

POWER PURCHASE AGREEMENT

BETWEEN

BIOMASS ONE, L.P.

AND

PACIFICORP

dated as of

December 19, 2011

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THIS POWER PURCHASE AGREEMENT (the "**Agreement**"), entered into as of this 19th day of December, 2011, is by and between Biomass One, L.P., a Delaware limited partnership, ("**Seller**") and PacifiCorp (d/b/a Pacific Power & Light Company), an Oregon corporation ("**PacifiCorp**"). Each of Seller and PacifiCorp may be referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

A. Seller owns, operates and maintains a biomass-fired multiple-shaft steam generation facility for the generation of electric power, including interconnection facilities, located in White City, Jackson County, Oregon with a Nameplate Capacity Rating of [REDACTED] megawatts ("**MW**") (as more fully described in **Exhibit A**, the "**Facility**"); and

B. The Parties desire to enter into this Agreement to replace in its entirety the Second Restated Power Purchase Agreement, dated April 30, 1987, as amended by the First Amendment to Second Restated Power Purchase Agreement (the "**PPA**"), which terminates on December 31, 2011; and

C. Seller has self-certified the Facility as a Qualifying Facility under the Public Utility Regulatory Policies Act of 1978 in Federal Energy Regulatory Commission ("**FERC**") Docket No. QF84-251-002. Seller intends to operate the Facility as a Qualifying Facility, as such term is defined in Section 3.2.9 below; and

D. Commission Order No. 07-360 mandated utilities offering non-standard power purchase agreements to qualifying facilities to make specified adjustments to Avoided Costs Prices offered in standard power purchase agreements under PacifiCorp's Schedule 37. Those changes to pricing and terms have been incorporated into this Agreement; and

E. Seller estimates the Net Output during each full year of the term of the contract will be [REDACTED] megawatt-hours ("**MWh**") net of anticipated scheduled maintenance (set forth in **Exhibit C** attached hereto); and

F. Seller desires to sell and PacifiCorp desires to purchase the Net Output from the Facility in accordance with the terms and conditions of this Agreement; and

G. Seller is interconnected to PacifiCorp Transmission and has secured or will secure a Standard Large Generation Interconnection Agreement for a Qualifying Facility (LGIA) with PacifiCorp Transmission, as described in Section 2.3 below; and

H. Seller will purchase station use power requirements that are not self-supplied by the Facility from PacifiCorp pursuant to PacifiCorp's Oregon retail tariff, Schedule 48 "Large General Service—1,000 KW And Over Delivery Service", or equivalent under Oregon's direct access, and such station use will be metered and billed separately; and

I. PacifiCorp intends to designate Seller's Facility as a Network Resource for the purposes of serving Network Load; and

J. This Agreement is a "New QF Contract" under the PacifiCorp Inter-Jurisdictional Cost Allocation Revised Protocol.

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1
DEFINITIONS; RULES OF INTERPRETATION

Definitions. When used in this Agreement, the following terms shall have the following meanings:

1.1 "**Abandonment**" means (a) the relinquishment of all possession and control of the Facility by Seller, other than pursuant to a transfer permitted under this Agreement, but only if such relinquishment is not caused by or attributable to an Event of Default of, or request by, PacifiCorp, or an event of Force Majeure.

1.2 "**Affiliate**" means, with respect to any entity, each entity that directly or indirectly controls, is controlled by, or is under common control with, such designated entity, with "control" meaning the possession, directly or indirectly, of the power to direct management and policies, whether through the ownership of voting securities or by contract or otherwise. Notwithstanding the foregoing, with respect to PacifiCorp, Affiliate shall only include MidAmerican Energy Holdings Company and its direct, wholly owned subsidiaries.

1.3 "**As-built Supplement**" shall be a supplement to **Exhibit A**, provided by Seller following completion of any modification or construction of the Facility, describing the Facility as actually built.

1.4 "**Billing Period**" means, unless otherwise agreed to, the time period between PacifiCorp's consecutive readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. PacifiCorp shall endeavor to cause such periods to coincide with calendar months though such periods may range between twenty-seven (27) and thirty-four (34) days. The Billing Periods shall be prorated for partial months. The first Billing Period shall commence on the Commercial Delivery Date and the last Billing Period shall end on the Expiration Date or the earlier termination of this Agreement in accordance with its terms.

1.5 "**Business Day**" means any day on which banks in Portland, Oregon are not authorized or required by requirements of law to be closed.

1.6 "**Commission**" means the Oregon Public Utility Commission.

1.7 "**Commercial Delivery Date**" means January 1, 2012 at midnight Pacific Prevailing Time ("PPT").

1.8 "**Contract Year**" shall have the meaning set forth in Table 1 in Section 5.1.1.

1.9 "**Contracted Monthly On-Peak Availability Factor**" means the Monthly On-Peak Availability Factor Seller has elected for its Net Output, as set forth in Section 4.7.

1.10 "**Credit Requirements**" means a long-term credit rating (corporate rating or long-term senior unsecured debt rating) of (a) "BBB-" or greater from Standard & Poor's Rating Service, or (b) "Baa3" or greater by Moody's Investors Service, or if no public rating is available, a credit rating determined by PacifiCorp in its reasonable discretion upon review of the Seller's audited financial statements.

1.11 "**Curtailed Energy**" shall have the meaning set forth in Section 6.3.

1.12 "**Default Security**" means security in the form described in Section 10.2 in an amount sufficient to replace Seller's scheduled Net Energy with market purchases for thirty-six (36) months, which amount shall be calculated as the average positive difference, if any, over the Term of the Agreement between (a) the monthly forward power prices at the California-Oregon Border ("COB") (as determined by PacifiCorp in good faith using information from a commercially reasonable independent source), multiplied by 110%, minus (b) the average of the On-Peak Prices and Off-Peak Prices in Section 5.1, multiplied by three times Seller's total annual scheduled delivery volume (MWh), as set forth in Section 4.3; *provided, however*, the amount of Default Security shall in no event be less than the amount equal to the payments PacifiCorp would make for six (6) average months based on average monthly Net Monthly On-Peak Delivery Obligation over the Term of this Agreement at the average On-Peak Price (in Section 5.1) over the Term of this Agreement. The amount of Default Security, and the derivation thereof, are set forth in **Exhibit F**.

1.13 "**Effective Date**" shall have the meaning set forth in Section 2.1.

1.14 "**Energy Delivery Schedule**" shall have the meaning set forth in Section 4.3.

1.15 "**Environmental Attributes**" shall have the meaning set forth in Section 5.6.

1.16 "**Environmental Contamination**" means the introduction or presence of Hazardous Materials at such levels, quantities or location, or of such form or character, as to constitute a violation of federal, state or local laws or regulations, and present a material risk under federal, state or local laws and regulations that the Premises will not be available or usable for the purposes contemplated by this Agreement.

1.17 "**Event of Default**" shall have the meaning as set forth in Section 11.1.

1.18 "**Excess Output**" means, with respect to any Billing Period, Net Energy, if any, in excess of the quantity of Net Energy for On-Peak Hours and Off-Peak Hours, in the aggregate, set forth on the Energy Delivery Schedule corresponding to such Billing Period, as adjusted for partial months, if any, included in each Billing Period; *provided*, that no Net Energy delivered during On-Peak Hours shall be deemed to be Excess Output except to the extent that the quantity of Net Energy delivered during On-Peak Hours of such Billing Period exceeds the aggregate quantity of Net Energy for On-Peak Hours and Off-Peak Hours set forth on the Energy Delivery Schedule for such Billing Period.

1.19 "**Expiration Date**" shall have the meaning set forth in Section 2.4.

1.20 "**Facility**" shall have the meaning set forth in Recital A.

1.21 "**FERC**" shall have the meaning set forth in Recital C.

1.22 "**Force Majeure**" shall have the meaning set forth in Section 13.1.

1.23 "**Forced Outage**" means an unplanned outage that requires removal of all or part of the Facility from service, another outage state, or a reserve shutdown state, in each case that cannot be deferred for at least ten (10) Business Days. Maintenance Outages and Planned Outages are not Forced Outages.

1.24 "**Generation Interconnection Agreement**" means the Standard Large Generator Interconnection Agreement for a Qualifying Facility entered into separately between Seller and the Transmission Provider, providing for the operation of the interconnection facilities at the Point of Delivery, which agreement is listed in **Exhibit B**, as the same may be amended from time to time.

1.25 "**Governmental Authority**" means any federal, state or other political subdivision thereof, having jurisdiction over Seller, PacifiCorp or this Agreement, including any municipality, township or county, and any entity or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any corporation or other entity owned or controlled by any of the foregoing.

1.26 "**Hazardous Materials**" means any waste or other substance that is listed, defined, designated or classified as or determined to be hazardous under or pursuant to any environmental law or regulation.

1.27 "**Inadvertent Energy**" means, in any hour, energy delivered to PacifiCorp at the Point of Delivery at a rate, on an hour-averaged basis, exceeding the Maximum Facility Delivery Rate.

1.28 "**Initial Year Energy Delivery Schedule**" shall have the meaning set forth in Section 4.3.1.

1.29 "**Letter of Credit**" means an irrevocable standby letter of credit in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder that:

1.29.1 is issued by an institution that has a long-term senior unsecured debt rating of "A" or greater from S&P and "A2" or greater from Moody's, and has assets (net of reserves) of at least \$10,000,000,000;

1.29.2 by its terms, permits PacifiCorp to draw up to the face amount thereof for the purpose of paying any and all amounts owing by Seller hereunder;

1.29.3 if issued by a foreign bank with a U.S. branch, permits PacifiCorp to draw upon the U.S. branch;

1.29.4 permits PacifiCorp to draw the entire amount available thereunder if such Letter of Credit is not renewed or replaced at least thirty (30) Business Days prior to its stated expiration date;

1.29.5 permits PacifiCorp to draw the entire amount available thereunder if such letters of credit are not increased or replaced as and when provided in Section 10;

1.29.6 is transferable by PacifiCorp to any party to which PacifiCorp may assign this Agreement; and

1.29.7 shall remain in effect for at least ninety (90) days after the end of the Term.

1.30 **"Levelization Security"** means security in the form described in Section 10.2 in an amount sufficient to collateralize the aggregate positive accruals, if any, to the Tracking Account for the preceding twelve (12) Billing Periods.

1.31 **"Liquidated Damages"** is defined in Section 5.3.

1.32 **"Maintenance Outage"** means any outage of all or part of the Facility that is not a Forced Outage or a Planned Outage. A Maintenance Outage is an outage that can be deferred for at least ten (10) Business Days, but that requires removal of all or part of the Facility from service, another outage state, or a reserve shutdown state before the next Planned Outage. A Maintenance Outage may occur any time during the year.

1.33 **"Material Adverse Change"** means the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller's ability to develop, construct, operate, maintain or own the Facility as provided in this Agreement.

1.34 **"Maximum Facility Delivery Rate"** means the maximum rate (MW), on an hour-averaged basis, at which the Facility is capable of delivering Net Output at the Point of Delivery, as specified in **Exhibit A**, and in compliance with the Generation Interconnection Agreement.

1.35 **"Maximum GIA Delivery Rate"** means the maximum instantaneous rate (MW) at which the Generator Interconnection Agreement allows the Facility to deliver energy to the Point of Delivery and is set forth in **Exhibit A**, as such rate may be confirmed or varied from time to time pursuant to the Generation Interconnection Agreement.

1.36 **"Monthly On-Peak Availability Factor"** or **"MOAF"** is defined in Section 5.1.

1.37 **"MW"** shall have the meaning set forth in Recital A.

1.38 **"MWh"** shall have the meaning set forth in Recital E.

1.39 **"Nameplate Capacity Rating"** means the maximum capacity of the Facility, expressed in MW, when operated consistent with the manufacturer's recommended power factor

and operating parameters, as set forth in Recital A and updated (if applicable) in a notice from Seller to PacifiCorp delivered before the Commercial Delivery Date and, if applicable, updated in an As-built Supplement.

1.40 "Net Energy" means the energy component, in MWh, of Net Output.

1.41 "Net Monthly On-Peak Delivery Hours", in hours, means, for a given Billing Period, all the On-Peak Hours less all hours of: (i) any Maintenance Outage and (ii) any Planned Outage, in each case occurring during On-Peak Hours.

1.42 "Net Monthly On-Peak Delivery Obligation", in MWh, means, for a given Billing Period, the positive difference (if any) between (i) the product of the Contracted Monthly On-Peak Availability Factor times the Maximum Facility Delivery Rate times the Net Monthly On-Peak Delivery Hours less (ii) On-Peak Curtailed Energy.

1.43 "Net Output" means the net energy and capacity produced by the Facility, which shall be (i) in the case of capacity, the net electrical capacity of the Facility made available to PacifiCorp at the Point of Delivery, and (ii) in the case of electrical energy, the gross electrical output of the Facility less station use and less transformation and transmission losses and other adjustments (e.g., Seller's load other than station use), if any. For purposes of calculating payment under Section 5 of this Agreement, "Net Output" shall mean, for any period, the difference equal to (1) the amount of electrical energy flowing through the Point of Delivery from the Facility during such period, minus (2) the Inadvertent Energy, if any, during such period. For purposes of calculating payment under Section 5 of this Agreement, Net Output for a given period shall not include Excess Output.

1.44 "Network Resource Designation and Transmission Service Request" means

1.44.1 Seller has provided all data reasonably available to it that is required by the Transmission Provider to enable the Facility to be designated as a Network Resource in accordance with the Tariff.

1.44.2 PacifiCorp has received confirmation from the Transmission Provider that the Facility has been designated as a Network Resource.

1.44.3 Seller has provided all data reasonably available to it that is required for PacifiCorp to submit a transmission service request for the Facility pursuant to the Tariff.

1.44.4 PacifiCorp has received confirmation from the Transmission Provider that the transmission service request has been granted in sufficient capacity to meet or exceed the Maximum Facility Delivery Rate and the Seller has paid all costs associated with any requirements of the transmission service request.

1.44.5 PacifiCorp has received an executed copy of **Exhibit H**—Seller's Authorization to Release Generation Data to PacifiCorp C&T.

1.45 "**Network Service Provider**" means PacifiCorp Transmission, as a provider of network service to PacifiCorp under the Tariff, and its permitted successors and assigns.

1.46 "**Off-Peak Hours**" means all hours of the week that are not On-Peak Hours.

1.47 "**On-Peak Curtailed Energy**" shall have the meaning set forth in Section 6.3.

1.48 "**On-Peak Hours**" means all hours between 6 a.m. and 10 p.m. PPT, Mondays through Saturdays, excluding Western Electricity Coordinating Council (WECC) and North American Electric Reliability Corporation (NERC) holidays.

1.49 "**On-Peak Price**" and "**Off-Peak Price**" shall have the meanings set forth in Section 5.1.

1.50 "**Output Shortfall**" shall have the meaning set forth in Section 5.2.

1.51 "**PacifiCorp**" is defined in the first paragraph of this Agreement, and excludes PacifiCorp Transmission.

1.52 "**PacifiCorp Transmission**" means PacifiCorp, an Oregon corporation, acting in its interconnection and transmission function capacity, and its permitted successors and assigns.

1.53 "**Party**" shall have the meaning set forth in the preamble hereto.

1.54 "**Planned Outage**" means an outage of predetermined duration that is scheduled in Seller's Energy Delivery Schedule, attached hereto as **Exhibit C** and revised pursuant to Section 6.4.1. Boiler overhauls, turbine overhauls or inspections are typical planned outages. Maintenance Outages and Forced Outages are not Planned Outages.

1.55 "**Point of Delivery**" means the Point of Change of Ownership as specified in the Generation Interconnection Agreement and in **Exhibit A**.

1.56 "**Premises**" means the real property on which the Facility is or will be located, as more fully described on **Exhibit A**.

1.57 "**Prime Rate**" means the publicly announced prime rate for commercial loans to businesses rated AAA by S&P or Aaa by Moody's quoted by Citibank, N.A. If a Citibank, N.A. prime rate quote is not available, the applicable Prime Rate shall be the announced prime rate for commercial loans in effect from time to time to businesses rated AAA by S&P or Aaa by Moody's quoted by a bank with \$10 billion or more in assets in New York City, New York, selected by the Party to whom interest based on the Prime Rate is being paid.

1.58 "**Prior Damages**" shall have the meaning set forth in Section 11.3.

1.59 "**Prudent Electrical Practices**" means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result

at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

1.60 "**Qualifying Facility**" or "**QF**" shall have the meaning set forth in Section 3.2.9.

1.61 "**Required Facility Documents**" means the material licenses, permits, authorizations, and agreements necessary for operation and maintenance of the Facility set forth in **Exhibit B**.

1.62 "**RTO**" means any entity that becomes responsible as system operator for, or directs the operation of, the System.

1.63 "**Subsequent Energy Delivery Schedule**" shall have the meaning set forth in Section 4.3.2.

1.64 "**System**" means the electric transmission substation and transmission or distribution facilities owned, operated or maintained by Transmission Provider, which shall include the Transmission Provider's circuit reinforcements, extensions, and associated terminal facility reinforcements or additions required to interconnect the Facility, all as set forth in the Generation Interconnection Agreement.

1.65 "**Tariff**" means the PacifiCorp Transmission FERC Electric Tariff Seventh Revised Volume No. 11 Pro Forma Open Access Transmission Tariff or the Transmission Provider's corresponding FERC tariff or both, as revised from time to time.

1.66 "**Term**" shall mean the period between the Commercial Delivery Date and the Expiration Date.

1.67 "**Tracking Account**" means the notional tracking account described in **Exhibit L** hereto.

1.68 "**Transmission Provider**" means PacifiCorp Transmission Services, acting in its transmission function capacity, or its successor.

Rules of Interpretation. PacifiCorp conducts its operations in a manner intended to comply with FERC Order No. 2004, Standards of Conduct for Transmission Providers, requiring the separation of transmission and merchant functions. Moreover, the Parties acknowledge that Transmission Provider's transmission function offers transmission service on its system in a manner intended to comply with FERC policies and requirements relating to the provision of open-access transmission service. The Parties recognize that Seller has or will enter into a separate Generation Interconnection Agreement.

The Parties acknowledge and agree that the Generation Interconnection Agreement is a separate and freestanding contract and that the terms of this Agreement are not binding upon Transmission Provider.

Except as explicitly provided in this Agreement, nothing in the Generation Interconnection Agreement shall alter or modify the Parties' rights, duties, and obligations under this Agreement. This Agreement shall not be construed to create any rights between Seller and Transmission Provider.

Seller recognizes that, for purposes of this Agreement, Transmission Provider shall be deemed to be a separate entity and not a Party to the Agreement.

SECTION 2

TERM; EFFECTIVE DATE

2.1 Effective Date. This Agreement shall become effective upon the execution by both Parties ("**Effective Date**").

2.2 Inter-jurisdictional Cost Allocation. For purposes of inter-jurisdictional cost allocation, this Agreement constitutes a "New QF Contract" under the PacifiCorp Inter-Jurisdictional Cost Allocation Protocol and, as such, the costs of those QF provisions are allocated as a system resource unless any portion of those costs exceed the cost PacifiCorp would have otherwise incurred acquiring comparable resources. In that event, the Revised Protocol assigns those excess costs on a situs basis to the State of Oregon. In addition, for the purposes of inter-jurisdictional cost allocation, PacifiCorp represents that the costs of this Agreement do not exceed the costs PacifiCorp would have otherwise incurred acquiring resources in the market that are defined as "Comparable Resources" in Appendix A to the Inter-Jurisdictional Cost Allocation Revised Protocol.

2.3 Delivery of Documents. No later than fifteen (15) days prior to the Commercial Delivery Date, Seller shall provide, or make available, to PacifiCorp, upon PacifiCorp's written request, (a) a copy of an executed Generation Interconnection Agreement, which shall be consistent with all material terms and requirements of this Agreement, (b) the Required Facility Documents contained on Exhibit B, and (c) additional documents and information as requested of PacifiCorp by PacifiCorp Transmission necessary to satisfy PacifiCorp's Network Resource Designation and Transmission Service Request; provided, that if PacifiCorp has requested a copy of an executed Generation Interconnection Agreement but Seller has not yet entered into a Generation Interconnection Agreement by the date that is fifteen (15) days prior to the Commercial Delivery Date, Seller shall provide to PacifiCorp a copy of its Generation Interconnection Agreement upon execution thereof by PacifiCorp Transmission.

2.4 Expiration. Except if otherwise terminated as provided herein, this Agreement shall expire December 31, 2026 at midnight PPT ("**Expiration Date**").

SECTION 3

REPRESENTATIONS AND WARRANTIES

3.1 PacifiCorp Representations and Warranties. PacifiCorp represents and warrants to Seller as of the Effective Date that:

3.1.1 PacifiCorp is a corporation duly organized and validly existing under the laws of the State of Oregon.

3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 PacifiCorp has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.1.4 The execution and delivery of this Agreement does not contravene, conflict with or violate any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order or law of any court, or any regulatory agency or other body having authority to which PacifiCorp is subject.

3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2 Seller Representations and Warranties. Seller represents and warrants to PacifiCorp as of the Effective Date that:

3.2.1 Seller is a limited partnership duly organized and validly existing under the laws of the State of Delaware and qualified and authorized to do business in the State of Oregon.

3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof.

3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.2.4 The execution and delivery of this Agreement does not contravene, conflict with or violate any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order or law of any court, or any regulatory agency or other body having authority to which Seller is subject.

3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2.6 Litigation. To the best of Seller's knowledge, no litigation, arbitration, investigation or other proceeding is pending or threatened against Seller or any of its Affiliates with respect hereto and the transactions contemplated hereunder. To the best of Seller's knowledge, no other material investigation or proceeding is pending or threatened against Seller or any of its Affiliates with respect to the ownership or operation of the Facility.

3.2.7 Accuracy of Information. No exhibit, contract, report or document furnished by Seller to PacifiCorp in connection with this Agreement, or the negotiation or execution hereof, contains any material misstatement of fact or omits to state a material fact or any fact necessary to make the statements contained therein not misleading.

3.2.8 Facility Permits and Approvals. Seller holds as of the Commercial Delivery Date, and will maintain for the Term of this Agreement, all approvals, permits, rights and entitlements necessary to own and operate the Facility and to deliver Net Output to PacifiCorp in accordance with this Agreement. No unusually burdensome conditions are expected by Seller to be placed upon, or created by, any of the approvals, permits, rights or entitlements necessary to own and operate the Facility and the anticipated use of the Facility complies with all applicable restrictive covenants affecting the Premises and all requirements of law. Seller shall notify PacifiCorp of any material consent or approval that (a) Seller determines is required for the ownership or operation of the Facility that Seller has failed to obtain or has allowed to expire, or (b) is being renewed. PacifiCorp may request in writing copies of any approvals, permits, rights or entitlements necessary to own or operate the Facility and Seller shall provide such documents with fifteen (15) days of such request.

3.2.9 The Facility is and shall for the Term of this Agreement continue to be a "Qualifying Facility" ("QF") as that term is defined in the version of 18 C.F.R. Part 292 in effect on the Effective Date. Seller has provided the appropriate QF certification, which may include a Federal Energy Regulatory Commission self-certification to PacifiCorp prior to PacifiCorp's execution of this Agreement.

3.2.10 The anticipated use of the Facility complies with all applicable restrictive covenants affecting the Premises.

3.2.11 Additional Seller Creditworthiness Warranties. Seller need not post security under Section 10 for PacifiCorp's benefit in the event of Seller default, provided that Seller warrants, and provides evidence acceptable to PacifiCorp in its reasonable discretion proving all of the following:

- (a) Neither the Seller nor any of its principal equity owners is or has within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.

- (b) Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp.
- (c) Seller is not in default under any of its other agreements and is current on all of its financial obligations, including construction related financial obligations;
- (d) Seller owns, and will own for the Term of this Agreement, all right, title and interest in and to the Facility, free and clear of all liens and encumbrances other than (a) liens and encumbrances related to third-party financing of the Facility, (b) liens and encumbrances securing taxes, assessments and other governmental charges, the payment of which is not yet due or is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserve or other appropriate provisions, if any, as shall be required by GAAP shall have been made and (d) easements, right-of-way, zoning restrictions, minor defects or irregularities in title or other similar encumbrances and restrictions not interfering in any material respect with Seller's use of the Facility.
- (e) Seller meets the Credit Requirements.

Seller hereby declares (Seller initial one only):

- X Seller affirms and adopts all warranties of this Section 3.2.11, and therefore is not required to post security under Section 10; or,
- Seller does not affirm and adopt all warranties of this Section 3.2.11, and therefore Seller elects to post the security specified in Section 10.

3.3 Notice. If at any time during this Agreement, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties in this Section 3 to have been materially untrue or misleading when made, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

SECTION 4
DELIVERY OF POWER

4.1 Purchase of Net Output. Commencing on the Commercial Delivery Date and continuing through all hours of the Term of this Agreement, Seller shall sell and make available

to PacifiCorp, and PacifiCorp shall accept and purchase (subject to the limitation set forth herein), the Net Output from the Facility at the Point of Delivery.

4.2 No Sales to Third Parties. During the Term of this Agreement, Seller shall not sell any Net Output from the Facility to any entity or person other than PacifiCorp.

4.3 Energy Delivery Schedule. Seller shall prepare and provide to PacifiCorp, on an ongoing basis, a written schedule of Net Energy expected to be delivered by the Facility ("**Energy Delivery Schedule**"), in accordance with the following:

4.3.1 During the first twelve full calendar months following the Commercial Delivery Date, Seller's non-binding, good faith projection is that the Facility will produce and deliver the monthly amounts set forth in **Exhibit C ("Initial Year Energy Delivery Schedule")**.

4.3.2 Beginning at the end of the ninth full calendar month after the Commercial Delivery Date, and at the end of every third month thereafter, Seller shall supplement the Energy Delivery Schedule with three additional months of forward non-binding, good faith projections (which shall be appended to this Agreement as **Exhibit C ("Subsequent Energy Delivery Schedule")**), such that the Energy Delivery Schedule will provide at least six months of scheduled energy estimates at all times. Seller shall provide Subsequent Energy Delivery Schedules no later than 5:00 p.m. PPT of the 5th day after the due date. If Seller does not provide a Subsequent Energy Delivery Schedule by the above deadline, scheduled energy for the omitted period shall equal the amounts scheduled by Seller for the same three-month period during the previous year.

4.3.3 Upon and after the Commercial Delivery Date, Seller may no longer revise the Initial Year Energy Delivery Schedule for the first six full calendar months after the Commercial Delivery Date. After 5:00 p.m. PPT of the fifth Business Day following the end of the third full calendar month after the Commercial Delivery Date and the end of each fifth Business Day following the end of each third calendar month thereafter, Seller may no longer revise the Energy Delivery Schedule for the six calendar months immediately following such third month. Subject to the foregoing restrictions in this Section 4.3.3, Seller may revise the Energy Delivery Schedule by providing written notice to PacifiCorp. Failure to provide timely written notice of changed amounts will be deemed to be an election of no change.

4.4 Monthly Delivery Schedule. At least ten (10) Business Days before the beginning of each month, Seller shall notify PacifiCorp in writing, electronically or pursuant to the notice section of the Agreement, of its good faith, non-binding projection of the hourly delivery rate for that month per the form in **Exhibit K**.

4.5 Cooperation and Standards. With respect to any and all scheduling requirements in this Agreement, (a) Seller shall cooperate with PacifiCorp with respect to providing notice of Seller's scheduling of Net Energy, and (b) each Party shall designate authorized representatives to communicate with regard to scheduling and related matters arising hereunder. For the

avoidance of doubt, and without limiting the provisions of Section 6.3, the Parties acknowledge and agree that PacifiCorp does not have dispatch rights with respect to the Facility.

4.6 Schedule Coordination. If, as a result hereof, PacifiCorp is deemed by an RTO to be financially responsible for Seller's performance under the Generation Interconnection Agreement, due to Seller's lack of standing as a "scheduling coordinator" or other RTO recognized designation, qualification or otherwise, then Seller shall acquire such RTO recognized standing (or shall contract with PacifiCorp Transmission if RTO recognized or a third party who has such RTO recognized standing) such that PacifiCorp is no longer responsible for Seller's performance under the Generation Interconnection Agreement or RTO requirement.

4.7 Contracted Monthly On-Peak Availability Factor. Seller shall achieve a Monthly On-Peak Availability Factor of 80% ("**Contracted Monthly On-Peak Availability Factor**") for each Billing Period, or else be subject to Liquidated Damages (as calculated in Section 5.3).

4.8 Station Use Energy. Seller will take station use energy requirements not supplied by the Facility pursuant to separate tariff electric service agreement with PacifiCorp during the Term of this Agreement.

4.9 Additional Approvals. Seller shall notify PacifiCorp of any additional material consent or approval that Seller does not possess and that is required for the operation and maintenance of the Facility promptly after Seller makes any such determination.

SECTION 5

PURCHASE PRICES AND LIQUIDATED DAMAGES

5.1 Contract Prices. PacifiCorp shall pay Seller the applicable price (in \$US) in Section 5.1.1 for Net Output (which, for the avoidance of doubt, shall not include Excess Output and Inadvertent Energy) delivered during each Billing Period. PacifiCorp shall pay Seller the applicable price (in \$US) in Section 5.1.2 for Excess Output and Inadvertent Energy delivered during each Billing Period.

5.1.1 Net Output.

When delivered during On-Peak Hours:

PacifiCorp shall pay Seller, for each MWh of Net Output delivered by Seller to the Point of Delivery during On-Peak Hours of each Billing Period, the On-Peak Price each On-Peak Hour as adjusted below, but Seller may be liable for Liquidated Damages pursuant to Section 5.3 if the Monthly On-Peak Availability Factor is less than 80%. For any Billing Period, if the Monthly On-Peak Availability Factor is above 80%:

$$\text{On-Peak Price} = \text{Off-Peak Price}_T + (\text{On-Peak Price}_T - \text{Off-Peak Price}) * (\text{Monthly On-Peak Availability Factor} / 85\%)$$

Where:

On-Peak Price_T = Column 3 from Table 1 for the applicable calendar year

Monthly On-Peak Availability Factor ("MOAF") = equals (the total Net Output delivered during On-Peak Hours for a given Billing Period plus On-Peak Curtailed Energy during such Billing Period) divided by (the product of the Maximum Facility Delivery Rate and the Net Monthly On-Peak Delivery Hours for such Billing Period), expressed as a percentage.

When delivered during Off-Peak hours:

PacifiCorp shall pay Seller, for each MWh of Net Output delivered by Seller to the Point of Delivery during Off-Peak Hours of each Billing Period, the Off-Peak Price each Off-Peak Hour, where:

Off-Peak Price = Off-Peak_T Price from Column 4 from Table 1 for the applicable calendar year

Table 1: Contract Prices

Contract Year	Calendar Year	On-Peak _T Price \$/MWh	Off-Peak _T Price \$/MWh
1	2012		
2	2013		
3	2014		
4	2015		
5	2016		
6	2017		
7	2018		
8	2019		
9	2020		
10	2021		
11	2022		
12	2023		
13	2024		
14	2025		
15	2026		

5.1.2 Excess Output and Inadvertent Energy. PacifiCorp shall pay Seller for each MWh of Excess Output and Inadvertent Energy delivered to PacifiCorp in any Billing Period a price equal to 97% of the average of the daily firm energy market prices during Off-Peak Hours during such Billing Period, in \$/MWh, as published in the Intercontinental Exchange (ICE) Day Ahead Power Price Report for the COB market index.

Commission Order No. 07-360 requires that the utility provide documentation showing its calculation of the Contract Prices, above. Calculations and documentation are provided, in **Exhibit E** to this Agreement.

5.2 Output Shortfall. If Seller's MOAF is less than the Contracted Monthly On-Peak Availability Factor, Seller shall incur an Output Shortfall, calculated as follows:

$$\text{"Output Shortfall" (MWh)} = \begin{array}{l} \text{Net Monthly On-Peak Delivery Obligation} \\ \text{minus Net Output during On-Peak Hours} \\ \text{during the applicable Billing Period} \end{array}$$

5.3 Liquidated Damages. For any Output Shortfall, Seller agrees to pay PacifiCorp the Liquidated Damages (if any) calculated as the sum of the following:

- (a) PacifiCorp's Cost to Cover multiplied by the Output Shortfall;
- (b) additional verifiable third-party transmission charges, if any, reasonably incurred by PacifiCorp in causing electric energy replacing the Output Shortfall to be delivered to the Point of Delivery or such points in PacifiCorp's western control area as are determined by PacifiCorp in a commercially reasonable manner;
- (c) any additional verifiable third-party cost or expense incurred as a result of Seller's failure to deliver the Output Shortfall, as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand, capacity, capacity reserves, or similar charges); and
- (d) any verifiable internal costs incurred by PacifiCorp, including, but not limited to labor and administrative costs, as a result of Seller's failure to deliver the Output Shortfall.

Where:

"PacifiCorp's Cost to Cover" = Liquidated Damages Market Index minus the On-Peak Price for the Contract Year from Column 3 of Table 1, above.

"Liquidated Damages Market Index" ("LDMI") means the monthly average of the daily firm energy market prices during On-Peak Hours, as published in the *Intercontinental Exchange (ICE) Day Ahead Power Price Report* for the COB market index. In the event ICE fails to provide complete daily index data from the preceding month by the tenth of each month, PacifiCorp will fill the missing data by averaging the two values above and below the missing value and this value will be used for billing and not be corrected even if ICE fills the data at a later date.

If PacifiCorp's Cost to Cover is equal to or less than \$0, then Liquidated Damages shall equal \$0.

Each Party agrees and acknowledges that (a) the damages that PacifiCorp would incur due to an Output Shortfall would be difficult or impossible to predict with certainty, and (b) the liquidated damages contemplated by this Section 5.3 are a fair and reasonable calculation of such damages.

For the avoidance of doubt, Seller shall not be liable for Liquidated Damages to the extent any Output Shortfall is caused by an Event of Force Majeure, a curtailment or an outage under Section 6.3, or PacifiCorp's failure to perform hereunder or under the Generation Interconnection Agreement.

5.4 Monthly Purchase Payment. PacifiCorp shall pay to Seller a payment each Billing Period for the output of the Facility equal to the payment for Net Output calculated in Section 5.1.1 (as adjusted pursuant to Section 5.5) plus payment for Excess Output and Inadvertent Energy in Section 5.1.2 less Liquidated Damages (if any) calculated in Section 5.3. PacifiCorp's payment each Billing Period shall be in accordance with the billing provisions in Section 9. The example calculations set forth on **Exhibit D**, attached hereto, illustrates how Net Output, Liquidated Damages, and the resulting payment are calculated under this Section 5.

5.5 Tracking Account. The Parties shall maintain and administer the Tracking Account and amounts credited thereto as set forth in Exhibit L hereto, and PacifiCorp's payment under Section 5.4 shall be adjusted as and to the extent provided therein.

5.6 Environmental Attributes. PacifiCorp waives any claim to Environmental Attributes associated with the capacity or production of energy from the Seller's Facility, which shall be owned by Seller and not transferred to PacifiCorp hereunder. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Energy Certificates (TRECs) (as those terms are commonly used in the regional electric utility industry), and any tax credits, benefits, or similar incentives, associated with the capacity or production of energy from the Seller's Facility, in each case under the laws of all applicable jurisdictions.

5.7 Replacement of ICE Index. If the Intercontinental Exchange (ICE) index or any replacement of that index ceases to be published during the Term of this Agreement, PacifiCorp shall select as a replacement a substantially equivalent index that, after any appropriate or necessary adjustments, provides the most reasonable substitute for the index in question. PacifiCorp's selection shall be subject to Seller's consent, which Seller shall not unreasonably withhold, condition or delay.

5.8 Billing Period Adjustment. The Parties acknowledge and agree that certain amounts hereunder are intended to be calculated on a calendar month basis or a Billing Period basis. To the extent that any Billing Period does not coincide with a calendar month, all calculations hereunder shall be adjusted to prorate monthly amounts or amounts calculated on the basis of a Billing Period for the actual number of days in such month (based on an assumed 30 day month) or Billing Period, as applicable.

SECTION 6
OPERATION AND CONTROL

6.1 As-Built Supplement. Prior to commencing any significant modification or construction affecting the Facility, Seller shall provide notice to PacifiCorp. Upon completion of any significant modification or construction affecting the Facility, Seller shall provide PacifiCorp an As-built Supplement bearing the stamp of a licensed professional engineer that accurately depicts the Facility as built.

6.2 Operation. Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement, Prudent Electrical Practices and in material compliance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time.

6.3 Curtailement. PacifiCorp shall not be obligated to purchase, receive, pay for, or pay any damages associated with, Net Output if such Net Output is not delivered to the System or Point of Delivery due to any of the following: (a) the interconnection between the Facility and the System is disconnected, suspended or interrupted, in whole or in part, pursuant to the terms of the Generation Interconnection Agreement, (b) the Transmission Provider or Network Service Provider directs a general curtailment, reduction, or redispatch of generation in the area in which the Facility is located for any reason, even if such curtailment or redispatch directive is carried out by PacifiCorp, which may fulfill such directive by acting in its sole discretion; or if PacifiCorp curtails or otherwise reduces the Net Output in order to meet its obligations to the Transmission Provider or Network Service Provider to schedule within system limits, (c) the Facility's Output is not received because the Facility is not fully integrated or synchronized with the System, or (d) an event of Force Majeure prevents either Party from delivering or receiving Net Output. Seller shall reasonably determine the MWh amount of Net Energy not delivered pursuant to this Section 6.3 after the fact based on the amount of energy that could have been generated at the Facility and delivered to PacifiCorp as Net Energy but that was not generated and delivered as provided in this Section 6.3 ("**Curtailed Energy**"). Seller shall determine the quantity of such Curtailed Energy for On-Peak Hours ("**On-Peak Curtailed Energy**") based on (x) the time and duration of the curtailment or outage period, (y) the average instantaneous delivery rate (MW) of the Facility for On-Peak Hours (with respect to hours of the curtailment or outage period falling during On-Peak Hours) in the thirty (30) days prior to the commencement of the curtailment or outage period and excluding periods during which the Facility was subject to Forced Outages, Maintenance Outages or Planned Outages and (z) the Facility startup, shutdown and ramping time resulting from such curtailment or outage period. Seller shall promptly provide PacifiCorp with access to such information and data as PacifiCorp may reasonably require to confirm the amount of On-Peak Curtailed Energy for each such curtailment or outage as used in the calculation of the Monthly On-Peak Availability Factor in Section 5.1.1.

6.4 Outages.

6.4.1 Planned Outages. Except as otherwise provided herein, Seller shall not schedule a Planned Outage during any portion of the months of November, December, January, February, June, July, and August, except to the extent a Planned Outage is reasonably required to enable a vendor to satisfy a guarantee requirement in a

situation in which the vendor is not otherwise able to perform the guarantee work at a time other than during one of the months specified above. Seller shall, in **Exhibit C**, provide PacifiCorp with an annual forecast of Planned Outages for each Contract Year at least one (1) month, but no more than three (3) months, before the first day of that Contract Year, and shall promptly update such schedule, or otherwise change it only, to the extent that Seller is reasonably required to change it in order to comply with Prudent Electrical Practices. Seller shall not schedule any maintenance of its interconnection facilities during such months, without the prior written approval of PacifiCorp, which approval may be withheld by PacifiCorp in its sole discretion.

6.4.2 Maintenance Outages. If Seller reasonably determines that it is necessary to schedule a Maintenance Outage, Seller shall notify PacifiCorp of the proposed Maintenance Outage as soon as practicable but in any event at least five (5) days before the outage begins; provided, that no such prior notice shall be required in the event of an emergency. Upon such notice, the Parties shall plan the Maintenance Outage to mutually accommodate the reasonable requirements of Seller and the service obligations of PacifiCorp. Seller shall take all reasonable measures and use best efforts consistent with Prudent Electrical Practices to not schedule any Maintenance Outage during the following periods: June 15 through June 30, July, August, and September 1 through September 15. Seller shall include in such notice of a proposed Maintenance Outage the expected start date and time of the outage, the amount of generation capacity of the Facility that will not be available, and the expected completion date and time of the outage. Seller may provide notices under this Section 6.4.2 orally. Seller shall confirm any such oral notification in writing as soon as practicable. PacifiCorp shall promptly respond to such notice and may request reasonable modifications in the schedule for the outage. Seller shall use all reasonable efforts to comply with PacifiCorp's request to modify the schedule for a Maintenance Outage if such modification has no substantial impact on Seller. Seller shall notify PacifiCorp of any subsequent changes in generation capacity of the Facility during such Maintenance Outage and any changes in the Maintenance Outage completion date and time. Seller shall take all reasonable measures and exercise its best efforts consistent with Prudent Electrical Practices to minimize the frequency and duration of Maintenance Outages.

6.4.3 Forced Outages. Seller shall promptly provide to PacifiCorp an oral report, via telephone to a number specified by PacifiCorp, of any significant Forced Outage of the Facility. Such report shall include the amount of generation capacity of the Facility that will not be available because of the Forced Outage and the expected return date and time of such generation capacity. Seller shall promptly update the report as necessary to advise PacifiCorp of changed circumstances. If the Forced Outage resulted or is expected to result in more than 15% of the Nameplate Capacity Rating of the Facility being unavailable for the remaining On-Peak Hours of a given day, or if requested by PacifiCorp, Seller shall confirm the oral report in writing as soon as practicable. Seller shall take all reasonable measures and exercise its best efforts consistent with Prudent Electrical Practices to avoid Forced Outages and to minimize their duration.

6.4.4 Notice of Deratings and Outages. Without limiting other notice requirements, Seller shall notify PacifiCorp, via telephone to a number specified by PacifiCorp, of any limitation, restriction, derating or outage known to Seller that affects the generation capacity of the Facility in an amount greater than five percent (5%) of the Maximum Facility Delivery Rate for the following day. Seller shall thereafter promptly update such notice to reflect any material changes to the information in such notice.

6.4.5 Effect of Outages on Estimated Output. Seller shall factor Planned Outages and Maintenance Outages that Seller reasonably expects to encounter in the ordinary course of operating the Facility into the Scheduled Monthly Energy Delivery amounts in the Energy Delivery Schedule set forth in **Exhibit C**.

6.5 Interconnection Costs. To the extent not otherwise provided in the Generation Interconnection Agreement, all reasonable costs incurred that are associated with the modifications to PacifiCorp's interconnection facilities or electric system occasioned by or related to the interconnection of the Facility with PacifiCorp's system consistent with applicable interconnection standards, or any increase in generating capability of the Facility, or any increase of delivery of Net Output from the Facility, shall be borne by Seller

6.6 Delivery Exceeding the Maximum GIA Delivery Rate. Seller shall not deliver energy from the Facility to the Point of Delivery at a rate that exceeds the Maximum GIA Delivery Rate. Seller's failure to limit such deliveries to the Maximum GIA Delivery Rate shall be a breach of a material obligation subject to Section 11.1.2.

6.7 Facility Expansion. Seller generally shall maintain the design of the Facility in conformance with the Nameplate Capacity Rating specified in this Agreement and will not substantially modify, replace, or add to existing equipment to increase the Nameplate Capacity Rating during the Term, except with the written consent of PacifiCorp, such written consent not to be unreasonably withheld. PacifiCorp shall have the right to complete due diligence of any Facility expansion request and Seller shall provide upon reasonable request, specific information necessary for PacifiCorp to make its decision. In the event Seller chooses to increase the Nameplate Capacity Rating during the Term and PacifiCorp provides written consent, any incremental energy in excess of the Maximum Facility Delivery Rate as a result of upgrades to the Facility or the addition of biomass generating capacity shall be purchased at the prices in accordance with PacifiCorp's Oregon Tariff Schedule 38 in effect at the time of the upgrade, unless otherwise agreed by the Parties. Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement requires PacifiCorp or PacifiCorp Transmission to pay for any Seller facilities, transmission lines or upgrades to or expansions thereof.

6.8 Access Rights. Upon reasonable prior notice and subject to the prudent safety requirements of Seller, and requirements of applicable law relating to workplace health and safety, Seller shall provide PacifiCorp and its authorized agents, employees and inspectors ("PacifiCorp Representatives") with reasonable access to the Facility: (a) for the purpose of reading or testing metering equipment, (b) as necessary to witness any acceptance tests, (c) for purposes of implementing Section 8, and (d) for other reasonable purposes at the reasonable request of PacifiCorp. PacifiCorp hereby releases and indemnifies Seller against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at

trial and on appeal resulting from actions or omissions by any of the PacifiCorp Representatives in connection with their access to the Facility, except to the extent that such damages are caused by the intentional or grossly negligent act or omission of Seller.

6.9 QF Status. Seller shall maintain the QF status of the Facility for the Term of this Agreement. If at any time during the Term of this Agreement PacifiCorp has reason to believe that Seller no longer qualifies as a QF, PacifiCorp may identify the basis for such belief and require Seller to demonstrate that the Facility is a lawful QF. If, upon review of such data and documentation, PacifiCorp continues to believe that the Facility is not a lawful QF, then PacifiCorp may require that Seller provide PacifiCorp a written legal opinion, from an attorney in good standing in the State of Oregon or a nationally recognized law firm reasonably acceptable to PacifiCorp who has no economic relationship, association or nexus with the Seller or the Facility, other than as counsel, stating that the Facility is a QF. The attorney's opinion shall provide sufficient documentation to demonstrate that Seller is a QF. If such legal opinion states that Seller is a QF, then PacifiCorp shall pay for said legal opinion. If such legal opinion states that Seller's Facility is not a QF, then Seller shall pay for said legal opinion and Seller shall be deemed to have received written notice from PacifiCorp that Seller is in default of this Section 6.9 for the purposes of Section 11.1.2.

SECTION 7 **FUEL/MOTIVE FORCE**

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a fuel or motive force plan acceptable to PacifiCorp in its reasonable discretion and attached hereto as **Exhibit J-1**, together with a certification from Seller to PacifiCorp in the form attached hereto as **Exhibit J-2**, certifying that the implementation of the fuel or motive force plan can reasonably be expected to provide fuel or motive force to the Facility for the duration of this Agreement adequate to generate power and energy in quantities necessary to deliver the Net Monthly On-Peak Delivery Obligation.

SECTION 8 **METERING**

8.1 Equipment. PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment as provided in the Generation Interconnection Agreements.

8.2 Location and Quantities. Each Billing Period, metering equipment shall be read and the quantity of Net Output, Excess Output and Inadvertent Energy delivered by Seller to PacifiCorp at the Point of Delivery shall be recorded. Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement. All quantities of energy purchased hereunder shall be adjusted to account for electrical losses, if any, between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of power flowing into PacifiCorp's system at the Point of Delivery.

8.3 Inspection. PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement, if applicable. If

any of the inspections or tests discloses an error exceeding two percent (2%), either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next invoice or statement following the repair of the meter.

8.4 Notice to PacifiCorp. As soon as it is known to Seller, Seller shall disclose to PacifiCorp, the extent of any material violation of any environmental laws or regulations arising out of the construction or operation of the Facility, or the presence of Environmental Contamination at the Facility or on the Premises, alleged to exist by any Governmental Authority having jurisdiction over the Premises, or the present existence of, or the occurrence during Seller's occupancy of the Premises of, any enforcement, legal, or regulatory action or proceeding relating to such alleged violation or alleged presence of Environmental Contamination presently occurring or having occurred subsequent to the Effective Date. For the avoidance of doubt, Seller shall not be required to notify PacifiCorp of minor exceedances of emissions limitations imposed by environmental laws, regulations or permits that occur during startup or shutdown.

SECTION 9

BILLINGS; COMPUTATION AND PAYMENTS

9.1 Bills. All bills and payments for each Billing Period shall be paid within thirty (30) days after the end of such Billing Period. PacifiCorp shall send to Seller an invoice or payment for Seller's purchases or deliveries, as the case may be, together with computations supporting such invoice or payment, within ten (10) Business Days of the end of the Billing Period. PacifiCorp or Seller may offset any such amount due hereunder to reflect amounts owing from Seller to PacifiCorp or from PacifiCorp to Seller pursuant to this Agreement or any other agreement between the Parties.

9.2 Disputes. If either Party, in good faith, disputes any amount due pursuant to an invoice rendered hereunder, such Party shall notify the other Party of the specific basis for the dispute and, if the invoice shows an amount due, shall pay that portion of the statement that is undisputed, on or before the due date. If any amount disputed by such Party is determined to be due the other Party, or if the Parties resolve the payment dispute, the amount due shall be paid within ten (10) days after such determination or resolution, along with interest as provided in Section 9.3 from the date due until the date paid.

9.3 Interest. Any amounts owing after the due date thereof (including disputed amounts resolved in favor of either Party) shall bear interest at the lesser of the Prime Rate plus two percent (2.0%) per month or the maximum rate allowed by law, from the date due until paid.

9.4 Corrections. Corrected statements or invoices may be issued to adjust for incorrect billings (excluding incorrect statements or invoices resulting from metering errors, which shall be addressed as set forth in Section 8.3) made pursuant to Section 9.1. The Parties

may issue corrected statements or invoices to make adjustments to incorrect statements or invoices up to but in no event later than thirty-six (36) months after the incorrect statement or invoice was issued. In the event PacifiCorp determines within such period that it has overpaid Seller, PacifiCorp may adjust Seller's future payment accordingly in order to correct the error in a reasonable time.

SECTION 10 **CREDIT**

10.1 Levelization Security and Default Security. Unless Seller has adopted the creditworthiness warranties contained in Section 3 and has provided required evidence to PacifiCorp proving creditworthiness, or in the event Seller, at any time, fails to maintain continued compliance with the Credit Requirements or the creditworthiness warranties contained in Section 3, Seller (if requested by PacifiCorp) must provide Default Security and/or Levelization Security in the form of a cash escrow or Letter of Credit. Seller hereby elects to provide, in accordance with the applicable terms of this Section 10, the following security (Seller to initial one selection only).

 X Seller has adopted the Creditworthiness Warranties in Section 3

 Letter of Credit

 Cash Escrow

10.2 Form of Default Security and Levelization Security. In the event that Seller is required to provide Default Security or Levelization Security pursuant to this Section 10, such Default Security or Levelization Security shall be provided as follows:

10.2.1 Cash Escrow Security. Seller shall deposit in an escrow account established by PacifiCorp in a banking institution acceptable to both Parties, the Default Security and/or Levelization Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent PacifiCorp receives payment from the Default Security and/or Levelization Security, Seller shall, within ten (10) Business Days, restore the Default Security and/or Levelization Security as if no such deduction had occurred; or

10.2.2 Letter of Credit. Seller shall post and maintain in an amount equal to the Default Security and/or Levelization Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to PacifiCorp in its discretion, or (b) a Letter of Credit in favor of PacifiCorp. To the extent PacifiCorp receives payment from the Default Security and/or Levelization Security, Seller shall, within ten (10) Business Days, restore the Default Security and/or Levelization Security as if no such deduction had occurred.

10.3 Financial Information. Seller shall provide to PacifiCorp, at PacifiCorp's request, Seller's audited annual financial statements prepared in accordance with generally accepted accounting principles.

SECTION 11
DEFAULTS AND REMEDIES

11.1 Events of Default. The following events shall constitute an "**Event of Default**" under this Agreement:

11.1.1 Payment Default. Failure of a Party to pay undisputed amounts when due to the other Party under this Agreement within ten (10) days following notice of such failure from the other Party;

11.1.2 Material Breach. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement or breach by a Party of a representation or warranty set forth in this Agreement, if such failure or breach is not cured within thirty (30) days following written notice; provided, that if such failure to perform is not reasonably capable of being cured within such thirty (30) day period but is reasonably capable of being cured, such Party shall have such additional time, not to exceed ninety (90) days, as is reasonably necessary to cure such non-performance, so long as such Party promptly commences and diligently pursues such cure;

11.1.3 Bankruptcy. Filing of a petition in bankruptcy by or against a Party if such petition is not withdrawn or dismissed within sixty (60) days after it is filed;

11.1.4 Material Adverse Change. A Material Adverse Change has occurred with respect to Seller (or in the event of an assignment of this Agreement, Seller's assignee) and Seller (or Seller's assignee, in the case of an assignment) fails to provide such performance assurances as are reasonably requested by PacifiCorp, including without limitation, the posting of additional Default Security and, if applicable, Levelization Security, within thirty (30) days from the date of PacifiCorp's request for such performance assurances or security;

11.1.5 Default Under Other Agreements. Failure of a Party to cure an Event of Default under the Generation Interconnection Agreement or the Schedule 48 electric service agreement for station use within the time allowed for a cure under such agreement.

11.1.6 Sale to Third Party. Seller sells Net Output from the Facility to a party other than PacifiCorp.

11.1.7 Failure to Maintain Facility Documents and Permits. After the Effective Date, Seller fails to maintain any material Required Facility Documents or Permits necessary to own or operate the Facility, after the expiration of applicable notice, cure and waiver periods.

11.1.8 Abandonment of Construction. Seller's Abandonment of operation of the Facility except to the extent caused by an event of Force Majeure or a default by PacifiCorp.

11.2 Termination. In the event of any Event of Default hereunder that is not cured in the manner provided for in this Agreement, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party and may pursue any and all legal or equitable remedies provided by law or equity or pursuant to this Agreement. Except as provided in Section 11.3, the rights provided in this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights.

11.3 Termination Payment. If this Agreement is terminated in accordance with the terms hereof prior to the Expiration Date because of Seller's Event of Default, Seller shall pay PacifiCorp, in addition to any damages accrued hereunder but not paid prior to termination ("**Prior Damages**"), a lump sum termination payment equal PacifiCorp's Cost to Cover for a period of thirty-six (36) months from the date of termination. The Parties agree that the amount of termination payment shall be calculated by PacifiCorp within thirty (30) days after termination of the Agreement. Amounts owed pursuant to this section shall be due five (5) Business Days after PacifiCorp provides Seller notice of amount due. Prior Damages and the termination payment shall be PacifiCorp's sole remedy for default; provided however, that Seller shall not intentionally breach this Agreement in order to sell Facility output to another buyer.

11.4 Covenant Running with the Land. In the event this Agreement is terminated because of Seller's Event of Default and Seller or Seller's successor wishes to again sell Net Output to PacifiCorp following such termination, PacifiCorp in its sole discretion may require that Seller or Seller's successor shall do so subject to the terms of this Agreement, including but not limited to the contract pricing of Section 5.1, until the Expiration Date. At such time Seller and PacifiCorp agree to execute a written document ratifying the terms of this Agreement. This Section 11.4 shall be deemed a covenant running with the land and shall survive any early termination of this Agreement. Concurrently with the execution and delivery of this Agreement, the Parties shall execute and PacifiCorp shall record, in the appropriate real property records of the county in which the Facility is located, a memorandum in the form of **Exhibit G** to provide record notice to third parties of Seller's agreements under this Section 11.4. This Section 11.4 shall terminate on the earlier of the Expiration Date and the date on which this Agreement is terminated for any reason other than an Event of Default by Seller, and PacifiCorp shall execute such documentation as is necessary to release the memorandum promptly after such termination.

11.5 Dispute Resolution. Whenever a Party believes that a dispute has arisen in connection with this Agreement, that Party shall promptly provide written notice to the other Party describing the matter in dispute. Unless the dispute is resolved sooner, the Senior Vice President of Commercial and Trading (or equivalent) for PacifiCorp and the Managing General Partner (or equivalent), for Seller shall meet at least once within a period of thirty days following notice to attempt in good faith to resolve the dispute. If the Parties' senior management does not resolve the dispute by the date that is thirty (30) days after the initial notice of dispute, each Party shall have the right to pursue whatever remedies it may have under the terms of this Agreement or applicable regulations, laws, or principles of equity.

11.6 NO JURY TRIAL. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

11.7 Set-Off. Upon an Event of Default under or termination of this Agreement, in addition to and not in limitation of any other right or remedy under contract or applicable law (including any right to set-off, counterclaim, or otherwise withhold payment), the non-defaulting Party may at its option set-off, against any amounts owed to the defaulting Party, any amounts owed by the defaulting Party under this Agreement or any other contract or agreement between the Parties. The obligations of the Parties shall be deemed satisfied and discharged to the extent of any such set-off. The non-defaulting Party shall give the defaulting Party written notice of any set-off, but failure to give such notice shall not affect the validity of the set-off.

SECTION 12 **INDEMNIFICATION, LIABILITY, AND INSURANCE**

12.1 Indemnity by Seller. To the extent permitted by requirements of law and subject to Section 12.5, Seller shall release, indemnify and hold harmless PacifiCorp, its Affiliates, and each of its and their respective directors, officers, employees, agents, and representatives (collectively, the “**PacifiCorp Indemnitees**”) against and from any and all losses, fines, penalties, claims, demands, damages, liabilities, actions or suits of any nature whatsoever (including legal costs and attorney’s fees, both at trial and on appeal, whether or not suit is brought) (collectively, “**Liabilities**”) resulting from, or arising out of, or in any way connected with, the performance by Seller of its obligations hereunder, or relating to the Facility, for or on account of (i) injury, bodily or otherwise, to, or death of, or (ii) for damage to, or destruction or economic loss of property of, any person or entity, excepting only to the extent such Liabilities as may be caused by the gross negligence or willful misconduct of any person or entity within the PacifiCorp Indemnitees. Seller shall be solely responsible for (and shall defend and hold PacifiCorp harmless against) any damage that may occur as a direct result of Seller’s breach of the Generation Interconnection Agreement.

12.2 Indemnity by PacifiCorp. To the extent permitted by requirements of law and subject to Section 12.5, PacifiCorp shall release, indemnify and hold harmless Seller, its Affiliates, and each of its and their respective directors, officers, employees, agents, and representatives (collectively, the “**Seller Indemnitees**”) against and from any and all Liabilities resulting from, or arising out of, or in any way connected with, the performance by PacifiCorp of its obligations hereunder for or on account of (i) injury, bodily or otherwise, to, or death of, or (ii) for damage to, or destruction or economic loss of property of, any person or entity, excepting only to the extent such Liabilities as may be caused by the gross negligence or willful misconduct of any person or entity within the Seller Indemnitees.

12.3 Notice of Claims. If either Party receives notice of a threatened or asserted claim for which such Party might seek indemnification or defense or to be held harmless, it shall promptly give notice of such claim to the other Party.

12.4 Third-Party Beneficiaries, Dedication, and Status. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public, nor affect the status of PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

12.5 INCIDENTAL AND CONSEQUENTIAL DAMAGES. NEITHER PARTY NOR ITS DIRECTORS, BOARD MEMBERS, COMMISSIONERS, OFFICERS, EMPLOYEES, OR AGENTS SHALL HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY LOST PROFITS, LOST REVENUES, OR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, WHETHER ARISING FROM CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

12.6 Workers' Compensation Law. Seller shall comply with all applicable workers' compensation laws and shall furnish proof thereof satisfactory to PacifiCorp prior to connection of the Facility to PacifiCorp's electric system.

12.7 Insurance Coverage Requirements. Without limiting any liabilities or any other obligations of Seller, Seller shall, prior to the connection of the Facility to the System, secure and continuously carry with insurers acceptable to PacifiCorp the following insurance coverage:

12.7.1 Special Form Property insurance providing coverage in an amount at least equal to the full replacement value of the Facility against special form property physical loss or damage with normal and customary exclusions, including coverage for earthquake, flood, and boiler and machinery. This property insurance may contain separate sub-limits and deductibles. This property insurance will be maintained in accordance with terms available in the insurance market for similar facilities.

12.7.2 Employers' Liability insurance with minimum limits of \$1,000,000 applicable to each accident/disease-each employee/disease-policy limit.

12.7.3 Commercial General Liability insurance, to include contractual liability, premises and operations, and broad form property damage, with a minimum single limit of \$1,000,000 each occurrence/\$2,000,000 general aggregate to protect against and from loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

12.7.4 Business Automobile Liability insurance with a minimum single limit of \$1,000,000 each accident for bodily injury and property damage with respect to Seller's vehicles whether owned, hired or non-owned, assigned to or used in connection with this Agreement.

12.7.5 Umbrella Liability insurance with a minimum limit of \$5,000,000 each occurrence/aggregate where applicable to be excess of the coverages and limits required in Employers' Liability insurance, Commercial General Liability insurance, and Business Automobile Liability insurance above. Seller shall notify PacifiCorp, if at any time this minimum umbrella limit is not available during the Term of this Agreement, and may be required to purchase additional limits of coverage.

12.7.6 The Commercial General Liability policy required herein shall include i) provisions or endorsements naming PacifiCorp, its Directors, Officers, agents and employees as additional insureds, and ii) cross liability coverage so that the insurance

applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured.

12.7.7 All liability policies required by this Agreement shall include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder, and provisions that such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to PacifiCorp if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to PacifiCorp if canceled for any other reason. A certificate in a form satisfactory to PacifiCorp certifying to the issuance of such insurance, shall be furnished to PacifiCorp. Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by PacifiCorp, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to PacifiCorp.

12.7.8 Insurance coverage provided on a "claims-made" basis shall be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement.

SECTION 13 **FORCE MAJEURE**

13.1 Neither Party shall be subject to any liability or damages due to a failure to perform its obligations hereunder (other than an obligation to pay money, to the extent such failure is caused by) an event of Force Majeure. As used in this Agreement, "Force Majeure" means an inability of a Party to meet its obligations under this Agreement to the extent that such failure shall be due to causes beyond the reasonable control of such Party, which, despite the exercise of due diligence, such Party is unable to prevent or overcome. Examples of Force Majeure events include, but are not limited to the following: (a) the operation and effect of any rules, regulations and orders promulgated after the Effective Date by the Commission, any municipality, or other Governmental Authority, or subdivision thereof (so long as the claiming Party has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such government action); (b) restraining order, injunction or similar decree of any court; (c) war, sabotage or acts of terrorism; (d) flood, fire, storms or lightning; (e) earthquake; (f) act of God; (g) civil disturbance; or (h) strikes or boycotts, which is in each case (i) beyond the reasonable control of such Party, (ii) by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and (iii) by the exercise of due diligence, such Party shall be unable to prevent or overcome. The Party claiming Force Majeure shall make every reasonable attempt to remedy the cause or mitigate the effects thereof as diligently and expeditiously as possible. Force Majeure, however, specifically excludes the cost or availability of fuel or motive force to operate the Facility; changes in market conditions that affect the price of energy, capacity or transmission; failure to comply with applicable provisions of the WARN Act, or other disruptions in Facility performance resulting from Seller's voluntary conveyance of this Agreement or any related agreement in connection with a sale or closure of the Facility; or inability to pay money. Except for the obligation to pay amounts owed when

due, time periods for performance obligations of Parties herein shall be extended for the period during which Force Majeure was in effect.

13.2 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the Force Majeure.

13.3 Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

13.4 Either Party may terminate the Agreement if the other Party fails to remedy its inability to perform, due to a Force Majeure event, within six-months after the occurrence of the event provided, that if such inability to perform is not reasonably capable of being cured within such six-month period but is reasonably capable of being cured, such Party shall have such additional time, not to exceed one additional year, as is reasonably necessary to cure such non-performance, so long as such Party promptly commences and diligently pursues such cure.

SECTION 14 **SEVERAL OBLIGATIONS**

Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability between the Parties. At any time if Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

SECTION 15 **CHOICE OF LAW**

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Oregon, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

SECTION 16 **PARTIAL INVALIDITY**

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

SECTION 17 **WAIVER**

Any waiver at any time by either Party of its rights with respect to an Event of Default under this Agreement or with respect to any other matters arising in connection with this Agreement must

be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 18
GOVERNMENTAL AUTHORIZATIONS; REPEAL OF PURPA

Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PacifiCorp.

This Agreement shall not terminate upon the repeal of the PURPA, unless federal or state law mandates such termination. The repeal of PURPA during the Term shall not cause Seller to be deemed in breach of Seller's obligations under Section 6.9.

SECTION 19
SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without (a) the written consent of the other Party being first obtained (which such consent shall not be unreasonably withheld), (b) in the case of an assignment by Seller, Seller agreeing to require as a condition of sale of the Facility that the buyer thereof agree to abide by the terms of this Agreement, (c) the assignee agreeing in writing to be bound by the terms hereof and (d) in the case of an assignment by Seller, the assignee agreeing to comply with Section 10. Notwithstanding part (a) of the foregoing, either Party may assign this Agreement without the other Party's consent (x) to a lender as part of a financing transaction or (y) as part of a sale of the Facility (in the case of Seller) or of all or substantially all of the assigning Party's assets (in the case of PacifiCorp) or (z) as part of a merger, consolidation or other reorganization of the assigning Party.

SECTION 20
ENTIRE AGREEMENT

This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PacifiCorp's purchase of Net Output from the Facility. No amendment or other modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

SECTION 21
NOTICES

21.1 Notices. All notices, requests, statements or payments shall be made to the addresses set out in this Section 21.1. Notices required to be in writing shall be delivered by letter, facsimile or other documentary form. Notice by facsimile or hand delivery shall be deemed to have been given when received or hand delivered. Notice by overnight mail or courier shall be deemed to have been given on the date and time evidenced by the delivery receipt.

Notices	PacifiCorp	Seller
All Notices	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Phone: (503) 813 – 5952 Facsimile: (503) 813 – 6291 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	Biomass One, L.P. 2350 Avenue G White City, Oregon 97503 Attn: John Bremerman, General Manager Telephone Number: (541) 826-6498 Facsimile Number: (541) 826-6186 Email: JohnB@biomassone.com With copies to: Managing General Partner National Public Energy, Inc. 80 Oxford Boulevard Garden City, New York 11530 Telephone Number: (516) 873-8809 Facsimile Number: (516) 873-8810
All Invoices:	Attn: Back Office, Suite 700 Phone: (503) 813 – 5578 Facsimile: (503) 813 – 5580	Biomass One, L.P. 2350 Avenue G White City, Oregon 97503 Attn: John Bremerman, General Manager Telephone Number: (541) 826-6498 Facsimile Number: (541) 826-6186 Email: JohnB@biomassone.com With copies to: Biomass One, L.P. 2350 Avenue G White City, Oregon 97503 Attn: Jack Eubanks Telephone Number: 541-826-6313 Facsimile Number: 541-826-6186
Scheduling:	Attn: Resource Planning, Suite 600 Phone: (503) 813 – 6090 Facsimile: (503) 813 – 6265	Biomass One, L.P. 2350 Avenue G White City, Oregon 97503 Attn: John Bremerman, General Manager Telephone Number: (541) 826-6498 Facsimile Number: (541) 826-6186 Email: JohnB@biomassone.com With copies to:

		<p>Biomass One, L.P. 2350 Avenue G White City, Oregon 97503 Attn: Ryan Burns Phone: 541-826-9422 ext: 1007 Facsimile: 541-826-6186</p>
Payments:	<p>Attn: Back Office, Suite 700 Phone: (503) 813 – 5578 Facsimile: (503) 813 – 5580</p>	<p>Biomass One, L.P. 2350 Avenue G White City, Oregon 97503 Attn: Jack Eubanks Telephone Number: 541-826-6313 Facsimile Number: 541-826-6186</p> <p>With copies to:</p> <p>Biomass One, L.P. 2350 Avenue G White City, Oregon 97503 Attn: John Bremerman, General Manager Telephone Number: (541) 826-6498 Facsimile Number: (541) 826-6186 Email: JohnB@biomassone.com</p>
Wire Transfer:	<p>Bank One N.A. To be provided in separate letter from PacifiCorp to Seller</p>	<p>Biomass One, L.P. 2350 Avenue G White City, Oregon 97503 Attn: Jack Eubanks Telephone Number: 541-826-6313 Facsimile Number: 541-826-6186</p>
Credit and Collections:	<p>Attn: Credit Manager, Suite 700 Phone: (503) 813 – 5684 Facsimile: (503) 813-5609</p>	<p>Biomass One, L.P. 2350 Avenue G White City, Oregon 97503 Attn: John Bremerman, General Manager Telephone Number: (541) 826-6498 Facsimile Number: (541) 826-6186 Email: JohnB@biomassone.com</p> <p>With copies to:</p> <p>Biomass One, L.P. 2350 Avenue G White City, Oregon 97503 Attn: Jack Eubanks Telephone Number: 541-826-6313</p>

		<p>Facsimile Number: 541-826-6186</p> <p>and</p> <p>Managing General Partner National Public Energy, Inc. 80 Oxford Boulevard Garden City, New York 11530 Telephone Number: (516) 873-8809 Facsimile Number: (516) 873-8810</p>
<p>With Additional Notices of an Event of Default or Potential Event of Default to:</p>	<p>Attn: PacifiCorp General Counsel</p> <p>Phone: (503) 813-5029 Facsimile: (503) 813-7252</p>	<p>Biomass One, L.P. 2350 Avenue G White City, Oregon 97503 Attn: John Bremerman, General Manager Telephone Number: (541) 826-6498 Facsimile Number: (541) 826-6186 Email: JohnB@biomassone.com</p> <p>and</p> <p>Managing General Partner National Public Energy, Inc. 80 Oxford Boulevard Garden City, New York 11530 Telephone Number: (516) 873-8809 Facsimile Number: (516) 873-8810</p> <p>With copies to:</p> <p>Glenn J. Berger, Esq. Donna M. Francescanni Byrne, Esq. Frank C. Shaw, Esq. Skadden, Arps, Slate, Meagher & Flom LLP 1440 New York Avenue, NW Washington, D.C. 20005 Telephone Number: (202) 371-7000 Facsimile Number: (202) 661-8206</p>

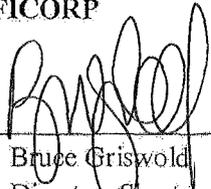
21.2 Changes to Notice Information. The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section.

SECTION 22
HEADINGS

Section and paragraph headings are for reference only and shall not affect the interpretation or meaning of any provisions of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

PACIFICORP

By:  
Name: Bruce Griswold
Title: Director, Short-term Origination

BIOMASS ONE, L.P.

By: National Public Energy, Inc.,
its Managing General Partner

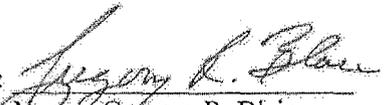
By: 
Name: Gregory R. Blair
Title: President

EXHIBIT A

DESCRIPTION OF SELLER'S FACILITY

Seller's Facility consists of two steam turbine generators manufactured by General Electric Company and one backup steam turbine generator manufactured by Brown Boveri (Information specific to the Brown Boveri backup unit is described in attached Exhibit A-1) . Information provided below pertains to the two General Electric units that are in service.

Type:	Synchronous
Model:	EN114110 (2)
Number of Phases:	3
Rated Output (MW):	
Rated Output (kVA):	
Rated Voltage (line to line)	
Rated Current (A):	
Maximum MW Output:	
Minimum MW Output:	
Nameplate Capacity Rating:	
Maximum GIA Delivery Rate:	

Identify the maximum output of the generators and describe any differences between that output and the Nameplate Capacity Rating:

Maximum output of 35.0 MW varies from nameplate capacity because of the lack of heavy power factor correction from design versus LGIA required operating conditions.

Station service requirements, and other loads served by the Facility, if any, are described as follows:

Station power load is approximately 2.6 MW. This also includes the power requirements of the fuel processing facility on an adjacent parcel owned and operated by Seller.

Location of the Facility:

The facility is constructed in the vicinity of White City in Jackson County, Oregon. The location is more particularly described as follows:

Commencing at the corner common to Section 17, 18, 19 and 20, Township 36 South, Range 1 West of the Willamette Meridian in Jackson County, Oregon; thence South 89° 44' 30" East, 1075.12 feet to a 5/8" rebar with plastic cap; thence along the Northeasterly boundary of that tract described in Volume 526, Page 273 of the Deed Records of said County, South 58° 59' 35" East, 408.56 feet to a 5/8" rebar with plastic cap located at an angle point on said tract boundary; thence along said tract boundary, South 69° 41' 55" East, 9.49 feet to the Southwesterly corner of that parcel described in Instrument No. 78-21306 of the Official Records of said County;

thence North 20° 31' 05" East, 312.57 feet to a lead plug with tack in a concrete ramp located at the Northwesterly corner of said parcel; thence along the Northeasterly boundary of said parcel, South 69° 53' 20" East, 411.75 feet to a ¾" rebar located at the Southwesterly corner of that tract described in Instrument No.82-02795 of said Official Records; thence North 19° 56' East, 1592.64 feet to a ¾" rebar located at the Northwesterly corner of said tract; thence along the Southerly right-of-way line of Avenue 'G', North 89° 48' West, 379.28 feet to the true point of beginning; thence continue along said avenue line, North 89° 48' West, 558.43 feet to the Northeasterly corner of Medford Water Commission water tower reservoir parcel; thence South 20° 07' 20" West, 138.28 feet to the Southeasterly corner of said reservoir parcel; thence North 89° 48' West, 114.84 feet to the Southwesterly corner of said reservoir parcel; thence along the Southeasterly right-of-way line of Fifteenth Street, South 20° 06' 40" West, 56.00 feet; thence leaving said street line, South 69° 53' 20" East, 207.97 feet to intersect the Southeasterly boundary of that tract described in Instrument No. 78-01926 of said Official Records;thence along said tract boundary, South 20° 07' 20" West, 165.875 feet; thence South 69° 52' 40" East, 425.00 feet; thence North 20° 07' 20" East, 589.53 feet to the true point of beginning, containing 5.77 acres, more or less.

Power factor requirements:

Rated Power Factor (PF) or reactive load (kVAR):

Rated Power Factor = 80%, and Power factor requirements under the Generation Interconnection Agreement are +.95 to -.95.

Point of Delivery: The Facility is interconnected to PacifiCorp at the 115-kV transmission voltage level under existing interconnection arrangements, and the Point of Delivery will remain the same under the Generation Interconnection Agreement during the Term.

EXHIBIT A-1

**DESCRIPTION OF SELLER'S FACILITY
(Backup Turbine Generator)**

Seller's backup turbine generator consists of one extraction steam turbine generator manufactured by Brown Boveri. Information provided below pertains to the one Brown Boveri unit that is not in service:

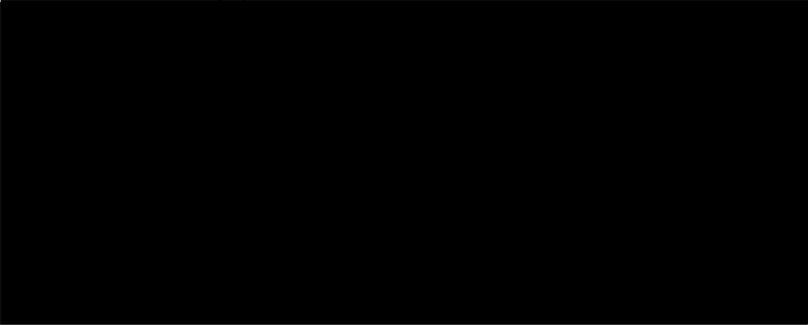
Type:	Synchronous
Model:	FN32166/1977 (1)
Number of Phases:	
Rated Output (MW):	
Rated Output (kVA):	
Rated Voltage (line to line)	
Rated Current (A):	
Maximum MW Output:	
Minimum MW Output:	
Nameplate Capacity Rating:	

EXHIBIT B

REQUIRED FACILITY DOCUMENTS

GENERATION INTERCONNECTION AGREEMENT between PACIFICORP and SELLER
dated as of December 12, 2011

SELLER'S QF SELF-CERTIFICATION

ABSTRACT OF SELLER'S INSURANCE POLICIES AS REQUIRED BY SECTION 12

SELLER'S SCHEDULE 48 RETAIL AGREEMENT FOR STATION SERVICE

EXHIBIT C

ENERGY DELIVERY SCHEDULE AND MONTHLY MAINTENANCE SCHEDULES

PPT	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
0												
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
TOTAL	19726	18861	19000	19000	12771	17102	17120	19000	10101	19000	19000	19000

Annual Total MWh: [REDACTED]

(Seller shall update the Energy Delivery Schedule as provided in Section 4.3.)

Planned Outage Periods during the Term are scheduled for:

Start: Midnight, May 6th, 2012

Ending: Noon, May 17th, 2012

Start: Midnight, September 3rd, 2012

Ending: Noon, September 8th, 2012

EXHIBIT D

BILLING SCENARIO EXAMPLES

Case 1: Monthly On-Peak Availability Factor \geq 85%

EXHIBIT D-ctd

Case 2: Monthly On-Peak Availability Factor < 85%.

EXHIBIT D—ctd

Case 3: Monthly On-Peak Availability Factor < 80%.

EXHIBIT E

ORDER NO. 07 360 ADJUSTMENTS TO SCHEDULE 37 AVOIDED COST PRICES

The following adjustments to the Schedule 37 Avoided Cost Prices, above, are based on the Commission's Adopted Guidelines for Negotiation of Power Purchase Agreements for QFs 10 MW or Larger (published in Appendix A of Commission Order No. 07-360), PacifiCorp's compliance filing and PacifiCorp's Tariff, Schedule 38:

		Schedule 37 QF Avoided Costs (Effective 04/05/2010)				Final Pricing		
			Price per MWh			Nominal Price per MWh		
	Contract Year	Year	On-Peak	Off-Peak	Flat	On-Peak	Off-Peak	Flat
Sufficiency Period	1	2012						
	2	2013						
Deficiency Period	3	2014						
	4	2015						
	5	2016						
	6	2017						
	7	2018						
	8	2019						
	9	2020						
	10	2021						
	11	2022						
	12	2023						
	13	2024						
	14	2025						
	15	2026						

Adjustments to Price per Oregon Schedule 38

B-2-a	Dispatchability	No adjustment - Resource is capable of providing flexible generation schedule under one hour ahead notice.
B-2-b (1)	Reliability - Reserves	Discount adjustment applied to peak prices for sufficiency years
B-2-b (2)	Reliability - Availability to Avoided resource	No adjustment. Contract will provide for a calculated price premium when availability exceeds a premium trigger level, a price discount when availability is less than a discount trigger level, and extension of liquidated damages when availability is less than a LD trigger level.
B-2-c	Fossil fuel price risk	No adjustment. On a net basis, fuel price risk would have no impact on the proxy resource's expected energy value during the term of the contract.
B-2-d	Line losses	Premium adjustment - applied to HLH and LLH prices for sufficiency and deficiency years associated with avoiding transmission and distribution system losses.
B-2-e	T & D	No adjustment. - No planned capital expenditures regarding T&D system upgrade.

Year	June 9, 2011 Termsheet		Final Levelized Avoided Cost Prices	
	On Peak	Off-Peak	On Peak	Off-Peak
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				

EXHIBIT F

CALCULATION OF DEFAULT SECURITY

Contract Year	Calendar Year	On-Peak Price \$/MWh	Off-Peak Price \$/MWh
1	2012		
2	2013		
3	2014		
4	2015		
5	2016		
6	2017		
7	2018		
8	2019		
9	2020		
10	2021		
11	2022		
12	2023		
13	2024		
14	2025		
15	2026		

Average On- Peak Price \$/MWh
 Annual MWh
 On Peak MWh
 Six Months On Peak MWh



A = Years 2012-26 average
 B = volume in Agreement
 C = 0.57 * B
 D = C / 12 * 6

Default Security



E = A * D

EXHIBIT G

FORM OF MEMORANDUM OF POWER PURCHASE AGREEMENT

WHEN RECEIVED MAIL TO:

PACIFICORP
825 NE Multnomah, Suite 1900
Portland, Oregon 97232
Attn: Credit Manager

MEMORANDUM OF POWER PURCHASE AGREEMENT

THIS MEMORANDUM OF POWER PURCHASE AGREEMENT ("**Memorandum**"), entered into this 19th day of December 2011, is by and between Biomass One, L.P., a Delaware limited partnership, ("**Seller**") and PacifiCorp (d/b/a Pacific Power & Light Company), an Oregon corporation ("**PacifiCorp**") individually, a "**Party**" and collectively, the "**Parties**."

RECITALS

A. Seller and PacifiCorp entered into a Power Purchase Agreement on or about December 19, 2011 (the "**Agreement**"), pursuant to which Seller has agreed to deliver, and PacifiCorp has agreed to purchase, until December 31, 2026, all Net Output (as that term is defined in the Agreement) from Seller's Qualifying Facility (the "**Facility**") located in the vicinity of White City in Jackson County, Oregon. The property on which the Facility is located (the "**Premises**") is more particularly described in the attached **Exhibit A**.

B. Seller and PacifiCorp desire to provide record notice of Seller's obligations under the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth in the Agreement and this Memorandum, Seller and PacifiCorp agree as follows:

TERMS

1. The Premises. Seller acknowledges and agrees that the real property comprising the Premises, and all improvements and fixtures constructed thereon, including without limitation, the Facility, are and will be owned by the Seller and shall hereafter be held, sold, conveyed, transferred, assigned, subdivided, leased, rented, encumbered, occupied and used subject to and in accordance with the provisions of Section 11.4 of the Agreement and this Memorandum.

2. Covenants Running with the Land. The provisions of Section 11.4 of the Agreement are and shall be deemed to be covenants running with the land and shall be binding upon and inure to the benefit of Seller and PacifiCorp and their respective successors and assigns, including without limitation any person acquiring or owning an interest in the Premises or the Facility, and their respective heirs, executors, successors, assigns, administrators, devisees and representatives.

3. Notice. Pursuant to Section 11.4 of the Agreement, if the Agreement is terminated due to a default by Seller, and Seller, or any successor to Seller with respect to the ownership of the Premises, requires or seeks to require PacifiCorp to purchase energy from the Facility under the Public Utility Regulatory Policies Act of 1978, as amended from time to time ("PURPA"), such purchases shall, at PacifiCorp's sole option, be subject to the terms of the Agreement, including but not limited to the contract pricing of Section 5.1, until December 31, 2026.

4. Agreement Incorporated by Reference. This Memorandum, and the rights and obligations of the parties hereunder, are subject to all of the terms and conditions of the Agreement. The Agreement is hereby incorporated by reference as if fully set forth herein.

5. Counterparts. This Memorandum may be executed in counterparts, each of which when executed and delivered shall be deemed an original, and all of which shall together constitute one and the same instrument.

6. Further Information. Further information regarding the specific terms and conditions of the Agreement may be requested from PacifiCorp at 825 NE Multnomah, Suite 600, Portland, Oregon 97232, Attn: Manager, Origination. Disclosure of any such information shall be subject to the terms and conditions of a written confidentiality agreement acceptable to PacifiCorp in its sole and absolute discretion.

IN WITNESS WHEREOF, Grantor and Grantee have executed and acknowledged this Memorandum as of the day and year first above written.

BIOMASS ONE, L.P.

PACIFICORP

By: National Public Energy, Inc.,
its Managing General Partner

By: _____
Name: Bruce Griswold
Title: Director, Short-term Origination

By: _____
Name: Gregory R. Blair
Title: President

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____
2011 by _____, the President of National Public Energy, Inc., as
Managing General Partner of Biomass One, L.P., a Delaware limited partnership.

NOTARY PUBLIC

STATE OF OREGON)
: ss.
COUNTY OF MULTNOMAH)

The foregoing instrument was acknowledged before me this ___ day of _____
2011 by _____, the _____ of
PACIFICORP, an Oregon corporation.

NOTARY PUBLIC

EXHIBIT A

TO

MEMORANDUM OF POWER PURCHASE AGREEMENT

(Legal Description of the Premises)

Legal Description attached hereto for recording and thereafter to be supplemented and/or updated by Seller to set forth recordable descriptions of all real property (fee and leasehold estates) comprising the Facility and Premises.

Location of the Facility: The Facility is located in the vicinity of White City in Jackson County, Oregon. The location is more particularly described as follows:

Commencing at the corner common to Section 17, 18, 19 and 20, Township 36 South, Range 1 West of the Willamette Meridian in Jackson County, Oregon; thence South 89° 44' 30" East, 1075.12 feet to a 5/8" rebar with plastic cap; thence along the Northeasterly boundary of that tract described in Volume 526, Page 273 of the Deed Records of said County, South 58° 59' 35" East, 408.56 feet to a 5/8" rebar with plastic cap located at an angle point on said tract boundary; thence along said tract boundary, South 69° 41' 55" East, 9.49 feet to the Southwesterly corner of that parcel described in Instrument No. 78-21306 of the Official Records of said County; thence North 20° 31' 05" East, 312.57 feet to a lead plug with tack in a concrete ramp located at the Northwesterly corner of said parcel; thence along the Northeasterly boundary of said parcel, South 69° 53' 20" East, 411.75 feet to a ¼" rebar located at the Southwesterly corner of that tract described in Instrument No. 82-02795 of said Official Records; thence North 19° 56' East, 1592.64 feet to a ¾" rebar located at the Northwesterly corner of said tract; thence along the Southerly right-of-way line of Avenue 'G', North 89° 48' West, 379.28 feet to the true point of beginning; thence continue along said avenue line, North 89° 48' West, 558.43 feet to the Northeasterly corner of Medford Water Commission water tower reservoir parcel; thence South 20° 07' 20" West, 138.28 feet to the Southeasterly corner of said reservoir parcel; thence North 89° 48' West, 114.84 feet to the Southwesterly corner of said reservoir parcel; thence along the Southeasterly right-of-way line of Fifteenth Street, South 20° 06' 40" West, 56.00 feet; thence leaving said street line, South 69° 53' 20" East, 207.97 feet to intersect the Southeasterly boundary of that tract described in Instrument No. 78-01926 of said Official Records; thence along said tract boundary, South 20° 07' 20" West, 165.875 feet; thence South 69° 52' 40" East, 425.00 feet; thence North 20° 07' 20" East, 589.53 feet to the true point of beginning, containing 5.77 acres, more or less.

EXHIBIT H

SELLER'S AUTHORIZATION TO RELEASE GENERATION DATA TO PACIFICORP
C&T



BIOMASS ONE

2350 Avenue G
White City, Oregon 97503
Office: 541-826-9422
Fax: 541-826-6186
www.biomassone.com

Exhibit H

**Seller's Authorization to Release
Generation Data to PacifiCorp C&T**

Transmission Services
Attn: Director, Transmission Services
825 NE Multnomah, Suite 1600
Portland, OR 97232

RE: Biomass One, L.P. Seller's Authorization to Release Generation Data to PacifiCorp C&T

Dear Sir:

Biomass One, L.P. hereby voluntarily authorizes PacifiCorp's Transmission business unit to share Biomass One, L.P.'s generator interconnection information and generator meter data with Marketing Affiliate employees of PacifiCorp Energy, including, but not limited to those in the Commercial and Trading group. Biomass One, L.P. acknowledges that PacifiCorp did not provide it any preferences, either operational or rate-related, in exchange for this voluntary consent.

BIOMASS ONE, L.P.

By: National Public Energy, Inc.
Its Managing General Partner

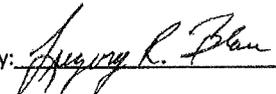
By: 
Name: Gregory R. Blair
Title: President

EXHIBIT I

BLANK

EXHIBIT J-1

SELLER'S MOTIVE FORCE PLAN

Biomass One, L.P. ("BOLP") estimates the Net Output during each full year of the term of the Agreement will be 223,400 MWh. This rate of annual output will require annual volume of biomass boiler fuel totaling between 230,000 and 240,000 bone dry tons ("BDT"). Over the course of its 25-year operating history, BOLP had successfully sourced sufficient volumes of fuel to meet its contractual output obligations to Pacificorp.

BOLP gathers fuel within an area contained within an approximate 75 mile radius from the plant location in White City, Oregon (the "Biomass One Fuel Drain Area").

The total acreage of forest land within the Biomass One Fuel Drain Area is broken out by category of ownership/stewardship as follows:

• US Forest Service	3,295,158 acres
• Small Private	2,019,513 acres
• Bureau of Land Management ("BLM")	1,336,769 acres
• Private Industrial	1,312,350 acres
• Municipalities	294,502 acres
• Oregon State Forests	<u>58,462 acres</u>
Total	8,316,754 acres

The acreage information above was supplied to us by Blair Moody, Biomass Coordinator for the BLM and US Forest Service for southwest Oregon. Mr. Moody has referenced an average yield of 7 (seven) green tons of forest biomass per acre as a reliable yield for this region based on past experience. The range of yield is referenced as between 3 (three) and 10 (ten) green tons of forest biomass per acre. Forest biomass is defined as the residual material left over from conventional logging operations whose highest and best use is as a boiler feedstock or hogfuel.

Using the average yield of 7 (seven) green tons per acre referenced above, the estimated total volume of forest biomass within the Biomass One Fuel Drain Area is 58,217,278 green tons. This total volume is an expression of the available gross supply.

Actual annual volumes of fuel supply available to BOLP are more properly a function of annual harvesting for sawmills, plywood plants, pulp mills and forest stewardship programs. There is available statistical data for biomass residual volumes from plywood and sawmill plants, as follows:

Biomass Residual – Plywood Plants

Company	Location	Production (1,000 sq. ft. per 8hr shift)	Biomass Residual Rate (Bone Dry Tons per 1,000 sq. ft.)	Biomass Total Bone Dry Tons (per 8hr shift)
Boise Cascade	Medford	400	0.249	99.6
Boise Cascade	White City	264	0.249	65.7
Murphy Plywood	Sutherlin	265	0.249	66.0
Panel Products	Rogue River	500	0.249	124.5
Panel Products	White City	140	0.249	34.9
Swanson Group	Glendale	230	0.249	57.3
Roseburg Forest Products	Coquille	300	0.249	74.7
Roseburg Forest Products	Dillard	266	0.249	66.2
Roseburg Forest Products	Riddle	475	0.249	118.3
Timber Products	Grants Pass	180	0.249	44.8
Timber Products	White City	90	0.249	22.4
Total		3,110	0.249	774.4
Annual Production (250 days/year)				
1 shift/day		777,500	0.249	193,597
2 shifts/day		1,555,000		387,195
3 shifts/day		2,332,500		580,793

Note: Mill operating rates vary with market conditions. Range from 1-3 8hr shifts per day

Source: Mill capacity rates taken from Random Lengths Big Book. Biomass residual conversion factors taken from Wood and Bark as Fuel, Stanley Corder-author, Forest Research Laboratory, School of Forestry, Oregon State University.

Biomass Residual – Sawmill Plants

Company	Location	Production (1,000 board feet per 8hr shift)	Biomass Residual Rate (Bone Dry Tons per 1,000 board feet)	Biomass Total Bone Dry Tons (per 8hr shift)
C& D Lumber	Riddle	250	1.264	316.0
Fremont Sawmill	Lakeview	150	1.264	189.6
Douglas County Forest Products	Roseburg	550	1.264	695.2
Herbert Lumber	Riddle	75	1.264	94.8
D.R. Johnson Lumber	Riddle	90	1.264	113.8
Roseburg Forest Products	Dillard	483	1.264	610.5
Rough & Ready Lumber	Cave Junction	120	1.264	151.7
	Dillard	266	1.264	66.2
South Coast Lumber	Brookings	150	1.264	189.6
Umpqua Lumber Company	Dillard	125	1.264	158
Sun Studs	Roseburg	140	1.264	177.0
Glide Lumber	Glide	288	1.264	364.0
Superior Lumber	Glendale	200	1.264	252.8
Boise Cascade	White City	75	1.264	94.8
Interfor Pacific	Gilchrist	74	1.264	93.5
JELD-WEN Thomas	Klamath Falls	58	1.264	126.4
Total		2,870	1.264	3,627.7
Annual Production (250 days/year)				
1 shift/day		717,500	1.264	906,920
2 shifts/day		1,435,000		1,813,840
3 shifts/day		2,152,500		2,720,760

Note: Mill operating rates vary with market conditions. Range from 1-3 8hr shifts per day

Source: Mill capacity rates taken from Random Lengths Big Book. Biomass residual conversion factors taken from Wood and Bark as Fuel, Stanley Corder-author, Forest Research Laboratory, School of Forestry, Oregon State University.

As mentioned previously, BOLP also received biomass as residual from logging activities supporting pulp mills (primarily slash at landings and debarking residues) and from forest stewardship programs (slash from thinning programs and forest floor cleanup initiatives). The

material that is procured from these in-woods operations at logging landing sites is processed by mobile chippers and tub grinders. BOLP contracts with a handful of local/regional contractors who operate such equipment and convert it into properly sized, useable biomass boiler fuel. In addition, BOLP operates its own fleet of three in-woods tub grinders staffed by employees who operate grinders as well as required support equipment (loaders, fire suppression equipment, tractor trailers, etc.)

As a supplement to the in-woods operations, BOLP's tub grinder teams also visit area landfills where they process clean, untreated urban wood waste and landscape debris into biomass boiler fuel. Over the last seventeen years, BOLP has averaged an annual recovery of more than 25,000 Bone Dry Tons from area landfills in the following counties:

- Jackson
- Josephine
- Douglas
- Klamath
- Lane

In addition, there is a sizeable volume of biomass generated from the following:

- Particleboard Plants
- Hardboard Plants
- MDF Plants
- Post and Pole Operations
- Door Plants
- Millwork Plants
- Pallet Manufacturing
- Cut Stock Manufacturing
- Chipping Operations

The biomass from these operations consists of trim ends, rejects, sawdust, shavings and peelings. The volume is not recorded and is difficult to estimate, but constitutes a significant volume contributing to overall market supplies. Some of this material arrives at BOLP sized appropriately for the boilers and ready-to-burn. Other material is processed at a company owned and operated Reprocessor facility located on an adjacent land plot. In addition to a stationary wood hog that processes biomass requiring size reduction for proper rendering into fuel, the Reprocessor also entails process trains that can handle problematic raw materials containing large volumes of contaminants such as steel, stone and dirt/sand. These non-hazardous non-combustibles are separated by automated process and recycled or disposed of in an environmentally acceptable manner.

BOLP sources more than 50% of its annual fuel requirements from mills/plants in the timber products and paper products industry, along with third party in-woods contractors. These independent sources have historically ranged in number from the high teens to low to mid thirties, depending on the year in question. BOLP anticipates working with over twenty suppliers in 2012 and beyond. The vast majority of these entities have had a supplier relationship with BOLP for more than ten years.

Over the course of its 25 year operating history, BOLP has adapted its fuel acquisition activities to address the market shifts that have arisen as a result of mill closings and production fluctuations that occur with supply and demand for building and paper products. BOLP has an array of third party suppliers and in-house resources that have proven able to meet annual fuel requirements through multiple industry cycles. Since 1991, BOLP has sourced annual volumes sufficient to meet its contractual obligations. BOLP has never failed to produce the annual volume of power deliveries expected by PacifiCorp due to an inability to source adequate volumes of biomass.

EXHIBIT J – 2

CERTIFICATION OF FUEL PLAN / MOTIVE FORCE



BIOMASS ONE

2350 Avenue G
White City, Oregon 97503
Office: 541-826-9422
Fax: 541-826-6186
www.biomassone.com

Exhibit J-2

Certification of Fuel Plan/Motive Force

- (1) BIOMASS ONE, L.P. HEREBY CERTIFIES THAT THE FUEL PLAN AND MOTIVE FORCE PLAN IN EXHIBIT J-1 ARE ACCURATE AND SUFFICIENT TO MEET GENERATION OBLIGATIONS DURING THE TERM OF THE AGREEMENT;

- (2) BIOMASS ONE, L.P. HEREBY CERTIFIES THAT THE AVERAGE ANNUAL NET OUTPUT ESTIMATE IS 223,400 MWH PER YEAR IN EACH FULL CALENDAR YEAR OF THIS AGREEMENT BASED ON THE MOTIVE FORCE PLAN IN EXHIBIT J-1.

EXHIBIT K

MONTHLY DELIVERY FORECAST FORM

[Note: Separate table to be provided for each week (or partial week) of the month]

Month _____ Week _____

Facility Output by Hour (MW)

Hour	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
0							
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							

EXHIBIT L

TRACKING ACCOUNT – LEVELIZATION SECURITY

1. Tracking Account. A notional tracking account (the "Tracking Account") shall be maintained by the Parties to track, for each Billing Period, the difference between the aggregate Energy Payment paid by PacifiCorp and the aggregate Reference Payment for such Billing Period.

2. Defined Terms. For purposes of this Exhibit L, the following terms shall have the following meanings:

"**Contract Price**" means, for On-Peak Hours in a particular Contract Year, the price set forth in the third column of Table 1 in Section 5.1.1 opposite such Contract Year and, for Off-Peak Hours in a particular Contract Year, the price set forth in the fourth column of Table 1 in Section 5.1.1 opposite such Contract Year.

"**Energy Payment**" means the sum of (i) the product of Net Output (which, for the avoidance of doubt, shall not include Excess Output and Inadvertent Energy) delivered during On-Peak Hours in the applicable Billing Period and the Contract Price for On-Peak Hours for such Billing Period and (ii) the product of Net Output (which, for the avoidance of doubt, shall not include Excess Output and Inadvertent Energy) delivered during Off-Peak Hours in the applicable Billing Period and the Contract Price for Off-Peak Hours for such Billing Period.

"**Reference Payment**" means the sum of (i) the product of Net Output (which, for the avoidance of doubt, shall not include Excess Output and Inadvertent Energy) delivered during On-Peak Hours in the applicable Billing Period and the Reference Price for On-Peak Hours for such Billing Period and (ii) the product of Net Output (which, for the avoidance of doubt, shall not include Excess Output and Inadvertent Energy) delivered during Off-Peak Hours in the applicable Billing Period and the Reference Price for Off-Peak Hours for such Billing Period.

"**Reference Price**" means, for On-Peak Hours in a particular Contract Year, the on-peak price set forth in Exhibit M opposite such Contract Year and, for Off-Peak Hours in a particular Contract Year, the off-peak price set forth in Exhibit M opposite such Contract Year.

3. Accruals to Tracking Account. If the Energy Payment for such Billing Period:

(a) is greater than the Reference Payment, then a positive amount shall accrue to the Tracking Account for such Billing Period

equal to the difference between the Energy Payment minus the Reference Payment;

(b) is equal to the Reference Payment, then no amount shall accrue to the Tracking Account for such Billing Period; and

(c) is less than the Reference Payment, then a negative amount shall accrue to the Tracking Account for such Billing Period equal to the difference between the Energy Payment minus the Reference Payment.

4. Interest. Any positive balance in the Tracking Account shall bear interest at a simple rate of interest equal to five percent (5%) per annum, compounded each Billing Period, from the date such amount accrued to the Tracking Account through and including the date the balance in the Tracking Account first equals zero. Interest shall be calculated based on a 365-day year and the actual number of days that have elapsed.

5. Adjustment to Energy Payment. From and after the first date on which the balance in the Tracking Account first reaches zero, the On-Peak Price (as defined in Section 5.1.1) and the Off-Peak Price (as defined in Section 5.1.1) shall be deemed to equal the applicable Reference Price for all purposes in this Agreement (including, for the avoidance of doubt, the calculation of Default Security, the calculation of On-Peak Price and Off-Peak Price in Section 5.1 and the calculation of PacifiCorp's Cost to Cover in Section 5.3), and no further amounts shall be accrued to the Tracking Account.

6. Make-Whole. At the end of the last Billing Period of the Term, the notional amount in the Tracking Account shall be calculated by Seller and reported to PacifiCorp, and if the Tracking Account balance is positive, Seller shall pay PacifiCorp such amount, and the invoice for the last Billing Period shall be adjusted accordingly.

7. Illustration. An illustration of the Tracking Account mechanism is attached as Schedule 1 to this Exhibit L. In the event of any conflict between such illustration and the provisions of this Exhibit L, the provisions of Exhibit L shall control.

Schedule 1 to Exhibit L

Tracking Account Example

Year	Month / Billing Pd	# Days	Contract Price		Reference Price		Contract Price minus Reference Price		Beginning Balance (\$)	Interest Accrual (days/365*.07)	Tracking Accrual On Peak (\$)	Tracking Accrual On Peak (\$)	Ending Balance (\$)	
			On-Peak Output (MWh)	Off-Peak Output (MWh)	On Peak (\$/MWh)	Off Peak (\$/MWh)	On Peak (\$/MWh)	Off Peak (\$/MWh)						On Peak (\$/MWh)
2012	Jan	31												
	Feb	28												
	Mar	31												
	Apr	30												
	May	31												
	Jun	30												
	Jul	31												
	Aug	31												
	Sep	30												
	Oct	31												
	Nov	30												
	Dec	31												
2013	Jan	31												
	Feb	28												
	Mar	31												
	Apr	30												
	May	31												
	Jun	30												

20
14

Jul	31
Aug	31
Sep	30
Oct	31
Nov	30
Dec	31
Jan	31
Feb	28
Mar	31
Apr	30
May	31
Jun	30
Jul	31
Aug	31
Sep	30
Oct	31
Nov	30
Dec	31

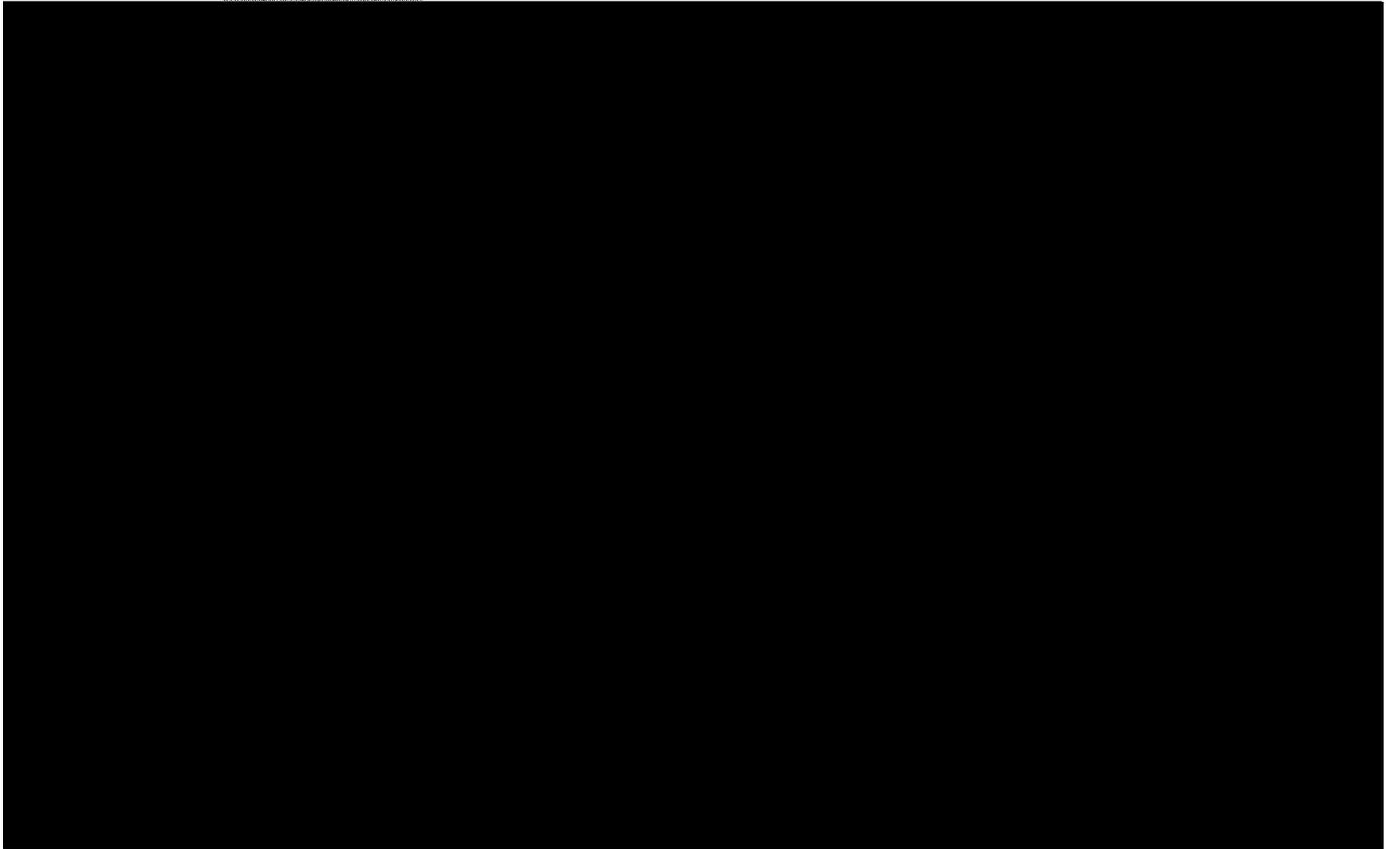


EXHIBIT M
REFERENCE PRICE

Year	On Peak	Off-Peak
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		

AMENDMENT TO POWER PURCHASE AGREEMENT

This AMENDMENT TO POWER PURCHASE AGREEMENT (this "Amendment"), dated as of March 6, 2012, is entered into by and between BIOMASS ONE, L.P., a Delaware Limited Partnership ("Seller"), and PACIFICORP (d/b/a Pacific Power & Light Company), an Oregon corporation ("PacifiCorp").

WHEREAS, Seller and PacifiCorp are parties to that certain Power Purchase Agreement, dated as of December 19, 2011 (the "PPA"); and

WHEREAS, Seller and PacifiCorp wish to amend the definition of Maximum GIA Delivery Rate in Exhibit A of the PPA.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendments. The PPA is hereby amended as follows:

(a) Exhibit A to the PPA is hereby deleted in its entirety and replaced by Attachment A hereto; and

(b) Exhibit D to the PPA is hereby deleted in its entirety and replaced by Attachment B hereto.

Section 2. Choice of Law. This Amendment shall be interpreted and enforced in accordance with the laws of the State of Oregon, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

Section 3. Counterparts. This Amendment may be executed in any number of counterparts and in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same instrument. Counterparts delivered by facsimile or in electronic PDF format shall be deemed to be originals.

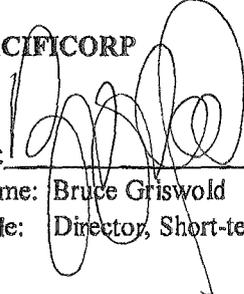
Section 4. Successors and Assigns. This Amendment and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

Section 5. Continuing Effectiveness of PPA. Except as expressly amended above, the PPA is and shall continue to be in full force and effect and is hereby ratified and confirmed in all respects.

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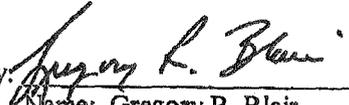
IN WITNESS WHEREOF, the Parties hereto have caused this
Amendment to be executed in their respective names as of the date first above written.

PACIFICORP

dc By: 
Name: Bruce Griswold
Title: Director, Short-term Origination

BIOMASS ONE, L.P.

By: National Public Energy, Inc.,
its Managing General Partner

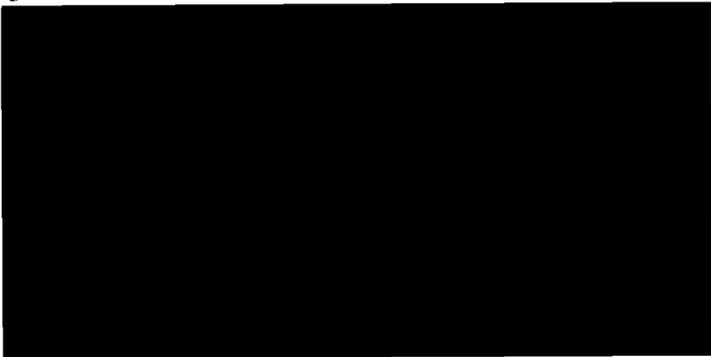
By: 
Name: Gregory R. Blair
Title: President

ATTACHMENT A

EXHIBIT A

DESCRIPTION OF SELLER'S FACILITY

Seller's Facility consists of two steam turbine generators manufactured by General Electric Company and one backup steam turbine generator manufactured by Brown Boveri (Information specific to the Brown Boveri backup unit is described in attached Exhibit A-1) . Information provided below pertains to the two General Electric units that are in service.

Type:	Synchronous
Model:	EN114110 (2)
Number of Phases:	3
Rated Output (MW):	
Rated Output (kVA):	
Rated Voltage (line to line)	
Rated Current (A):	
Maximum MW Output:	
kVA	
Minimum MW Output:	
Nameplate Capacity Rating:	
Maximum GIA Delivery Rate:	
Maximum Facility Delivery Rate	

Identify the maximum output of the generators and describe any differences between that output and the Nameplate Capacity Rating:

Maximum output of 35.0 MW varies from nameplate capacity because of the lack of heavy power factor correction from design versus LGIA required operating conditions.

Station service requirements, and other loads served by the Facility, if any, are described as follows:

Station power load is approximately 2.6 MW. This also includes the power requirements of the fuel processing facility on an adjacent parcel owned and operated by Seller.

Location of the Facility:

The facility is constructed in the vicinity of White City in Jackson County, Oregon. The location is more particularly described as follows:

Commencing at the corner common to Section 17, 18, 19 and 20, Township 36 South, Range 1 West of the Willamette Meridian in Jackson County, Oregon; thence South 89°

44' 30" East, 1075.12 feet to a 5/8" rebar with plastic cap; thence along the Northeasterly boundary of that tract described in Volume 526, Page 273 of the Deed Records of said County, South 58° 59' 35" East, 408.56 feet to a 5/8" rebar with plastic cap located at an angle point on said tract boundary; thence along said tract boundary, South 69° 41' 55" East, 9.49 feet to the Southwesterly corner of that parcel described in Instrument No. 78-21306 of the Official Records of said County; thence North 20° 31' 05" East, 312.57 feet to a lead plug with tack in a concrete ramp located at the Northwesterly corner of said parcel; thence along the Northeasterly boundary of said parcel, South 69° 53' 20" East, 411.75 feet to a 3/4" rebar located at the Southwesterly corner of that tract described in Instrument No. 82-02795 of said Official Records; thence North 19° 56' East, 1592.64 feet to a 3/4" rebar located at the Northwesterly corner of said tract; thence along the Southerly right-of-way line of Avenue 'G', North 89° 48' West, 379.28 feet to the true point of beginning; thence continue along said avenue line, North 89° 48' West, 558.43 feet to the Northeasterly corner of Medford Water Commission water tower reservoir parcel; thence South 20° 07' 20" West, 138.28 feet to the Southeasterly corner of said reservoir parcel; thence North 89° 48' West, 114.84 feet to the Southwesterly corner of said reservoir parcel; thence along the Southeasterly right-of-way line of Fifteenth Street, South 20° 06' 40" West, 56.00 feet; thence leaving said street line, South 69° 53' 20" East, 207.97 feet to intersect the Southeasterly boundary of that tract described in Instrument No. 78-01926 of said Official Records; thence along said tract boundary, South 20° 07' 20" West, 165.875 feet; thence South 69° 52' 40" East, 425.00 feet; thence North 20° 07' 20" East, 589.53 feet to the true point of beginning, containing 5.77 acres, more or less.

Power factor requirements:

Rated Power Factor (PF) or reactive load (kVAR):

Rated Power Factor = 80%, and Power factor requirements under the Generation Interconnection Agreement are +.95 to -.95.

Point of Delivery: The Facility is interconnected to PacifiCorp at the 115-kV transmission voltage level under existing interconnection arrangements, and the Point of Delivery will remain the same under the Generation Interconnection Agreement during the Term.

ATTACHMENT D

[Attached]

Exhibit D - Case I MOAF > 85%

Date	X																Net Monthly On-Peak Delivery Hours	Net Output, MWh				
	AM						PM						Hours									
	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9			Total Hours	MO	PO	C
Thursday, March 01, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
Friday, March 02, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
Saturday, March 03, 2012	22	PO	PO	PO	PO	16		15		1												
Sunday, March 04, 2012																						
Monday, March 05, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
Tuesday, March 06, 2012	PO	PO	PO	PO	PO	PO	12	24	28	27	27	27	27	24	18	20	16		6		10	
Wednesday, March 07, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
Thursday, March 08, 2012	MO	MO	MO	MO	12	15	28	27	26	27	28	27	24	27	26	27	16	4			12	
Friday, March 09, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
Saturday, March 10, 2012	27	27	27	27	27	26	24	24	27	26	27	27	27	24	24	28	16				16	
Sunday, March 11, 2012																						
Monday, March 12, 2012	27	27	27	27	27	26	24	24	27	26	27	27	27	24	24	28	16				16	
Tuesday, March 13, 2012	27	27	27	27	27	26	24	24	27	26	27	27	27	24	24	28	16				16	
Wednesday, March 14, 2012	27	27	27	27	27	26	24	24	27	26	27	27	27	24	24	28	16				16	
Thursday, March 15, 2012	27	27	27	27	27	26	24	24	27	26	27	27	27	24	24	28	16				16	
Friday, March 16, 2012	27	27	27	27	27	26	24	24	27	26	27	27	27	24	24	28	16				16	
Saturday, March 17, 2012	27	27	27	27	27	26	24	24	27	26	27	27	27	24	24	28	16				16	
Sunday, March 18, 2012																						
Monday, March 19, 2012	27	27	27	27	27	26	24	24	27	26	27	27	27	24	24	28	16				16	
Tuesday, March 20, 2012	27	27	27	27	27	26	24	24	27	26	27	27	27	24	24	28	16				16	
Wednesday, March 21, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
Thursday, March 22, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
Friday, March 23, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
Saturday, March 24, 2012	MO	MO	MO	MO	MO	MO	24	24	27	26	27	27	28	24	24	28	16	6			10	
Sunday, March 25, 2012																						
Monday, March 26, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
Tuesday, March 27, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
Wednesday, March 28, 2012	28	28	28	27	28	26	24	24	27	26	MO	MO	MO	25	24	27	16	3			13	
Thursday, March 29, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
Friday, March 30, 2012	28	28	28	27	28	26	24	24	27	26	21	C	C	C	24	21	16			3	16	
Saturday, March 31, 2012	28	28	28	27	28	26	24	24	27	26	27	27	28	24	24	28	16				16	
																	432	13	21	3	395	

Legend:

MO Maintenance Outage

PO Planned Outage

C Curtailment MWs determined per Section 6.3 - the actual average for the curtailment hours will be calculated at the time of any curtailment to be the average of the thirty days prior in accordance with the Agreement section 6.3

Assume curtailed hour MW in this example only: _____ MW

Monthly On-Peak Availability Factor ("MOAF") = equals (the total Net Output delivered during On-Peak Hours for a given Billing Period plus On-Peak Curtailed
 On-Peak Price = Off-Peak Price + (On-Peak Price - Off-peak Price) * (Monthly On-Peak Availability Factor/85%)

A Calculation

B Maximum Facility Delivery Rate:

C Contracted On-Peak Monthly Availability Factor:

D Net Output

Net Monthly On-Peak Delivery Hours

E

Monthly On-Peak Availability Factor "MOAF":

[redacted] MW	Per PPA Exhibit A
[redacted] MWh	Per PPA Section 4.7
[redacted] hours	Sum of Column Y above
	Sum of Column X above
[redacted]	C / (A * D)

MOAF > Contracted On-Peak Availability Factor, therefore On-Price is adjusted

F On-Peak Price = Off-Peak Price + (On-Peak Price - Off-peak Price) * (Monthly On-Peak Availability Factor / 85%)

[redacted] per MWh

where:

On-Peak for 2012 per Section 5.1.1
 Off-Peak for 2012 per Section 5.1.1

[redacted] per MWh
 [redacted] per MWh

Exhibit D - Case 2 MOAF < 85%

Date	X																		Total Hours	Hours			Net Monthly On-Peak Delivery Hours	Net Output, MWh
	AM						PM						MO	PO	C									
	6	7	8	9	10	11	12	1	2	3	4	5				6	7	8		9				
Thursday, March 01, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16				16		
Friday, March 02, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16				16		
Saturday, March 03, 2012	22	PO	16		15		1																	
Sunday, March 04, 2012																								
Monday, March 05, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16				16		
Tuesday, March 06, 2012	PO	PO	PO	PO	PO	PO	12	16	24	24	23	24	24	24	18	20	16		6			10		
Wednesday, March 07, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16				16		
Thursday, March 08, 2012	MO	MO	MO	MO	12	15	24	24	16	24	24	23	24	24	16	23	16	4				12		
Friday, March 09, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Saturday, March 10, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Sunday, March 11, 2012																								
Monday, March 12, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Tuesday, March 13, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Wednesday, March 14, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Thursday, March 15, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Friday, March 16, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Saturday, March 17, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Sunday, March 18, 2012																								
Monday, March 19, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Tuesday, March 20, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Wednesday, March 21, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Thursday, March 22, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Friday, March 23, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Saturday, March 24, 2012	MO	MO	MO	MO	MO	MO	24	24	24	24	24	24	24	24	24	24	16	6				10		
Sunday, March 25, 2012																								
Monday, March 26, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Tuesday, March 27, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Wednesday, March 28, 2012	24	24	24	24	24	24	24	24	24	24	MO	MO	MO	24	16	24	16	3				13		
Thursday, March 29, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
Friday, March 30, 2012	24	24	24	24	24	24	24	24	24	24	21	C	C	C	24	21	16			3		13		
Saturday, March 31, 2012	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	16					16		
																	432	13	21	3		395		

Legend:

MO Maintenance Outage

PO Planned Outage

C Curtailment MWs determined per Section 6.3 - the actual average for the curtailment hours will be calculated at the time of any curtailment to be the average of the thirty days prior in accordance with the Agreement section 6.3

Assume curtailed hour MW in this example only: MW

Monthly On-Peak Availability Factor ("MOAF") = equals (the total Net Output delivered during On-Peak Hours for a given Billing Period plus On-Peak Curtailed Energy during such Billing Period) divided by (the product of the Maximum Facility Delivery Rate and the Net Monthly On-Peak Delivery Hours for such Billing Period), expressed as a percentage.

$$\text{On-Peak Price} = \text{Off-Peak Price} + (\text{On-Peak Price} - \text{Off-peak Price}) * (\text{Monthly On-Peak Availability Factor}/85\%)$$

Calculation

A Maximum Facility Delivery Rate:

B Contracted On-Peak Monthly Availability Factor:

C Net Output

D Net Monthly On-Peak Delivery Hours

E Monthly On-Peak Availability Factor "MOAF":

		MW	Per PPA Exhibit A
			Per PPA Section 4.7
		MWh	Sum of Column Y above
		hours	Sum of Column X above
			C / (A * D)

MOAF > Contracted On-Peak Availability Factor, therefore On-Price is adjusted

F On-Peak Price = Off-Peak Price + (On-Peak Price - Off-peak Price) * (Monthly On-Peak Availability Factor / 85%)

where:

 per MWh

On-Peak for 2012 per Section 5.1.1
 Off-Peak for 2012 per Section 5.1.1

 per MWh
 per MWh

Exhibit D - Case 3 MOAF < 80%

Date	X																		Net Monthly On-Peak Delivery Hours	Net Output, MWh			
	AM						PM						Hours										
	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	Total Hours	MO			PO	C	
Thursday, March 01, 2012	20	20	20	22	20	24	24	22	22	16	22	22	20	16	22	20	16				16		
Friday, March 02, 2012	20	20	20	22	20	24	24	22	22	16	22	22	20	16	22	20	16				16		
Saturday, March 03, 2012	22	PO	PO	PO	PO	16		15		1													
Sunday, March 04, 2012																							
Monday, March 05, 2012	20	20	20	22	20	24	24	22	22	24	22	22	20	16	22	20	16				16		
Tuesday, March 06, 2012	PO	PO	PO	PO	PO	PO	12	16	20	22	22	22	22	18	22	20	16		6		10		
Wednesday, March 07, 2012	20	20	20	22	20	24	24	22	22	24	22	22	20	16	22	20	16				16		
Thursday, March 08, 2012	MO	MO	MO	MO	12	15	20	22	16	22	20	22	22	16	22	16	16	4			12		
Friday, March 09, 2012	20	20	20	22	20	24	24	22	22	24	22	22	20	16	22	20	16				16		
Saturday, March 10, 2012	22	22	22	22	22	24	24	22	22	24	22	22	22	16	22	20	16				16		
Sunday, March 11, 2012																							
Monday, March 12, 2012	22	22	22	22	22	24	24	22	22	24	22	22	22	16	22	20	16				16		
Tuesday, March 13, 2012	22	22	22	22	22	24	24	22	22	24	22	22	22	16	22	20	16				16		
Wednesday, March 14, 2012	22	22	22	22	22	24	24	22	22	24	22	22	22	16	22	20	16				16		
Thursday, March 15, 2012	22	22	22	22	22	24	24	22	22	24	22	22	22	16	22	20	16				16		
Friday, March 16, 2012	22	22	22	22	22	24	24	22	22	24	22	22	22	16	22	20	16				16		
Saturday, March 17, 2012	22	22	22	22	22	24	24	22	22	24	22	22	22	16	22	20	16				16		
Sunday, March 18, 2012																							
Monday, March 19, 2012	22	22	22	22	22	24	24	22	22	24	22	22	22	16	22	20	16				16		
Tuesday, March 20, 2012	22	22	22	22	22	24	24	22	22	24	22	22	22	16	22	20	16				16		
Wednesday, March 21, 2012	20	20	20	22	20	24	24	22	22	24	22	22	20	16	22	20	16				16		
Thursday, March 22, 2012	20	20	20	22	20	24	24	22	22	24	22	22	20	16	22	20	16				16		
Friday, March 23, 2012	20	20	20	22	20	24	24	22	22	24	22	22	20	16	22	20	16				16		
Saturday, March 24, 2012	MO	MO	MO	MO	MO	MO	24	22	22	24	22	22	20	16	22	20	16	6			10		
Sunday, March 25, 2012																							
Monday, March 26, 2012	20	20	20	22	20	24	24	22	22	24	22	22	20	16	22	20	16				16		
Tuesday, March 27, 2012	20	20	20	22	20	24	24	22	22	24	22	22	20	16	22	20	16				16		
Wednesday, March 28, 2012	20	20	20	22	20	24	24	22	22	24	MO	MO	MO	22	16	22	16	3			13		
Thursday, March 29, 2012	20	20	20	22	20	24	24	22	22	24	22	22	20	16	22	20	16				16		
Friday, March 30, 2012	20	20	20	22	20	24	24	22	22	24	21	C	C	C	22	21	16			3	13		
Saturday, March 31, 2012	20	20	20	22	20	24	24	22	22	24	22	22	20	16	22	20	16				16		
																		432	13	21	3	395	

Legend:

MO Maintenance Outage

PO Planned Outage

C Curtailment MWs determined per Section 6.3 - the actual average for the curtailment hours will be calculated at the time of any curtailment to be the average of the thirty days prior in accordance with the Agreement section 6.3

Assume curtailed hour MW in this example only: MW

Monthly On-Peak Availability Factor ("MOAF") = equals (the total Net Output delivered during On-Peak Hours for a given Billing Period plus On-Peak Curtailed
 On-Peak Price = Off-Peak Price + (On-Peak Price - Off-peak Price) * (Monthly On-Peak Availability Factor/85%)

A Calculation

B Maximum Facility Delivery Rate:

C Contracted On-Peak Monthly Availability Factor:

D Net Output

Net Monthly On-Peak Delivery Hours

E

Monthly On-Peak Availability Factor "MOAF":

MW	Per PPA Exhibit A
MWh	Per PPA Section 4.7
hours	Sum of Column Y above
	Sum of Column X above
	C / (A * D)

MOAF > Contracted On-Peak Availability Factor, therefore On-Price is adjusted

F On-Peak Price = Off-Peak Price + (On-Peak Price - Off-peak Price) * (Monthly On-Peak Availability Factor / 85%)

per MWh

where:

On-Peak for 2012 per Section 5.1.1

per MWh

Off-Peak for 2012 per Section 5.1.1

per MWh

G

"Output Shortfall" (MWh) = Net Monthly On-Peak Delivery Obligation minus On-Peak Net Output

Net Monthly On-Peak Delivery Obligation

Output Shortfall

A * B * D