine.

11.1.1 The Parties, for themselves and their respective successors and assigns, agree that the standard of review for proposed changes to any section of this Agreement, or to any other documents, instruments or other agreements executed or entered into by the Parties in connection with this Agreement, that specifies the rate(s) or other material economic terms and conditions agreed to by the Parties, whether proposed by a Party, a non-party or FERC acting sua sponte, shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the “Mobile-Sierra Doctrine”). The Parties, for themselves and their respective successors and assigns, hereby expressly and irrevocably waive any rights they can or may have to the application of any other standard of review, including the “just and reasonable” standard.

11.1.2 In the event FERC modifies the application of or rejects the ‘public interest’ standard and instead requires that the ‘just and reasonable’ standard shall apply to changes to this Agreement, then 12.1.1 above shall, without further action of either Party, be deemed amended to reflect such modification or specific language.

ARTICLE 12 REPRESENTATIONS AND WARRANTIES; INDEMNITY

12.1 Representations and Warranties.

On the Effective Date and throughout the Contract Term, each Party represents and warrants to the other Party that:

12.1.1 it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

12.1.2 it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

12.1.3 the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

12.1.4 this Agreement, and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject only to any Equitable Defenses;

12.1.5 it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;

12.1.6 there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

12.1.7 no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

12.1.8 it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

12.1.9 it is a "forward contract merchant" within the meaning of the United States Bankruptcy Code;

12.1.10 it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all Products referred to in this Agreement;

12.1.11 with respect to this Agreement; involving the purchase or sale of a Product, it is a producer, processor, commercial user or merchant handling the Product, and it is entering into this Agreement for purposes related to its business as such; and

12.1.12 the material economic terms of this Agreement were subject to individual negotiation by the Parties.

12.2 Indemnity.

To the fullest extent permitted by law, each Party (the "Indemnitor") hereby indemnifies and agrees to defend and hold harmless the other Party (the "Indemnitee") from and against any Indemnity Claims caused by, resulting from, relating

to or arising out of any act or incident involving or related to the Product, Energy or capacity and occurring at any time when such Product, Energy or capacity is under the Indemnitor's possession and control; provided, however, that the Indemnitor shall not have any obligation to indemnify the Indemnitee from or against any Indemnity Claims caused by, resulting from, relating to or arising out of the negligence or intentional misconduct of the Indemnitee.

12.3 Additional Representation and Warranty of Counterparty.

Counterparty hereby further represents and warrants to PGE that (i) Counterparty has the right to sell the Product, (ii) Counterparty has title to the Product sold under this Agreement, and (iii) no change has occurred in Counterparty's authorization to sell power at market-based rates pursuant to FERC Dockets Number ER _____.

ARTICLE 13 INSURANCE

13.1 Insurance. During the Contract Term, Counterparty shall secure and continuously carry the following insurance coverage:

13.2.1 Commercial general liability insurance with a minimum combined single limit of \$1,000,000 per occurrence and in the annual aggregate, with coverage for bodily injury, personal injury and broad form property damage, contractual liability, products and completed operations.

13.2.2 Workers' compensation insurance to cover statutory limits of the worker's compensation laws and employers liability insurance with a minimum limit of \$1,000,000.

13.2.3 Business automobile liability insurance (including coverage for owned, non-owned, and hired automobiles) used in connection with the Project in an amount not less than \$1,000,000 per accident for combined bodily injury, property damage or death. To the extent that the Counterparty does not own automobiles, coverage for non-owned and hired automobiles may be combined with commercial general liability.

13.2.4 Umbrella/excess insurance covering claims in excess of the underlying insurance described in Sections 17.2.1, 17.2.2 (employers liability only) and 17.2.3 with a \$5,000,000 minimum per occurrence and annual aggregate.

13.2.5 All-risk property insurance including boiler & machinery coverage insuring Counterparty's property at replacement cost value.

13.3 Counterparty to Provide Certificate of Insurance. All policies required, with the exception of workers' compensation employers liability and business automobile liability, shall include (i) endorsement(s) naming PGE as an additional insured but only to the extent of Indemnitee's indemnifications as stated in Section 17.1, and (ii) a cross-liability and severability of interest clause. Said policies shall also contain provisions that

such insurance is primary insurance without right of contribution of any other insurance carried by or on behalf of PGE with respect to its interests as additional insured. A certificate of insurance showing that the above-required insurance in full force and effect (on Accord or similar form) shall be furnished to PGE. All policies shall be placed with companies with a minimum A.M. Best rating of A- IX. Counterparty shall deliver copies of all certificates of insurance to PGE within thirty (30) days of the Effective Date.

13.4 Counterparty to Notify PGE of Loss of Coverage. Counterparty or Counterparty's insurers will endeavor to provide PGE thirty (30) days notice (or ten (10) days in the case of cancellation due to non-payment of premiums) in the event of any material change to, cancellation or non-renewal of the required insurance.

ARTICLE 14 TITLE AND RISK OF LOSS

Title and risk of loss related to the Product shall transfer from Counterparty to PGE at the Delivery Point, except that title to Environmental Attributes shall transfer to PGE at the Facility busbar. Counterparty warrants that it will deliver to PGE the Contract Quantity of the Product free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

ARTICLE 15 ASSIGNMENT; BINDING EFFECT

15.1 Assignment.

Neither Party shall assign this Agreement or its rights hereunder to any entity whose Credit Rating is not equal to or higher than that of such Party and is at least above BBB- by S&P and Baa3 by Moody's. No assignment may be made without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Agreement to an Affiliate of such Party which Affiliate's Credit Rating is equal to or higher than that of such Party, or (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of its assets whose Credit Rating is equal to or higher than that of such Party; provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

15.2 Binding Effect.

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. No assignment or transfer permitted hereunder shall relieve the assigning or transferring Party of any of its obligations under this Agreement.

ARTICLE 16 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 OREGON, WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAW. FOR ANY DISPUTE HELD NOT ARBITRABLE HEREUNDER EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION RELATING TO SUCH DISPUTE.

ARTICLE 17 ARBITRATION

Any claim, counterclaim, demand, cause of action, dispute, and controversy arising out of or relating to this Agreement or the relationship established by this Agreement, any provision hereof, the alleged breach thereof, or in any way relating to the subject matter of this Agreement, involving the Parties and/or their respective representatives (for purposes of this Article 18 only, collectively the "Claims"), even though some or all of such Claims allegedly are extra-contractual in nature, whether such Claims sound in contract, tort, or otherwise, at law or in equity, under state or federal law, whether provided by statute or the common law, for damages or any other relief, shall be resolved by binding arbitration. Arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The validity, construction, and interpretation of this agreement to arbitrate, and all procedural aspects of the arbitration conducted pursuant hereto shall be decided by the arbitrators. In deciding the substance of the Parties' Claims, the arbitrators shall refer to the governing law. It is agreed that the arbitrators shall have no authority to award treble, exemplary or punitive damages of any type under any circumstances whether or not such damages may be available under state or federal law, or under the Federal Arbitration Act, or under the Commercial Arbitration Rules of the American Arbitration Association, the Parties hereby waiving their right, if any, to recover any such damages. The arbitration proceeding shall be conducted in Portland, Oregon. Within thirty (30) days of the notice of initiation of the arbitration procedure, each party shall select one arbitrator. The two (2) arbitrators shall select a third arbitrator. The third arbitrator shall be a person who has over eight years professional experience in electrical energy-related contractual arrangements and who has not previously been employed by either Party and does not have a direct or indirect interest in either Party or the subject matter of the arbitration. While the third arbitrator shall be neutral, the two party-appointed arbitrators are not required to be neutral, and it shall not be grounds for removal of either of the two party-

appointed arbitrators or for vacating the arbitrators' award that either of such arbitrators has past or present minimal relationships with the Party that appointed such arbitrator. To the fullest extent permitted by law, any arbitration proceeding and the arbitrator's award shall be maintained in confidence by the Parties.

ARTICLE 18 RECORDS AND AUDIT

18.1 Records.

Each Party shall keep proper books of records and account, in which full and correct entries shall be made of all dealings in relation to this Agreement in accordance with generally accepted accounting principles consistently applied.

18.2 Audit Rights.

Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If requested, a Party shall provide to the other Party statements evidencing the quantity of Product delivered at the Delivery Point. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twenty-four (24) months from the rendition thereof, and thereafter any objection shall be deemed waived.

ARTICLE 19 GENERAL PROVISIONS

19.1 General.

This Agreement (including the exhibits, schedules and any written supplements hereto), any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all transactions under this Agreement constitute the entire agreement between the Parties relating to the subject matter.

Notwithstanding the foregoing, any collateral, credit support or margin agreement or similar arrangement between the Parties shall, upon designation by the Parties, be deemed part of this Agreement and shall be incorporated herein by reference. This Agreement shall be considered for all purposes as prepared through the joint efforts of the parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Except to the extent herein provided for, no amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by both Parties.

Each Party agrees if it seeks to amend any applicable wholesale power sales tariff during the term of this Agreement, such amendment will not in any way affect remaining transactions under this Agreement without the prior written consent of the other Party. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default.

19.2 Entirety.

This Agreement and the Appendices and Exhibits hereto constitute the entire agreement between the Parties and supersede all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those herein expressed. Except for any matters which, in accordance with the express provisions of this Agreement, may be resolved by verbal agreement between the Parties, no amendment, modification or change herein shall be enforceable unless reduced to writing and executed by both Parties.

19.3 Non-Waiver.

No waiver by any Party hereto of any one or more defaults by the other Party in the performance of any of the provisions of this Agreement shall be construed as a waiver of any other default or defaults whether of a like kind or different nature. No failure or delay by either Party hereto in exercising any right, power, privilege, or remedy hereunder shall operate as a waiver thereof.

19.4 Severability.

Any provision of this Agreement declared or rendered invalid, unlawful, or unenforceable by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change (individually or collectively, such events referred to as "Regulatory Event") will not otherwise affect the remaining lawful obligations that arise under this Agreement; and provided, further, that if a Regulatory Event occurs, the Parties shall use their best efforts to reform this Agreement in order to give effect to the original intention of the Parties.

19.5 Survival.

All indemnity and audit rights shall survive the termination of this Agreement. All obligations provided in this Agreement shall remain in effect, after the expiration or termination for any reason of this Agreement, for the purpose of complying herewith.

19.6 Forward Contract.

The Parties acknowledge and agree that this Agreement constitutes a “forward contract” within the meaning of the United States Bankruptcy Code.

19.7 No Third Party Beneficiaries.

Nothing in this Agreement shall provide any benefit to any third party or entitle any third party to any claim, cause of action, remedy or right of any kind, it being the intent of the Parties that this Agreement shall not be construed as a third party beneficiary contract.

19.8 Relationships of Parties.

The Parties shall not be deemed in a relationship of partners or joint venturers by virtue of this letter, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

19.9 Headings and Exhibits.

The headings used for the sections and articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Agreement. Any and all Exhibits and Appendices referred to in this Agreement are, by such reference, incorporated herein and made a part hereof for all purposes.

**ARTICLE 20
CONFIDENTIALITY**

Neither Party shall disclose the terms or conditions of this Agreement to a third party except (i) as may become generally available to the public, (ii) as may be required or appropriate in response to any summons, subpoena, or otherwise in connection with any litigation or to comply with any applicable law, order, regulation, ruling, or accounting disclosure rule or standard, (iii) as may be obtained from a non-confidential source that disclosed such information in a manner that did not violate its obligations to the non-disclosing party or its Credit Support Provider in making such disclosure, (iv) to an index publisher or rating agency who has executed a confidentiality agreement with such party, (v) in order to comply with any applicable law, regulation, or (vi) in connection with any court or regulatory proceeding; provided, however, each party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. Notwithstanding anything to the contrary contained in this Agreement, or any other express or implied agreement, arrangement or understanding, the parties and their respective affiliates, employees, representatives and other agents may disclose to any and all persons the tax structure and any of the tax aspects of the transaction(s) contemplated by this Agreement, which are necessary to describe or support any United States federal income tax benefits that may result therefrom or any materials relating thereto, except

where confidentiality is reasonably necessary to comply with United States federal or state securities laws. For the purposes of this provision, "tax structure" is limited to facts relevant to the U.S. federal income tax treatment of the transaction(s) and does not include information relating to the identity of the parties, their affiliates, agents, or advisors. The parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

ARTICLE 21 NOTICES AND COUNTERPARTS

21.1 Notices.

21.1.1 All notices, requests, statements or payments shall be made to the addresses and persons specified in Exhibit A hereto. All notices, requests, statements or payments shall be made in writing except where this Agreement expressly provides that notice may be made orally. Notices required to be in writing shall be delivered by hand delivery, overnight delivery, facsimile, e-mail (so long as a copy of such e-mail notice is provided immediately thereafter by hand delivery, overnight delivery, or facsimile), or other documentary form. Notice by facsimile shall (where confirmation of successful transmission is received) be deemed to have been received on the day on which it was transmitted (unless transmitted after 5:00 p.m. at the place of receipt or on a day that is not a Business Day, in which case it shall be deemed received on the next Business Day); provided that Scheduling and Dispatch notifications and notifications of changes in availability of the Facility sent by facsimile shall be treated as received when confirmation of successful transmission is received. Notice by hand delivery or overnight delivery shall be deemed to have been received when delivered. Notice by e-mail shall be deemed to have been received when delivered, so long as a copy of such e-mail notice is provided immediately thereafter by hand delivery, overnight delivery, courier or facsimile. Notice by telephone shall be deemed to have been received at the time the call is received.

21.1.2 A Party may change its address by providing notice of the same in accordance with the provisions of Section 21.1.1.

21.2 Counterparts.

This Agreement may be executed in counterparts, each of which is an original and all of which constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Wholesale Renewable Power Purchase Agreement to be duly executed as of the date first above written. This Agreement shall not become effective as to either Party unless and until executed by both Parties.

**PORTLAND GENERAL ELECTRIC
COMPANY**

[Counterparty]

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A

NOTICES

Party: Portland General Electric Company [“Counterparty”]
(or “PGE”), an Oregon corporation

All Notices:

Street: 121 SW Salmon Street
City: Portland, OR 97204
Attn: General Manager, Risk Management,
Power Supply; 3WTCBR06
Phone: (503) 464-8931
Facsimile: (503) 464-2605
Duns: 00-790-9054
Federal Tax ID Number: 93-0256820

All Notices:

Street:
City:
Attn:
Phone:
Facsimile:
Duns:
Federal Tax ID Number:

Invoices:

Attn: Risk Management
Phone: (503) 464-7126
Facsimile: (503) 464-7375

Invoices:

Attn:
Phone:
Facsimile:

Scheduling:

Attn: Manager Power Coordination
Phone: (503) 464-7374
Facsimile: (503) 464-2605

Scheduling:

Attn:
Phone:
Facsimile:

Payments:

Attn: Accounts Payable
Phone: (503) 464-7126
Facsimile: (503) 464-2605

Payments:

Attn:
Phone:
Facsimile:

Wire Transfer:

BNK: United States National Bank of
Oregon-Portland
ABA:
ACCT:
NAME: Portland General Electric
Company

Wire Transfer:

BNK:
ABA:
ACCT:

Credit and Collections:

Attn: Credit Manager
Phone: (503) 464-8770
Facsimile: (503) 464-2605

Credit and Collections:

Attn:
Phone:
Facsimile:

With additional Notices of an Event of
Default to:

Attn: General Counsel
Phone: (503) 464-7822
Facsimile: (503) 464-2200

With additional Notices of an Event of
Default to:

Attn:
Phone:
Facsimile:

EXHIBIT B

1. Scheduling – PGE ___ Shall schedule for each day of the delivery period ___ in an amount equal to the Weekly Amount for each Sunday through Saturday period.

___ all output; ___

during the delivery period in blocks of (no more than/no less than) ___ hours

Other as described:

(the following are 4 choices with respect to price for capacity or energy)

2. Pricing – PGE shall pay for scheduled and delivered Firm Energy @

___ \$/MWh;

Exhibit C

PERMITTING; FINANCING; CONSTRUCTION

1.1.2 Facility Permitting. Counterparty shall be responsible for obtaining all permits necessary for the construction and operation of the Facility configured substantially as set forth in **Exhibit ____**, together with such changes in configuration that Counterparty believes will maximize the output of the Facility and as allowed under the Facility permits.

1.1.3 Facility and Equipment Financing. Counterparty shall be responsible for obtaining all financing to be necessary to purchase the equipment to be used in the Facility and to construct and operate the Facility during the Delivery Period and the Term on a schedule consistent with the requirements of this Agreement.

1.1.4 Facility Design. Counterparty shall be responsible for designing and building the Facility in compliance with all permits and according to Prudent Electric Industry Practice with respect to project design, engineering and selection and installation of primary equipment, including but not limited to: turbine nacelles, towers, blades, rotors, foundations, control systems, meters, transformers and collection and substation facilities. Counterparty shall provide PGE with copies of the site plan for the Facility and descriptions, reasonably requested by PGE and otherwise already in the possession of Counterparty, for the project design of the Facility. Any review by PGE of the design, construction, operation or maintenance of the Facility is solely for PGE's information, and PGE shall have no responsibility to Counterparty or Counterparty or any third party in connection therewith. Counterparty is solely responsible for the economic and technical feasibility, operational capacity and reliability of the Facility.

1.1.5 Construction and Testing. Counterparty shall be responsible, at its cost, for constructing and testing the Facility and obtaining all necessary transmission and interconnection rights, all in compliance with all permits, agreements with any Transmission Provider and Prudent Electric Industry Practice. During construction and testing, Counterparty shall provide PGE with monthly written updates regarding Counterparty's progress in completing the Facility.

1.1.6 Equipment Supply [if applicable]. Not later than _____ Counterparty shall provide PGE with written evidence of Counterparty's commitment from _____ for the supply of a equipment in a timeframe which reasonably would allow Counterparty to complete construction of the Facility on or before _____.

1.2 Construction and Commercial Operation.

1.2.1 PPA Commercial Operation/Final Completion. Counterparty shall cause the Facility to achieve Final Completion by _____ (Final Completion Date) Unless otherwise excused under the terms of this Agreement, or PGE may thereafter terminate this Agreement after ten (10) Days notice to Counterparty, and Counterparty

shall pay to PGE Contract Termination Damages, of \$ _____ in addition to all Delay Damages paid pursuant to Exhibit C Section 1.2.3.

1.2.2 Notice of PPA Final Completion. Counterparty shall notify PGE not less than five (5) Business Days in advance of the anticipated date of Final Completion and shall confirm to PGE in writing when Final Completion has been achieved.

1.2.3 Milestones

If the milestones below are not achieved before the Milestone Dates then Counterparty shall pay PGE the delay damages within three (3) days after each specified Milestone Date

Milestone	Milestone Date (Not later than 60 days before Final Completion Date)	Delay Damages
Site Acquisition		
Permit Acquisition		
Design		
Financing Acquisition		
Equipment Purchase Order		
Equipment Shipped		
Equipment Delivery		
Construction		
Testing/Commissioning		
Capacity MW		\$ per day for each day beyond the Milestone date

1.3 Sole and Exclusive Remedies. PGE's sole remedy and Counterparty's sole liability for the failure to achieve, Milestones, and Final Completion by the applicable dates set forth in this Exhibit C shall be the payment by Counterparty of

Contract Termination and Delay Damages as specified above. The Parties acknowledge that it is impractical and difficult to assess actual damages in the circumstances stated, and the Parties therefore agree that the damages provided for in this Exhibit C are a fair and reasonable calculation of actual damages to PGE in such event.

Exhibit D

Counterparty hereby commits one hundred percent (100%) of the Project's output net of station use (i.e., parasitic load) up to Capacity MW to PGE as provided under this Agreement. Except during periods other than periods when Counterparty is otherwise excused from delivering Energy hereunder, Counterparty will use commercially reasonable efforts to operate the Project in a manner that will be expected to generate Energy consistent with Prudent Electric Industry Practice.

1.4 Operational Covenants.

1.4.1 Site Control. At all times during the Term, Counterparty shall control the Facility Site through ownership or lease and shall provide PGE with prompt notice of any change in its control.

1.4.2 Operation and Maintenance of the Facility.

1.4.2.1 Counterparty shall operate and maintain the Facility and its Meters and that portion of the Interconnection Facilities and related equipment and systems owned by Counterparty in a manner that is reasonably likely to: (i) maximize the output of energy and Environmental Attributes from the Facility and (ii) result in an expected useful life for such facilities of not less than thirty (30) years, all in accordance with Prudent Electric Industry Practice.

1.4.2.2 Counterparty shall inspect, maintain and repair the Facility and the components thereof in order to maintain such equipment in accordance with Prudent Electric Industry Practice and shall keep records with respect to inspections, maintenance and repairs thereto consistent with Counterparty's reasonable business judgment. The records of such activities shall be available for inspection by PGE during Counterparty's regular business hours upon reasonable notice.

Counterparty shall notify PGE, on or before November 1 of each Contact Year, of Facility's Scheduled Maintenance, and shall use commercially reasonable efforts to plan Scheduled Maintenance (i) to maximize the productive output of the Facility and (ii) not to occur from July through September nor from December through February.

ASSET PURCHASE AGREEMENT

by and between

PORTLAND GENERAL ELECTRIC COMPANY

and

Dated _____

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This ASSET PURCHASE AGREEMENT ("Agreement") is entered into effective as of the _____ day of _____, 200__ ("Effective Date"), by and between [Counterparty], a [STATE] corporation ("Counterparty"), and Portland General Electric Company, an Oregon corporation ("PGE"). PGE and Counterparty are also referred to herein individually as a "Party" and collectively as the "Parties."

1. Recitals

WHEREAS, Counterparty owns the Assets, described in detail in Exhibit A, for generation of electricity from _____ resource in _____ County, State of _____; and

WHEREAS, PGE desires to acquire [all or a portion of] the rights of Counterparty in the Assets.

Now, therefore, in consideration of the foregoing premises and the representations, warranties, covenants and agreements contained herein, the adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

2. Definitions

2.1 "AAA" has the meaning given in Section 18.1 of this Agreement.

2.2 "Applicable Law" means all laws, treaties, ordinances, judgments, decrees, injunctions, writs, orders, rules, notices of proposed rules or rulemaking, regulations and interpretations of any Governmental Authority having jurisdiction over (i) the Assets or (ii) this Agreement.

2.3 "Arbitration Notice" has the meaning given in Section 18.1 of this Agreement.

2.4 "Assets" has the meaning given in Section 9 as more particularly described in Exhibit A.

2.5 "Assumed Liabilities" shall include (a) only those obligations of Counterparty relating to the Assets accruing or arising from and after the Closing Date and (b) without in any way broadening the scope of this definition of Assumed Liabilities as described in the preceding sentence, Assumed Liabilities shall not include (i) any liability of Counterparty or its affiliates for taxes accruing or arising before the Closing Date, (ii) any liability of Counterparty or its affiliates for the unpaid taxes of any person under Reg. § 1.1502-6 (or any similar provision of state or local law), as a transferee or successor, by contract, or otherwise, or (iii) any liability of Counterparty or its affiliate for costs and expenses incurred in connection with this Agreement and the transactions.

2.6 "Bankrupt" means with respect to any entity, such entity (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding

or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it and such petition filed or commenced against it is not dismissed after one hundred and eighty (180) days, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due.

2.7 "Business Day" means every day other than Saturday, Sunday or a day that banks are permitted or required to remain closed in the State of Oregon.

2.8 "Capacity MW" means ____ of capacity of MW that the Assets are capable of generating as certified by a Licensed Professional Engineer chosen by PGE.

2.9 "Closing Date" means _____.

2.10 "Counterparty Indemnified Party" has the meaning given in Section 20.2 of this Agreement.

2.11 "Credit Rating" means (i) with respect to any entity other than a financial institution, the (a) current ratings issued or maintained by S&P or Moody's with respect to such entity's long-term senior, unsecured, unsubordinated debt obligations (not supported by third party credit enhancements) or (b) corporate credit rating or long-term issuer rating issued or maintained with respect to such entity by S&P or Moody's, or (ii) if such entity is a financial institution, the ratings issued or maintained by S&P or Moody's with respect to such entity's long-term, unsecured, unsubordinated deposits.

2.12 "Defaulting Party" shall have the meaning given in Section 6 of this Agreement.

2.13 "Encumbrances" means any claim, lien, pledge, mortgage, option, charge, easement, security interest, right-of-way, encumbrance, lease, interest, mineral reservations, covenant, conditional sales contract, title retention arrangement, adverse claim or restriction of any kind or other right of third parties.

2.14 "Environmental Laws" means all laws that regulate or relate to (i) the protection or clean-up of the environment, (ii) the handling of Hazardous Substances, (iii) the preservation or protection of waterways, groundwater, drinking water, air, wildlife, plants or other natural resources, and (iv) the health and safety of persons or property as it pertains to the environment, including, without limitation, protection of the health and safety of employees. Environmental Laws shall include, without limitation, the Resource Conservation & Recovery Act, Clean Water Act, Safe Drinking Water Act, Occupational Safety and Health Act, Toxic Substances Control Act, Clean Air Act, Comprehensive Environmental Response, Compensation and Liability Act, Emergency Planning and Community Right-to-Know Act, Hazardous Materials Transportation Act, and Centers

for Disease Control guidelines, policies and procedures, and all analogous or related laws.

2.15 “Event of Default” has the meaning given in Section 6 of this Agreement.

2.16 “Force Majeure Event” means any event that wholly or partly prevents or delays the performance of any obligation under this Agreement, but only if and to the extent that:

2.16.1 such event is not within the reasonable control, directly or indirectly, and not the fault, of the affected Party; and

2.16.2 such event, despite the exercise of reasonable diligence, cannot be prevented or avoided by the affected Party.

A Force Majeure Event shall include, but is not limited to, an event that falls within one or more of the following categories: condemnation, expropriation, invasion, plague, drought, landslide, explosion, fire; underground conditions, tornado, hurricane, tsunami, lightning, flood, earthquake and other abnormally severe weather other than at the site of the Assets, epidemic, quarantine, acts of terrorism, war (declared or undeclared) or other armed conflict, strikes and other labor disputes (including collective bargaining disputes and lockouts) of a regional or national scope, riot, revolution, insurrection or similar civil disturbance or commotion, acts of God, acts of the public enemy, blockade, port closure, sabotage or vandalism, embargoes, accidents, casualties or delays with respect to transportation, including, but not limited to, stranding, sinking or collision of the carrier, or closure or restriction of roads or other transportation route by a Governmental Authority or otherwise due to weather impacts or restrictions, and actions or inactions of a Governmental Authority (provided that such actions or inactions are not due to an action or proceeding commenced by the affected Party).

2.17 “Governmental Authority” means any federal, state, local or other governmental, judicial, public or statutory instrumentality, tribunal, agency, authority, body or entity, or any political subdivision thereof, having legal jurisdiction over the matter or person in question.

2.18 “Hazardous Substances” means any hazardous material, hazardous commodity, hazardous waste, or hazardous substance defined or regulated as such in or under Applicable Laws regulating, relating to or imposing liability or standards of conduct concerning the protection of human health or the environment.

2.19 “Interest Rate” means _____.

2.20 “Intellectual Property Rights” means intellectual property rights owned, used or licensed by Counterparty, including copyrights, patents, industrial design rights, trade secrets, know how, mask works, software, firmware, specifications, designs, drawings, processes, data, and other proprietary information relating to the Assets, any

training process relating to the foregoing, and the contents of any service manuals and test and inspection procedures.

2.21 “Letter(s) of Credit” means one or more irrevocable, transferable, standby letters of credit issued by a major U.S. commercial bank or a U.S. branch office of a major foreign commercial bank with such bank having shareholders’ equity of at least \$10 billion USD and a Credit Rating of at least A1 from Moody’s or A+ from S&P, in a form and substance reasonably acceptable to the beneficiary Party. The costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

2.22 “Letter of Credit Default” means with respect to a Letter of Credit, the occurrence of any of the following events: (i) the issuer of such Letter of Credit shall fail to be a major U.S. commercial bank or a U.S. branch office of a major foreign commercial bank with such bank having shareholders’ equity of at least \$10 billion USD and a Credit Rating of at least A1 from Moody’s or A+ from S&P; (ii) the issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit; (iii) the issuer of such Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; (iv) such Letter of Credit shall be within 15 Business Days of expiration or shall terminate, or shall fail or cease to be in full force and effect at any time during the applicable period, in any such case without replacement; (v) the issuer of such Letter of Credit shall become Bankrupt; or (vi) a merger event occurs with respect to the issuer of such Letter of Credit; provided, however, that no Letter of Credit Default shall occur or be continuing in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be canceled or returned in accordance with the terms of this Agreement.

2.23 “Licensed Professional Engineer” means a person acceptable to PGE in its reasonable judgment who (i) is licensed to practice engineering in the state where the Assets are located, (ii) has training and experience in the [insert type of renewable technology] power industry, (iii) has no economic relationship, association, or nexus with the Counterparty, (iv) is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Assets, or of a manufacturer or supplier of any equipment installed as part of the Assets, and (v) is licensed in an appropriate engineering discipline for the required certification being made.

2.24 “Material Adverse Change” means (i) with respect to PGE, PGE shall have a Credit Rating below BBB- by S&P and below Baa3 by Moody's or both ratings are withdrawn or terminated on a voluntary basis by the rating agencies, (ii) with respect to Counterparty, Counterparty shall have a Credit Rating below BBB- by S&P and below Baa3 by Moody's or both ratings are withdrawn or terminated on a voluntary basis by the rating agencies, if rated by both services. If Counterparty is rated by only one service, a Material Adverse Change shall occur if its rating falls below the pertinent level specified above for the applicable rating agency or if such rating is withdrawn or terminated on a voluntary basis by the rating agency.

2.25 "Monthly Progress Report" has the meaning specified in Section 5 of this Agreement.

2.26 "Performance Assurance" means cash or a Letter of Credit in an amount equivalent to the Termination Payment as determined in Section 7 and Exhibit D.

2.27 "PGE Indemnified Party" has the meaning given in Section 20.1.

2.28 "Purchase Price" means the price PGE shall pay Counterparty for the Assets, as more particularly described on Exhibit B.

2.29 "Rules" has the meaning given in Section 18.1 of this Agreement.

2.30 "Scope Changes" has the meaning given in Section 13.1.

2.31 "Scope Change Order" has the meaning given in Section 13.1.

2.32 "Termination Payment" means amounts calculated in Section 7 and Exhibit D.

2.33 "Work" means the services and work, if any to be provided, or caused to be provided, by or through Counterparty under this Agreement for the Purchase Price, as more particularly described in Exhibit C, as the same may be amended from time to time in accordance with the terms hereof.

3. Representation

Each Party represents and warrants to the other Party that:

3.1 it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

3.2 it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

3.3 the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

3.4 this Agreement, and each other document executed and delivered in accordance with this Agreement, constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

3.5 it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it, which would result in it being or becoming Bankrupt;

3.6 there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

3.7 no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement; and

Counterparty represents, covenants and warrants that:

3.8 it is the true and lawful owner of the Assets and has good and marketable title to the Assets and good and lawful right to transfer the Assets; and

3.9 the Assets shall be maintained free of all liens and encumbrances.

4. Scope of Work for Counterparty

PGE hereby retains Counterparty, and Counterparty hereby agrees to be retained by PGE, to perform or cause to be performed all Work, as more particularly described in Exhibit C, in accordance with the terms and conditions of this Agreement.

5. Milestone Dates, and Delay Damages

If, and to the extent applicable, any Milestones below are not achieved by the Milestone Date (specified in the chart below) then Counterparty shall pay PGE the Delay Damages (specified on chart below) within three (3) Business Days after each affected Milestone Date. On the written notification of completion of each Milestone, if applicable, PGE shall pay, within three (3) Business Days, the applicable progress payment. If such completion is after the applicable Milestone Date, payment by PGE shall be net of any Delay Damages due PGE.

Milestones, Progress Payments, Milestone Dates, and Delay Damages

Milestone	Progress Payment	Milestone Date	Delay Damages
(Delay of achievement of any Milestone may be an Event of Default under Section 6)	(To be paid to Counterparty within 3 Business Days after written receipt of completion notice)		

Site Acquisition (easements, etc)			
Permit Acquisition			
Design			
Financing Acquisition			
Equipment Purchase Order			
Equipment Shipped			
Equipment Delivery			
Construction			
Testing/Commissio ning			
Achieve Capacity MW			

Counterparty shall not be relieved from the obligation to meet any Milestone Date unless such date is extended pursuant to a written notice from PGE. The current portion of the Milestones and any update shall be presented electronically on a weekly basis and in such reasonable detail as PGE may require and shall address all material elements of the Work. If applicable, Counterparty shall submit to PGE, not later than the fifth (5th) day of each month, a detailed report of the progress of the Work (each a "Monthly Progress Report"). Additionally, an updated and complete Work schedule shall be made available to the PGE monthly, and as otherwise reasonably requested by PGE. The representatives of PGE, PGE's subcontractors, if any, and Counterparty shall attend and participate in daily planning meetings to review the status of the Work. Counterparty shall promptly notify PGE in writing at any time that Counterparty has reason to believe that there shall be a material deviation in the Work Schedule from the Milestones including any revisions, and shall set forth in such notice the corrective action planned by Counterparty. Delivery of such notice shall not relieve Contractor of its obligation to meet the Milestone Dates specified hereunder.

6. Events of Default

An "Event of Default" shall mean, with respect to a Party (a "Defaulting Party"), the occurrence of any of the following:

6.1 a Material Adverse Change with respect to such Party; provided, such Material Adverse Change shall not be considered an Event of Default if the Defaulting Party establishes and maintains for so long as the Material Adverse Change is continuing, Performance Assurance to the Non-Defaulting Party [in an amount equivalent to the Termination Payment as determined in Section 7 and Exhibit C;

6.2 the failure of such Party to make, when due, any Delay Damages or other payment required pursuant to this Agreement, provided such failure is not remedied within two (2) Business Days after written notice;

6.3 any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated;

6.4 the failure of such Party to perform any material covenant or obligation set forth in this Agreement;

6.5 such Party becomes Bankrupt;

6.6 the failure of such Party to establish, maintain, extend or increase Performance Assurance when required under this Agreement;

6.7 the occurrence and continuation of (i) a default, event of default or other similar condition or event in respect of such Party or any other party specified for such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than _____ (the "Cross Default Amount"), which results in such indebtedness becoming immediately due and payable or (ii) a default by such Party or any other party specified for such Party in making on the due date therefore one or more payments, individually or collectively, in an aggregate amount of not less than the applicable Cross Default Amount as specified herein;

6.8 the occurrence of a Letter of Credit Default;

With Respect to Counterparty shall mean:

6.9 the failure to achieve any Milestone in the reasonable judgment of PGE within thirty (30) days following a Milestone Date or notification of such failure whichever comes first.

6.10 any failure by Counterparty to maintain the insurance coverages required of it in accordance with Section 16, unless such failure is cured within five (5) Business

Days of the earlier of written notice from PGE from the date Counterparty becomes aware of such failure;

6.11 if applicable, any abandonment of the Work by Counterparty, where “abandonment” for the purposes of this Section shall mean that Counterparty has substantially reduced personnel at the Site or removed required equipment from the Site such that, in the opinion of an experienced construction manager, Counterparty would not be capable of completing the Milestones; or

6.12 if applicable, any of the following occurs: (i) Counterparty fails to supply skilled workers or suitable materials or equipment sufficient to meet the Milestone Dates and to prosecute the Work in accordance with this Agreement; (ii) Counterparty fails to make prompt payments when due to its subcontractors for labor, materials or equipment; (iii) Counterparty suspends performance of a material portion of the Work (other than as permitted under this Agreement); or (iv) Counterparty disregards any provision of any Applicable Law; and if in each of sub-clauses (i) through (iv) of this Section, such condition remains un-remedied for thirty (30) days following written notice thereof by PGE (or for such longer period, not to exceed ninety (90) days, during which time Counterparty diligently pursues the cure of such material breach, if such material breach is capable of being cured);

6.13 Counterparty disregards instructions given to it by PGE delivered in accordance with this Agreement and does not commence to cure its noncompliance therewith within thirty (30) days after written notice from PGE;

7. Declaration of an Early Termination Date and Calculation of Termination Payment.

If an Event of Default with respect to a Defaulting Party shall have occurred at any time and be continuing, the other Party (the “Non-Defaulting Party”) shall have the right to (i) designate a day, no earlier than the day the Non-Defaulting Party’s termination notice is effective and no later than 20 days after such notice is effective, as an early termination date (“Early Termination Date”), (ii) withhold any payments due to the Defaulting Party under this Agreement and (iii) suspend performance. If an Early Termination Date has been designated, the Non-Defaulting Party shall calculate, pursuant to Exhibit D, the Termination Payment payable hereunder.

8. Termination for Failure to Achieve Partial Capacity MW by Final Completion Date

If the Assets, as built fails to be at least ___ of Capacity MW or more as determined by the Licensed Professional Engineer, PGE may terminate this Agreement and Counterparty shall pay PGE the sum of \$ _____ within two (2) Business Days of PGE’s termination notice.

9. Description and Sale of Assets

Counterparty shall grant, bargain, sell, assign, convey, transfer and set over unto the PGE, its successors and assigns the Assets and all of Counterparty's right, title and interest therein. The Assets include, but are not limited to the following, which are more particularly described in Exhibit A:

9.1 Land;

9.2 Permits, including all local, state and federal licenses, permits and other approvals as may be required by law for the construction, operation and maintenance of the Assets;

9.3 Improvements;

9.4 Equipment;

9.5 Resource data, including weather or other data collected about the project site of the Assets; and

9.6 All intangible rights, including existing contracts and agreements, and Intellectual Property Rights relating to the Assets;

9.7 The Assets shall, on the Closing Date, be free and clear of all claims, liens, security interests and encumbrances of any nature, and Counterparty shall fully warrant and defend such title against the claims of all persons and entities.

10. Payment for Facility Assets

10.1 Payment.

Provided that Counterparty has performed all of its obligations required to be performed by it under this Agreement by the Closing Date and there is no Counterparty Event of Default, PGE shall by wire transfer, transfer funds equal to the Purchase Price on the Closing Date, less any paid Progress Payments, if applicable, to Counterparty.

On the Closing Date, Counterparty shall deliver to PGE possession of the Assets, and good and sufficient instruments of transfer, conveying and transferring the Assets to PGE. Such delivery shall be made against payment and delivery to Counterparty of the Purchase Price as provided above. The instruments of transfer shall contain covenants and warranties that Counterparty has good and marketable title in and to the Assets. Such instruments of transfer shall include but not be limited to the following:

10.1.1 Deliveries by Counterparty. On or before the Closing Date, Counterparty shall deliver, or cause to be delivered, to PGE the following:

(a) *Assignment and Assumption Agreements.* (i) Two (2) original counterparts of an Assignment and Assumption Agreement in substantially the form of Exhibit E hereto (the "Assignment and Assumption Agreements"), in respect of the sale by Counterparty of all of its right, title and interest in the Assets to PGE and the assumption by PGE of the Assumed Liabilities relating thereto, each such counterpart being properly executed by an authorized representative of Counterparty, (ii) such other instruments of assignment and assumption as PGE and its counsel may reasonably request, and (iii) two (2) original counterparts of all Consents to Assignment and Novation, substantially in the form of Exhibit F hereto between Counterparty and the applicable third party to all contracts relating to the Assets, each such counterpart being properly executed by an authorized representative of Counterparty and the applicable third party.

(b) *Bills of Sale and Warranty Deeds.* (i) Two (2) original counterparts to the Bill of Sale in substantially the form of Exhibit G hereto (the "Bill of Sale"), each such counterpart being properly executed by an authorized representative of Counterparty in respect of the sale by Counterparty of all of its right, title and interest in the Assets; (ii) for owned real property and interest in owned real property, special warranty deeds in recordable form, properly executed and acknowledged, confirming the conveyance of such real property interests held by or on behalf of Counterparty, each such deed being properly executed by an authorized representative of Counterparty; and (iii) such other instruments of transfer as PGE and its counsel may reasonably request.

(c) *Consents.* Original executed copies of the consents that may be requested by PGE to be provided by Counterparty, each substantially in the form attached hereto as Exhibit H or otherwise in a form reasonably satisfactory to PGE; provided, however, that if requested by Counterparty, PGE shall countersign such consents to evidence PGE's assumption of the relevant Assumed Liabilities.

(d) *Certificates.* Such certificates of Counterparty's officers and others as may be reasonably requested by PGE, which shall include, but not be limited to:

1) A certificate executed by an officer of Counterparty, certifying as of the Closing Date (a) a true and correct copy of the corporate action of Counterparty authorizing the execution, delivery and performance of this Agreement and the other Counterparty documents to be executed by it, and the consummation of the transactions contemplated hereby and thereby and (b) incumbency matters.

2) An affidavit from Counterparty, stating, under penalty of perjury, Counterparty's United States taxpayer identification number and that Counterparty is not a foreign person, pursuant to section 1445(b)(2) of the Code and Treasury Regulation 1.1445-2(b)(2)(iii)(B) (or any similar provision of state or other Tax Law).

(e) *Tax Matters.* Any document(s) that may be reasonably requested by PGE and required by any state taxing authority in order to relieve PGE of any obligation to withhold taxes with respect to any portion of the payments to Counterparty under this Agreement.

(f) *Additional Documents.* All other documents which are reasonably necessary to consummate the transactions contemplated hereby or reasonably necessary to demonstrate or evidence the delivery of the items required to be delivered hereunder.

10.2 Assumption of Liabilities.

On the Closing Date and subject to the terms and conditions of this Agreement, PGE shall assume and become responsible for the Assumed Liabilities. For the avoidance of doubt, PGE is not assuming and shall not assume or have any responsibility whatsoever with respect to any present or future debt, liability or other obligation of Counterparty not included within the definition of Assumed Liabilities.

11. Conditions to Making Payments.

In addition to the conditions precedent set forth in Section 10.1.1 above, the obligation of PGE to make payments as set out in Section 10.1 above, is subject to the satisfaction on each date on which payment is due (each a "Payment Date") of each the following conditions precedent:

11.1 Payments on Business Days.

The Payment Date shall be a Business Day. If any Progress Payment becomes payable on a day that is not a Business Day, the Progress Payment shall be paid on the next succeeding Business Day. Counterparty shall bear the cost of any and all banking charges imposed by Counterparty's bank with respect to any payment made under this Agreement.

11.2 Representations and Warranties.

The representations and warranties made by Counterparty shall be true and correct in all material respects on such Payment Date both before and after giving effect to the making of such payment, which representations and warranties shall be deemed renewed and re-stated as of the date of such payment.

11.3 No Default.

(i) No circumstance, event or condition shall exist which either immediately or with the passage of time or the giving of notice, or both, would permit a third party to a contract or agreement relating to the Assets with Counterparty to withhold payment under any such contract or agreement; (ii) no breach, violation or default shall have occurred

and be continuing under (A) this Agreement, (B) any permit; and (iii) to the extent not already set forth in Section 11.3(i), no circumstance, event or condition shall exist which either immediately or with the passage of time or the giving of notice, or both, would permit Counterparty's counterparty to terminate any contract or agreement relating to the Assets.

11.4 No Proceeding or Litigation.

No action, suit, proceeding or investigation by or before any Governmental Authority or any arbitrator shall be pending or to Counterparty's knowledge threatened against or affecting the Assets or Counterparty which would have a Material Adverse Change on Counterparty or its ability to consummate the transaction contemplated by this Agreement.

11.5 Material Adverse Change.

On or before the Payment Date, no Material Adverse Change shall have occurred with respect to Counterparty or the Assets.

11.6 Notice of Request for Progress Payment.

PGE shall have received from Counterparty a notice of request for payment, together with all supporting documents reasonably requested by PGE.

11.7 Governmental Approvals.

All necessary governmental approvals required to be obtained by such time shall have been obtained and shall be in full force and effect as of the Payment Date.

12. FORCE MAJEURE; PGE-CAUSED DELAY

12.1 Performance Excused.

So long as the conditions set forth in this Section 12.1 are satisfied, neither Party shall be responsible or liable for or deemed in breach of this Agreement because of any failure or delay in complying with its obligations (other than payment obligations) under or pursuant to this Agreement to the extent that such failure has been caused, or contributed to, by one or more Force Majeure Events or its effects or by any combination thereof, and in such event:

12.1.1 the Party claiming a Force Majeure Event shall give the other Party notice describing the particulars of the cause and nature of the occurrence, with written notice given promptly after discovery and in no event more than five (5) Business Days after the affected Party becomes aware of such occurrence and as soon as reasonably practicable, but in any case within ten (10) Business Days after such initial notification, the Party claiming a Force Majeure Event shall give the other Party

sufficient proof of the occurrence of such Force Majeure Event and written notice estimating the Force Majeure Event's expected duration and probable impact on the performance of such Party's obligations hereunder, and such affected Party shall continue to furnish timely regular reports with respect thereto during the continuation of the Force Majeure Event;

12.1.2 the performance of the Party claiming the Force Majeure Event of its obligations hereunder shall be suspended, provided the suspension of performance shall be of no greater scope and of no longer duration than is reasonably required by the effects of the Force Majeure Event;

12.1.3 any liability of either Party which arose before the occurrence of the Force Majeure Event causing the suspension of performance shall not be excused as a result of the occurrence;

12.1.4 the affected Party shall continually exercise all commercially reasonable efforts to alleviate and mitigate the cause and effect of such Force Majeure Event, remedy its inability to perform, and limit damages to the other Party;

12.1.5 the affected Party shall use all commercially reasonable efforts to continue to perform its obligations hereunder and to correct or cure the event or condition excusing performance;

12.1.6 when the affected Party is able to resume performance of the affected obligations under this Agreement, that Party shall give the other Party written notice to that effect, and the affected Party promptly shall resume performance under this Agreement; and

12.1.7 a Party's failure to comply with the provisions of this Section 12.1 shall constitute a waiver of any claim of a Force Majeure Event.

12.2 Burden of Proof.

The burden of proof as to whether a Force Majeure Event has occurred and whether the Force Majeure Event excuses a Party from performance under Section 12.1 shall be upon the Party claiming such Force Majeure Event.

12.3 PGE-Caused Delay.

In the event Counterparty desires to claim a PGE-caused delay, Counterparty shall within five (5) Business Days after it becomes aware of the PGE-caused delay, give PGE written notice describing the details of the PGE-caused delay, the anticipated length of such delay and any other effect on Counterparty's performance of its obligations hereunder. Within ten (10) days after initial notification, Counterparty shall (i) provide to PGE demonstrable proof of the occurrence and duration of such PGE-caused delay and, if requested by PGE, such proof shall be provided, and in any event verified, by an

independent third party reasonably acceptable to PGE and Counterparty at the sole cost and expense of the PGE (in the event that the independent third party verifies Counterparty's assertions) or the Counterparty (in all other cases). So long as the conditions set forth in this Section 12.3 are satisfied, Counterparty shall not be responsible or liable for or deemed in breach of this Agreement because of any failure or delay in completing the Work in accordance with the Work schedule or achieving any Milestone on or before the Milestone Date therefore, to the extent that such failure has been caused by one or more PGE-caused delays, provided that: (i) such suspension of performance and extension of time shall be of no greater scope and of no longer duration than is required by the effects of the PGE-caused delay; (ii) Counterparty provides timely notice of the PGE-caused delay; and (iii) Counterparty provides all assistance reasonably requested by PGE for the elimination or mitigation of the PGE-caused delay; provided, however, any out-of-pocket costs incurred by Counterparty in connection with rendering such assistance shall be reimbursed by PGE. In the event Counterparty desires to claim a PGE-caused delay, it must submit a request for Scope Changes pursuant to Section 13 and Counterparty shall be entitled to suspension of performance or extension of time (including an extension of any of the Milestone Dates) together with demonstrated, justified and reasonable additional costs, including but not limited to, idle equipment costs, incurred by reason of such delay to the extent of the impact of the PGE-caused delay pursuant to a Scope Change Order in accordance with Section 13. Failure to comply with the terms of this Section 12.3 shall constitute a waiver of any claims for a PGE-caused delay. The Parties acknowledge that PGE may direct a suspension of the Work pursuant to Section 13.5 in order to minimize the cost to PGE of a PGE-caused delay.

13. SCOPE CHANGES

13.1 Scope Changes at PGE's Request.

PGE may, from time to time, without invalidating this Agreement, order or approve scope changes to all or a portion of the Work within the general scope of the Work, scope changes in the Work, and, pursuant to Section 13.6 or reductions in the Purchase Price (collectively, "Scope Changes") by notification in writing to Counterparty substantially in the form set forth as Exhibit I. Counterparty shall reasonably review and consider such requested Scope Change and shall make a written response thereto within ten (10) days after receiving such request. If Counterparty believes that giving effect to any Scope Change requested by PGE will increase or decrease its cost of performing the Work, shorten or lengthen the time needed for completion of the Work, require modification of its warranties in or require a modification of any other provisions of this Agreement, its response to the Scope Change request shall set forth such changes (including any amendments to this Agreement) that Counterparty deems necessary as a result of the requested Scope Change and its justification therefor. If Counterparty accepts the Scope Changes requested by PGE (together with any amendments to this Agreement specified therein) or if the Parties agree upon a modification of such requested Scope Changes, the Parties shall set forth the agreed upon Scope Change in the

Work and agreed upon amendments to this Agreement, if any, in a written change order signed by all Parties (a "Scope Change Order"). Each Scope Change Order shall constitute a final settlement of all items covered therein, including any compensation for impact on, or delay or acceleration in, performing the Work. If the Parties do not agree upon all terms of the Scope Change Order, Counterparty shall proceed with such Work upon PGE's written direction, and the dispute shall be resolved in accordance with the terms hereof.

13.2 No Unapproved Scope Changes.

Counterparty shall not perform any Scope Changes, nor shall Counterparty undertake any change to the Work until PGE has approved in writing the proposed adjustments or has expressly authorized Counterparty in writing to perform the Scope Change prior to such approval. If PGE does not approve the proposed adjustments or if Counterparty and PGE are unable mutually to agree upon alternative adjustments, PGE may by written notice to Counterparty cancel the Scope Change. Upon receiving from PGE such written approval or such written authorization to perform, Counterparty shall diligently perform the Scope Change in accordance with and subject to all of the terms of this Agreement. In the absence of a written Scope Change Order, Counterparty shall make any such changes to the Work at Counterparty's sole risk and expense, and Counterparty shall not be entitled to any payment hereunder for undertaking such change to the Work. Counterparty shall not suspend, in whole or in part, performance of this Agreement during any good faith dispute over any Scope Change Order unless directed to do so by PGE, and if directed to proceed with a Scope Change or disputed item pending review and agreement upon adjustments, Counterparty shall (without waiving any rights with respect to such Scope Change or disputed item) do so. Any technical or engineering dispute between PGE and Counterparty with respect to any Scope Change Order shall be resolved in accordance with Section 18.

13.3 Presumption Against Scope Changes.

It is the intent of PGE and Counterparty that the Scope of Work attached hereto as Exhibit C includes all items necessary for the proper execution and completion of the Work. Work not described in the Scope of Work attached hereto as Exhibit C shall not require a Scope Change Order if such work is consistent with and reasonably inferable from the Scope of Work, so that an engineering, procurement and construction third party of Counterparty's experience and expertise should have anticipated that the Work would have been required.

13.4 Counterparty Requested Scope Changes.

Counterparty shall obtain PGE's prior written approval of any Counterparty initiated changes for convenience.

13.5 Scope Changes Caused by a Force Majeure Event or PGE-Caused Delay.

13.5.1 PGE may at any time, by written notice to Counterparty, propose Scope Changes in the Work or the Milestones due to a Force Majeure Event or PGE-caused delay. If there is a material impact that will actually, demonstrably and adversely affect Counterparty's ability to complete one or more Milestones by the applicable Milestone Date as a result of such Force Majeure Event or PGE-caused delay, then the Counterparty shall be entitled to a Scope Change Order equitably adjusting the Purchase Price (but only as a result of a PGE-caused delay) and any affected Milestone Dates, but only to the extent that such PGE-caused delay increased the cost to perform the Work or such Force Majeure Event or PGE-caused delay adversely affect the completion of the applicable Milestone by the Milestone Date therefore; provided, further, that for the avoidance of doubt, Counterparty shall not be entitled to an adjustment to the Purchase Price with respect to a Force Majeure Event. The Parties agree to bargain reasonably and in good-faith for the execution of a mutually acceptable Scope Change Order to address the effects of such events or delays on the Purchase Price and Milestone Dates respectively.

13.5.2 Counterparty may at any time, by written notice to PGE, propose Scope Changes in the Work or the Milestones: (i) due to a Force Majeure Event claimed by Counterparty, provided that such Force Majeure Event has an impact that will actually, demonstrably and adversely affect Counterparty's ability to complete one or more Milestones by the applicable Milestone Dates; provided that Counterparty complies with all requirements of this Agreement relating to Scope Change Orders; and further provided, that no adjustment to the Purchase Price shall be permitted for a Force Majeure Event claimed by Counterparty; or (ii) due to a PGE-caused delay, provided that such PGE-caused delay has a demonstrable cost increase to Counterparty and/or schedule impact that will actually, demonstrably and adversely affect Counterparty's ability to complete one or more Milestones by the applicable Milestone Dates and further provided that Counterparty complies with all requirements of this Agreement relating to Scope Change Orders. Unless the foregoing conditions are met, Counterparty may not request a Scope Change in the Work or Milestones due to a Force Majeure Event or PGE-caused delay. If the foregoing conditions are met, then Counterparty shall receive a Scope Change Order equitably adjusting the Purchase Price (where eligible) and any affected Milestone Dates, but only to the extent that such Force Majeure Events (with respect to schedule only and not with respect to a change in Purchase Price) or PGE-caused delay increase the cost to perform the Work or adversely affect the completion of the applicable Milestone by the Milestone Date therefore; provided, however, Counterparty shall not be entitled to an adjustment to the Purchase Price with respect to a PGE-caused delay unless and to the extent that the PGE-caused delay continues for more than one (1) day. The Parties agree to bargain reasonably and in good-faith for the execution of a mutually acceptable Scope Change Order to address the effects of such events or delays on the Purchase Price and Work Schedule. Any extension permitted under this Section shall be of an equitable duration designed to reflect the delay actually caused by the relevant event despite Counterparty's efforts to mitigate the same.

13.6 Minor Changes.

PGE shall have the direct authority to issue clarifications and order minor changes in the Work, effected by written order, which do not involve any impact to the Counterparty's cost or the Work Schedule, provided that such clarifications and changes are consistent with the intent of this Agreement. Such clarifications and changes shall be binding on PGE and Counterparty. Counterparty shall carry out such written orders promptly and Counterparty shall receive no additional compensation therefore.

13.7 Changes to Purchase Price.

A Scope Change Order initiated by either Party may have the effect of either increasing or decreasing the Purchase Price. Any Counterparty response to a Scope Change Order under Section 13.1 and any Counterparty request for Scope Changes under Section 13.4 or Section 13.5, shall be accompanied by a proposed all inclusive final lump sum cost (separating materials and labor) to PGE; provided, however, PGE may elect, in its sole discretion, to pay Counterparty its direct time and materials plus ten percent (10%) in respect of such Scope Change. Absent such an election, in the event that the Parties are unable to reach an agreement on an all inclusive final lump sum cost to PGE or a not-to-exceed cost estimate as a result of a requested Scope Change, then Counterparty agrees to perform the requested Scope Change at a price equal to PGE's proposed lump sum amount and to resolve (in accordance with the dispute resolution procedures set forth in Section 18) the issue of any excess of the Counterparty's proposed lump sum cost over that of PGE. In addition, in the event that PGE and Counterparty are unable to reach agreement on a Scope Change Order for a Scope Change requested by either PGE or Counterparty, at the direction of PGE (and only at the direction of PGE), PGE's proposed Scope Changes shall become effective as a Scope Change Order and Counterparty shall continue to perform the Work in accordance with such Scope Change Order and the proposed Scope Changes shall be performed by Counterparty pending resolution of the dispute pursuant to Section 18. For any Scope Change Order finalized on a cost-plus basis, Counterparty shall maintain all records, invoices and other data verifying its costs for a period of two (2) years subsequent to the date of the Scope Change Order.

14. Financial Information.

If requested by a Party, the other Party shall deliver (i) within one hundred and twenty (120) days following the end of each fiscal year, a copy of such Party's annual report containing audited consolidated financial statements for such fiscal year and (ii) within sixty (60) days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Party's quarterly report containing unaudited, consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles, consistently applied; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay

shall not be an Event of Default so long as the other Party diligently pursues the preparation, certification and delivery of the statements.

15. Collateral and Security.

The Parties agree that, in order to secure Counterparty's obligations hereunder, Counterparty may be required to post Performance Assurance concurrently with the execution and delivery of this Agreement.

16. Insurance

For purposes of this Agreement, Counterparty shall secure and continuously maintain the following insurance coverages with insurance carriers that maintain a *Best's* rating of at least "A" or such carriers that are otherwise acceptable to PGE, and permitted to do business in the United States, provided that Counterparty shall name PGE as an additional insured on its liability insurance policy to the extent of any liability arising out of Counterparty's negligence, acts or omission:

16.1 Worker's Compensation.

Counterparty shall provide and maintain worker's compensation insurance as required by Applicable Laws where the Work is performed and employer's liability insurance with a limit of liability of One Million Dollars (\$1,000,000) for each accident and in the aggregate.

16.2 Commercial General Liability.

Counterparty shall provide and maintain commercial general liability insurance with a One Million Dollars (\$1,000,000) combined single policy limit for bodily injury and/or property damage for each occurrence and Four Million Dollars (\$4,000,000) in the aggregate, including broad form contractual liability insurance and broad form property damage, explosion, collapse and underground conditions, personal injury, and products and completed operations insurance.

16.3 Automobile Liability.

16.4 Counterparty shall provide and maintain business auto liability insurance covering owned, non-owned and hired automobiles in the amount of One Million Dollars (\$1,000,000) combined single policy limit for bodily injury and property damage for each accident. Excess Liability.

Counterparty shall provide and maintain excess liability insurance covering employer's liability, commercial general liability, and business auto liability, in the amount of Six Million Dollars (\$6,000,000) combined single policy limit per occurrence and in the aggregate for bodily injury and property damage.

16.5 Waiver of Subrogation.

Counterparty shall require that its insurers release and waive all rights of subrogation against PGE with respect to the liability insurance carried by Counterparty.

16.6 Certificates and Cancellations.

Counterparty shall deliver to PGE certificates of insurance evidencing the placement of all coverage required to have been obtained by them under this Section 16. All policies of insurance to be provided and maintained hereunder shall provide, by endorsement, that PGE shall be provided thirty (30) days' prior written notice of any material policy changes or cancellations, and that no such cancellation or change shall be effective without such notice. Irrespective of the requirements as to insurance to be carried as provided for herein, the insolvency, bankruptcy or failure of any insurance company carrying insurance of Counterparty, or the failure of any insurance company to pay claims accruing, shall not affect, negate or waive any of the provisions of this Agreement, including, without exception, the indemnity obligations of Counterparty. The failure of Counterparty to comply with the foregoing insurance requirements shall in no way waive its obligations or liabilities under this Agreement or the rights of PGE hereunder against Counterparty.

16.7 Right to Insure.

Should Counterparty fail to provide or maintain any of the insurance coverage required under this Section 16, PGE shall have the right to provide or maintain such coverage at Counterparty's expense, either by direct charge or set-off.

17. 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 OREGON, WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAW. FOR ANY DISPUTE HELD NOT ARBITRABLE HEREUNDER EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION RELATING TO SUCH DISPUTE.

18. ARBITRATION

18.1 Arbitration.

Any controversy, claim or dispute between the Parties hereto arising out of or related to this Agreement, or the alleged breach, termination, or invalidity hereof, will be submitted for arbitration before (i) a single arbitrator if such controversy, claim or dispute is for an amount less than Three Million Dollars (\$3,000,000) or (ii) a panel of three arbitrators if such controversy, claim or dispute is for an amount greater than or equal to

Three Million Dollars (\$3,000,000), each in accordance with the provisions contained herein and in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) in effect at the time of the arbitration (“Rules”); provided, however, that notwithstanding any provisions of such Rules, the Parties shall have the right to take depositions (up to three (3) per Party) and obtain limited discovery regarding the subject matter of the arbitration. In the case of a single arbitrator arbitration, if the Parties cannot agree upon an arbitrator within twenty (20) days following the filing of the Arbitration Notice, then the arbitrator shall be selected in accordance with the Rules. In the case of an arbitration with a panel of three arbitrators, each Party shall select one arbitrator, and the two designated arbitrators shall jointly select the third arbitrator within twenty (20) days following the filing of the Arbitration Notice, if the Party selected arbitrators cannot agree upon an arbitrator within twenty (20) days following the filing of the Arbitration Notice, then the arbitrator shall be selected in accordance with the Rules. Any Party desiring arbitration shall serve on the other Party and the regional case management center of AAA administering cases for such location in accordance with the aforesaid Rules its notice of intent to arbitrate (“Arbitration Notice”). The Arbitration Notice shall be made within a reasonable time after the dispute has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such dispute would be barred by the applicable statute of limitations or by an express provision of this Agreement. All arbitration shall take place in Portland, Oregon unless otherwise agreed to by the Parties. Each Party shall be required to exchange documents to be used in the arbitration proceeding not less than fifteen (15) days prior to the arbitration. The Parties shall use all commercially reasonable efforts to conclude the arbitration as soon as practicable. The arbitrator(s) shall determine all questions of fact and law relating to any dispute hereunder, including but not limited to whether or not any dispute is subject to the arbitration provisions contained herein. The arbitration proceedings provided hereunder are hereby declared to be self executing, and it shall not be necessary to petition a court to compel arbitration. Judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Nothing in this Section 18 shall prevent either Party from seeking, either prior to or during the arbitration process, a temporary restraining order, preliminary injunction, specific performance or other provisional relief from a court for the purpose of protecting the rights or property of that Party.

18.2 Attorney’s Fees.

In any arbitration or litigation to enforce the provisions of this Agreement, and any permitted appeals thereof, the prevailing Party in such action shall be entitled to the recovery of its reasonable legal fees and expenses (including reasonable attorneys’ fees and legal costs), fees of the arbitrator(s), costs and expenses such as expert witness fees, as fixed by the arbitrator(s) or court without necessity of noticed motion.

18.3 Language.

All arbitration proceedings shall be conducted in the English language.

18.4 Survival.

The provisions set forth in this Section 18 shall survive the termination or expiration of this Agreement.

18.5 To the fullest extent permitted by law, any arbitration proceeding and the arbitrator's award shall be maintained in confidence by the Parties.

19. RECORDS AND AUDIT

19.1 Records.

Each Party shall keep proper books of records and account, in which full and correct entries shall be made of all dealings in relation to this Agreement in accordance with generally accepted accounting principles, consistently applied.

19.2 Audit Rights.

Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the earlier of the lapse of twenty-four (24) months from the rendition thereof and thereafter any objection shall be deemed waived.

20. Indemnities.

20.1 General Indemnity.

Counterparty shall defend, indemnify and hold harmless PGE and each of its subsidiaries and affiliates, and the directors, officers, agents, employees, successors and assigns of each of them (each, a "PGE Indemnified Party") from and against any and all losses, costs, damages, injuries, liabilities, claims, demands, fines, penalties, interest, related costs and expenses and causes of action, including reasonable attorney's fees, incurred by any PGE Indemnified Party for (a) injury or death of persons or any third party property loss or damage (other than claims by customers of PGE for loss of power) to the extent resulting from or caused by any negligent act or omission, fraud or willful misconduct of any Counterparty party in the performance of Work under this Agreement, (b) fines and penalties imposed by any Governmental Authority on account of any violation of any Applicable Law to be complied with by Counterparty hereunder and any violation of Applicable Law by any Counterparty subcontractor in connection with the Work; (c) injury or death of employees of Counterparty to the extent resulting from the

negligence, fraud or willful misconduct of any Counterparty party; or (d) resulting from claims, charges, encumbrances, demands, or liens by suppliers or workmen of Counterparty or Counterparty's subcontractors in connection with this Agreement.

20.2 PGE's Indemnity.

PGE shall defend, indemnify and hold harmless Counterparty, its affiliates and the directors, officers, agents, employees, successors and assigns of each of them (each, a "Counterparty Indemnified Party") from and against any and all losses, costs, damages, injuries, liabilities, claims, demands, fines, penalties, interest, related costs and expenses and causes of action, including reasonable attorney's fees, incurred by any Counterparty Indemnified Party for (a) injury or death of persons or any third party property loss or damage to the extent resulting from or caused by any negligent act or omission, fraud or willful misconduct of any PGE party, (b) fines and penalties imposed by any Governmental Authority on account of any violation of any Applicable Law to be complied with by PGE hereunder and any violation of Applicable Law by any PGE party to be complied with hereunder; or (c) injury or death of any PGE party to the extent resulting from the negligence, fraud or willful misconduct of any PGE party.

20.3 Patent Indemnification.

Counterparty shall indemnify, defend and hold PGE harmless from and against third party claims arising from, or related to, an infringement of patents or other intellectual property rights which may occur in connection with (i) Counterparty's performance of its obligations under this Agreement, (ii) PGE's use of the Assets, or (iii) PGE's receipt and/or use of the Intellectual Property Rights licensed hereunder, unless PGE infringes on such intellectual property through its negligent or intentional actions or breach of this Agreement. Counterparty shall have sole authority for the control of the defense of any and all such claims; provided, however, that without relieving Counterparty of its obligations hereunder or impairing Counterparty's right to control the defense or settlement thereof, PGE may elect to participate through separate counsel in the defense of any such claim. In the event that the Assets, or any part thereof is held to constitute an infringement or its use by PGE is enjoined, Counterparty will, at its option and its own expense, either: (a) procure for PGE the right to continue using said Assets; (b) replace it with substantially equivalent non-infringing Assets; or (c) modify it so it becomes non-infringing. Any replacement or modification hereunder shall meet the requirements of this Agreement. PGE shall notify Counterparty in writing promptly following PGE's receipt of notice of any claims of infringement of patents or other proprietary rights occurring in connection with Counterparty's performance of its obligations under this Agreement, PGE's use of the Assets, or PGE's use of the Intellectual Property Rights, and shall promptly provide to Counterparty all relevant information in PGE's possession in respect of such claim. In turn, Counterparty shall timely notify PGE in writing of any claims which Counterparty may receive alleging infringement of patents or other proprietary rights which may affect Counterparty's

performance of obligations under this Agreement, PGE's use of the Assets, or PGE's use of the Intellectual Property Rights.

20.4 Indemnification Procedure.

When required to indemnify a PGE Indemnified Party or Counterparty Indemnified Party (each, an "Indemnified Party"), Counterparty or PGE, as the case may be (the "Indemnifying Party"), shall assume on behalf of such Indemnified Party, and conduct with due diligence and in good faith, the defense of any claim against the Indemnified Party, whether or not the Indemnifying Party shall be joined therein, and the Indemnified Party shall cooperate fully with the Indemnifying Party in such defense. The Indemnifying Party shall have charge and direction of the defense and settlement of such claim; provided, however, that without relieving the Indemnifying Party of its obligations hereunder or impairing the Indemnifying Party's right to control the defense or settlement thereof, the Indemnified Party may elect to participate through separate counsel in the defense of any such claim. The fees and expenses of separate counsel retained by the Indemnified Party shall be at the expense of such Indemnified Party unless (a) such Indemnified Party shall have reasonably concluded that there exists a material conflict of interest between the Indemnifying Party and such Indemnified Party in the conduct of the defense of such claim (in which case the Indemnifying Party shall not have the right to control the defense or settlement of such claim, on behalf of such Indemnified Party), or (b) the Indemnifying Party shall not have employed counsel to assume the defense of such claim within a reasonable time after notice of the commencement thereof or shall not be pursuing the defense of such claim with due diligence or in good faith (and in each such case the fees and expenses of counsel shall be at the expense of the Indemnifying Party).

21. GENERAL PROVISIONS

21.1 Entirety.

This Agreement and the Exhibits hereto constitute the entire agreement between the Parties and supersede all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those herein expressed. Except for any matters which, in accordance with the express provisions of this Agreement, may be resolved by verbal agreement between the Parties, no amendment, modification or change herein shall be enforceable unless reduced to writing and executed by both Parties.

21.2 Non-Waiver.

No waiver by any Party hereto of any one or more defaults by the other Party in the performance of any of the provisions of this Agreement shall be construed as a waiver of any other default or defaults whether of a like kind or different nature. No failure or

delay by either Party hereto in exercising any right, power, privilege, or remedy hereunder shall operate as a waiver thereof.

21.3 Severability.

Any provision of this Agreement declared or rendered invalid, unlawful, or unenforceable by any applicable Governmental Authority or deemed unlawful because of a statutory change (individually or collectively, such events referred to as "Regulatory Event") will not otherwise affect the remaining lawful obligations that arise under this Agreement provided that if a Regulatory Event occurs, the Parties shall use their best efforts to reform this Agreement in order to give effect to the original intention of the Parties.

21.4 Survival.

All arbitration, indemnity and audit rights shall survive the termination of this Agreement. All obligations provided in this Agreement shall remain in effect, after the expiration or termination for any reason of this Agreement, for the purpose of complying herewith.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

PORTLAND GENERAL ELECTIC COMPANY

By: _____

Name: _____

Title: _____

Date: _____

COUNTERPARTY

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

ASSETS

EXHIBIT B
PURCHASE PRICE

EXHIBIT C
SCOPE OF WORK

EXHIBIT D
TERMINATION PAYMENT

EXHIBIT E

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is made as of _____, 200__, by and between [COUNTERPARTY], a [State] corporation ("Assignor"), and PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation ("Assignee").

RECITALS

WHEREAS, pursuant to that certain Asset Purchase Agreement (the "Purchase Agreement"), dated as of _____, 200__, by and between Assignor and Assignee, the Assignor has agreed to assign or caused to be assigned as of the Closing Date (as defined in the Purchase Agreement), to Assignee, among other things, all of Assignor's rights and interest under the _____ described in Exhibit A attached hereto (the "Assumed Obligations"), and Assignee has agreed to assume, as of the Closing Date, all of Assignor's obligations with respect to the Assumed Obligations, subject to the terms and conditions set forth in this Assignment and the Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing, and of the mutual covenants and conditions herein contained, the parties hereto (together, the "Parties," and each sometimes a "Party") hereby act and agree as follows:

AGREEMENT

1. **Assignment.** Assignor hereby assigns, sets over and transfers, as of the date hereof, to Assignee, and Assignee hereby takes and accepts from Assignor all of Assignor's rights, title and interest under the Assumed Obligations.
2. **Assumption of Obligations and Liabilities by Assignee.** Assignee hereby assumes, as of the date hereof, all of the obligations of Assignor to pay, and agrees to pay, all amounts becoming due under the Assumed Obligations accruing after the date hereof and assumes the obligations of Assignor to perform, and agrees to perform, all of the covenants, provisions and conditions to be performed by Assignor under the Assumed Obligations accruing after the date hereof.
3. **Purchase Agreement.** This Assignment is executed in connection with the Purchase Agreement.
4. **Further Assurances.** Assignor shall promptly execute and deliver to Assignee any additional instrument or other document that Assignee reasonably requests to evidence or better effect the assignment contained herein.

5. **Counterparts.** This Assignment may be executed in any number of counterparts and by each Party on a separate counterpart or counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute but one and the same instrument.

6. **Governing Law.** This Assignment shall be deemed to be an agreement made under the laws of the State of Oregon and for all purposes shall be governed by and construed in accordance with such laws.

7. **Binding Effect.** This Assignment shall be binding upon and inure to the benefit of each of the Parties and its successors and assigns.

8. **Enforcement Costs.** If any litigation between Assignor and Assignee arises out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party's costs and expenses of such litigation, including without limitation reasonable attorneys' fees.

9. **Warranty of Signers.** Each individual executing and delivering this Assignment on behalf of a Party hereby represents and warrants to the other Party that such individual has been duly authorized and empowered to make such execution and delivery.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed and delivered by their respective representatives, thereunto duly authorized, as of the date first above written.

ASSIGNOR:

**[COUNTERPARTY], a [State]
corporation**

By: _____
Name: _____
Title: _____

ASSIGNEE:

**PORTLAND GENERAL ELECTRIC
COMPANY, an Oregon corporation**

By: _____
Name: _____
Title: _____

EXHIBIT A
ASSUMED OBLIGATIONS

EXHIBIT F

CONSENT TO ASSIGNMENT AND NOVATION AGREEMENT

This CONSENT TO ASSIGNMENT AND NOVATION AGREEMENT (the "Agreement") is entered into effective as of the _____ day of _____, 200____ ("Effective Date"), by and between [Assignor], a [State] corporation ("Assignor"), Portland General Electric Company, an Oregon corporation ("Assignee"), and [Counterparty], a [State] corporation ("Counterparty").

WHEREAS Assignor and Assignee have entered into that certain Asset Purchase Agreement (the "Purchase Agreement") dated _____, 200____, whereby Assignor has agreed to sell certain Assets (as defined in the Purchase Agreement) to Assignor and Assignee has agreed to purchase such Assets from Assignor.

WHEREAS the Assignor and the Counterparty are parties to one or more agreements each as described in Schedule "A" and attached hereto (such agreements being hereinafter called the "Assigned Agreements");

WHEREAS the Assignor has agreed to assign and convey to the Assignee its entire right, title, estate and interest in and to the Assigned Agreements pursuant to the Purchase Agreement;

WHEREAS the Counterparty is willing to consent to the assignment and conveyance of the Assigned Agreements by the Assignor to the Assignee, and to recognize and accept the Assignee as a party to the Assigned Agreements in the place and stead of the Assignor, subject to the contingencies set forth in Section 6 below;

NOW THEREFORE, for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto mutually covenant and agree as follows:

1. **Consent of Counterparty.** Effective as of and from the Effective Date, the Counterparty hereby consents to the assignment and transfer of the Assigned Agreements from Assignor to Assignee and accepts the Assignee as the party to perform the Assigned Agreements under the terms and conditions of the Assigned Agreements.
2. **Responsibilities.**
 - (a) Counterparty understands and hereby agrees that Assignor shall be solely entitled to the benefits of and be solely responsible for any obligations under the Assigned Agreements arising on or pertaining to matters relating to time periods on or before the Effective Date, including the settlement, payment or performance of any liabilities or obligations arising or

accruing prior to the Effective Date, but which have not been claimed, settled, paid or performed as of the Effective Date.

(b) Counterparty hereby understands and agrees that after the Effective Date, Assignee shall be solely entitled to the benefits of and be solely responsible for all obligations under the Assigned Agreements arising after the Effective Date.

3. **No Amendments.** The parties agree that there are no amendments, modifications or waivers of the terms of the Assigned Agreements that are not otherwise set forth in the attached Schedule A.

4. **Address for Notices.**

The address for the Assignee for notices under the Assigned Agreements shall be:

The address for the Assignor for purpose of receiving any notice under this Section 4 shall be:

Portland General Electric Company

Attn: _____

121 S.W. Salmon Street

Portland, Oregon 97204

Tel: 503-464-8931

Fax: 503-464-2605

The address for the Counterparty for purpose of receiving any notice under this Section 4 shall be:

5. **Credit Support.** To the extent that completion of this Agreement requires credit support (whether in the form of cash, letters of credit, a guaranty or otherwise) to be provided, returned or increased by, or on behalf of, the Counterparty or Assignee under the Assigned Agreements, such credit support requirements shall be governed by the applicable credit support provisions of the Assigned Agreements. On the Effective Date, Assignee, on behalf of itself and its guarantor, if applicable, shall replace on the same terms and conditions as any credit support currently held by Counterparty from Assignor or its guarantor, as applicable. To the extent that Counterparty has provided credit support to Assignor, Counterparty hereby agrees that such credit support be and is hereby assigned to Assignee.

6. **Contingency.** The parties acknowledge that the Assignee is purchasing a group of contracts and transactions, including the Assigned Agreements, from the Assignor. In the event that the Purchase Agreement is terminated for any reason on or before the Effective Date, this Agreement will terminate, and in the event of such termination, (i) this Agreement shall be null and void and of no force and effect, (ii) the Assignor's interests in the Assigned Agreements shall not be assigned to the Assignee, (iii) any credit support posted by the Assignee or the Counterparty for the benefit of the other party with respect to the Assigned Agreements shall automatically terminate and be of no force and effect (and any guaranty shall be returned to the entity providing such), (iv) the Assignee and the Counterparty shall have no further obligations to each other with respect to this Agreement or the Assigned Agreements, and (v) the Assigned Agreements, and the rights, interest, liabilities and obligations of Assignor and Counterparty thereunder, shall remain in full force and effect without modification or alteration by reason of this Agreement.

7. **Representations.**
 - (a) Each party hereto represents to the other parties that (i) it has the power and authority to execute and deliver this Agreement and perform its obligations hereunder, (ii) this Agreement constitutes the legal, valid and binding obligation of such party enforceable against it in accordance with its terms, (iii) this Agreement does not and will not violate or conflict with its charter or by-laws (or comparable constitutive documents), any statute, law, rule, regulation or ordinance, or any judgment, order, consent order, stipulation agreement, writ, injunction or decree of, any court or governmental authority applicable to it or any agreement to which it is a party or by which it or any of its property is bound; and (iv) the person signing this Agreement on behalf of such party is an officer, director and/or partner of such party and is authorized and duly empowered to do so.

- (b) Counterparty represents to the other parties that (i) the Assigned Agreements are legal, valid and binding obligations of Counterparty enforceable against it in accordance with their terms, (ii) it has neither given nor received any written notice of termination, cancellation, breach or default with respect to any of the Assigned Agreements, (iii) there is no suspension of performance in effect by Counterparty, and to the knowledge of Counterparty, by Assignor with respect to any of the Assigned Agreements and (iv) neither Counterparty nor, to the knowledge of Counterparty, Assignor is in material breach of or default under any of the Assigned Agreements.
- (c) Each of the Assignor and the Counterparty represents and warrants to each other and to the Assignee that it has made no prior transfer of the Assigned Agreements or any interest or obligation in or under the Assigned Agreements or in respect of any transaction under the Assigned Agreements.
8. **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
9. **Counterpart Execution.** This Agreement may be executed in separate counterparts and delivered by facsimile, each of which when so executed and delivered shall constitute the one and the same original document.
10. **Assignment to Affiliates.** Assignee may assign this Agreement and the Assigned Agreements consistent with the provisions of the Assigned Agreements to an affiliate of Assignee; provided, however, that unless specifically released by Counterparty, no such assignment shall operate to release Assignee from its obligations in respect of this Agreement and the Assigned Agreements. As a condition to the effectiveness of any transfer or assignment of this Agreement, the Assigned Agreements or any rights or obligations under this Agreement or the Assigned Agreements, the applicable transferee or assignee shall agree in writing to be bound by the terms and conditions of this Agreement and the Assigned Agreements.
11. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Oregon. Performance of this Agreement is subject to compliance with all applicable laws, rules and regulations and that, if any obligation hereunder shall be declared unlawful or otherwise incapable of performance, the parties will reform the Agreement to the extent permissible to recreate the economic positions of the parties, had the relevant obligation not been invalidated.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered by their respective representatives, thereunto duly authorized, as of the Effective Date.

ASSIGNOR:

[ASSIGNOR], a [State] corporation

By: _____
Name: _____
Title: _____

ASSIGNEE:

PORTLAND GENERAL ELECTRIC
COMPANY, an Oregon corporation

By: _____
Name: _____
Title: _____

COUNTERPARTY:

[COUNTERPARTY], a [State] corporation

By: _____
Name: _____
Title: _____

SCHEDULE A
ASSIGNED AGREEMENTS

EXHIBIT G

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS, that [Counterparty], a [State] corporation ("Seller"), for good and valuable consideration, the current receipt, reasonable equivalence, and sufficiency of which is hereby acknowledged by the parties hereto, does hereby sell, assign, quitclaim, transfer, release, and set over onto PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation ("Purchaser"), and any and all right, title, and interest of Seller in and to that certain property described on Exhibit "A" attached hereto and incorporated by this reference herein (the "Property"), upon the terms and conditions set forth herein (including without limitation Exhibit "A").

PURCHASER ACKNOWLEDGES THAT SELLER IS TRANSFERRING AND PURCHASER IS ACCEPTING THE PROPERTY "AS IS." SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY TYPE OR NATURE WITH RESPECT TO THE PROPERTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE CONDITION, LOCATION, OR INSTALLATION OF THE PROPERTY; ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; AND/OR CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION.

Risk of loss and the obligation to insure and maintain the Property shall pass to and are assumed by Purchaser on the effective date of this Bill of Sale.

IN NO EVENT SHALL SELLER OR PURCHASER BE LIABLE TO ONE ANOTHER OR TO ANY THIRD PARTY FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL OR INDIRECT LOSSES OR DAMAGES (IN TORT, CONTRACT OR OTHERWISE) UNDER OR IN RESPECT OF THIS BILL OF SALE OR FOR ANY FAILURE OF PERFORMANCE RELATED HERETO HOWSOEVER CAUSED, WHETHER OR NOT ARISING FROM SUCH PARTY'S SOLE, JOINT OR CONCURRENT NEGLIGENCE.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the ____ day of _____, 200__.

[COUNTERPARTY]

By: _____

Name: _____

Title: _____

EXHIBIT "A"

DESCRIPTION OF PROPERTY

EXHIBIT H
FORM OF CONSENT

EXHIBIT I
FORM OF SCOPE CHANGE NOTIFICATION

**CONFIDENTIALITY
AND NON-DISCLOSURE AGREEMENT**

THIS CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT ("Agreement") is made effective as of the ___ day of _____ 200_ by and between PORTLAND GENERAL ELECTRIC COMPANY ("PGE"), having its principal office at 121 SW Salmon Street, Portland, Oregon 97204 and _____ ("Counterparty"), having its principal office at _____. Throughout this Agreement PGE and Counterparty may sometimes be individually referred to as a "Party" and collectively as the "Parties."

WHEREAS, PGE is in the process of acquiring electricity resources to fulfill certain electricity resource needs, and pursuant thereto has filed an Integrated Resource Plan (IRP) with the Oregon Public Utility Commission (OPUC), and will issue a Request For Proposals (RFP) to fulfill those resource needs; and

WHEREAS, the Parties desire to investigate the possibility of executing a transaction (the Transaction) to meet some of PGE's needs; and

WHEREAS, in order to pursue that possibility, PGE and Counterparty will provide to each other certain information which the providing Party considers to be proprietary and confidential.

NOW THEREFORE, the Parties agree as follows:

The disclosure of confidential information pursuant to this Agreement is subject to the following conditions and limitations:

1. As used herein, "Confidential Information" means all oral or written non-public, confidential or proprietary information given or otherwise delivered by one Party (hereinafter the "Disclosing Party") to the other Party (hereinafter the "Receiving Party"), designated in writing or stamped as "confidential" at the time of delivery to the Receiving Party or its directors, officers, employees, representatives, advisors, contractors or agents (collectively, "Representatives"), by the Disclosing Party or its Representatives, together with analyses, compilations, studies, notes or other documents prepared by the Receiving Party or its Representatives which contain or reflect Confidential Information; provided, however, that oral information that is not confirmed as Confidential Information in writing within two (2) business days of disclosure to the Receiving Party shall not be considered Confidential Information under this Agreement; provided further that such confirming writing shall state with particularity the oral information disclosed, the identity of the Disclosing Party's Representative who made the oral disclosure, the identity of the Receiving Party's Representative who received the oral information, and the date, time and place of said disclosure. Confidential Information does not include information which (a) is, or becomes, publicly available, other than through the wrongful act of the Receiving Party; (b) was in the possession of the Receiving Party prior to receipt from the Disclosing Party, (c) is independently developed by the Receiving Party, provided that it was

not derived from any Confidential Information received from the Disclosing Party, or (d) information that was obtained by the Receiving Party from a third person who, insofar as is known to the Receiving Party, is not prohibited from transmitting the information by a contractual, legal or fiduciary obligation.

2. The term "person" as used in this Agreement, shall be interpreted broadly to include, without limitation, any corporation, company, entity, partnership, group, regulatory agency, or other governmental entity, or individual.

3. Except as otherwise required by law, rules or regulations, the Receiving Party agrees that it will, in the same manner as it protects its own confidential information, hold in trust and confidence and not disclose any Confidential Information to any person not authorized in paragraph 4 of this Agreement.

4. The Receiving Party agrees that the Confidential Information will not be used for any purpose other than in connection with the Transaction. The Receiving Party will restrict access to Confidential Information to such of its Representatives who have a need to know as is reasonably necessary for the purposes described herein. Each such recipient of Confidential Information shall be informed by the Receiving Party of its confidential nature, and shall be directed to treat such information confidentially and shall agree to abide by the provisions of this Agreement. In any event, the Receiving Party shall be responsible for any breach of this Agreement by any person to whom it discloses Confidential Information, other than disclosures pursuant to paragraph 5 of this Agreement.

5. In the event that the Receiving Party is required by subpoena, oral deposition, interrogatories, request for production of documents, administrative order, process or otherwise, to disclose any Confidential Information, the Receiving Party shall give the Disclosing Party notice of same as soon as reasonably practicable so that the Disclosing Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. If, in the absence of a protective order or waiver, the Receiving Party is compelled to disclose any Confidential Information, the Receiving Party may make such disclosure without any liability under this Agreement, and to the extent permissible, will give the Disclosing Party prior notice of such disclosure. PGE may disclose Confidential Information to the staff of the OPUC pursuant to that certain Modified Protective Order (Order No. 07-440, as clarified by Order No. 07-474), dated October 16, 2007 under this Section 5. In addition, PGE may disclose Confidential Information to the Energy Trust of Oregon and to the Independent Evaluator retained by PGE and approved by the OPUC for the RFP pursuant to this Section 5.

6. Neither Party is obligated by this Agreement to enter into any negotiations or any transaction. Each Party will bear its own costs and expenses, including legal fees and fees of any advisors and the costs incurred by it in the development of appropriate documentation with respect thereto. The Parties agree that no joint venture, partnership or other fiduciary relationship shall be deemed to exist or arise between them as a result of this Agreement.

7. The Receiving Party understands and agrees that money damages would not be a sufficient remedy for any breach of this Agreement and that the Disclosing Party shall be entitled

to injunctive relief as well as reimbursement by the Receiving Party for legal and other expenses as a remedy for any such breach, including expenses for any appeal therefrom or review thereof so long as the Disclosing Party prevails. Such remedy shall not be deemed to be the exclusive remedy for the breach of this Agreement but shall be in addition to all other remedies available at law or in equity.

8. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

9. This Agreement constitutes the entire agreement of the Parties with respect to the matters contained herein, and supersedes all prior understandings or agreements, written or oral, on these matters. No waiver or amendment of this Agreement shall be effective unless it is in writing and signed by both Parties.

10. The confidentiality obligations of this Agreement shall remain in effect for two (2) years from the date hereof.

11. This Agreement shall be governed by and construed under the laws of the State of Oregon without regard to its conflicts-of-laws rules or principles. With respect to any suit, action or proceedings relating to this Agreement (the "Proceedings"), each Party irrevocably submits to the exclusive jurisdiction of the courts of the State of Oregon and the United States District Court located in Multnomah County, Oregon and irrevocably waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such Party. Nothing in this Agreement precludes either Party from enforcing in any jurisdiction any judgment, order or award obtained in any such court.

12. PGE AND COUNTERPARTY WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN PGE AND COUNTERPARTY ARISING OUT OF THIS AGREEMENT OR OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH.

IN WITNESS WHEREOF, the Parties have executed this Agreement by and through their duly authorized representatives, effective as of the day first above written.

PORTLAND GENERAL ELECTRIC
COMPANY

(COUNTERPARTY)

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____