BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program.	Rulemaking 11-05-005 (Filed May 5, 2011)

PACIFICORP'S (U 901-E) FINAL AND AMENDED 2013 INTEGRATED RESOURCE PLAN ON-YEAR SUPPLEMENT

Etta Lockey
PacifiCorp
825 NE Multnomah, Suite 1800
Portland, OR 97232
Telephone: 503-813-5058
Facsimile: 503-813-7252
Email: etta.lockey@pacificorp.com

Attorney for PacifiCorp

Date: November 25, 2013

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Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program.	Rulemaking 11-05-005 (Filed May 5, 2011)

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Pursuant to the *Decision Conditionally Accepting 2013 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan and On-Year Supplement* (Decision), PacifiCorp, d/b/a Pacific Power (PacifiCorp or Company) (U 901-E) respectfully submits this Final 2013 Integrated Resource Plan On-Year Supplement (Final 2013 IRP On-Year Supplement). PacifiCorp filed its 2013 Integrated Resource Plan (2013 IRP) on April 30, 2013; for ease of reference a link to PacifiCorp's 2013 IRP is provided here: http://www.pacificorp.com/es/irp.html. Subsequently, PacifiCorp filed its 2013 Integrated Resource Plan On-Year Supplement (2013 IRP On-Year Supplement) on May 30, 2013.

The Company's 2013 IRP On-Year Supplement contained a general description of the Company's plan to issue a California-specific Request for Proposals (RFP) for renewable energy credits (REC). In the Decision, the Commission directed the Company "[o]n or before 14 days of the mailing date of [the Decision] pursuant to the Renewables Portfolio Standard solicitation adopted herein, PacifiCorp shall file an amended On-Year Supplement that includes information regarding its planned unbundled Renewable Energy Credit solicitation, including a pro forma

contract."[1] In compliance with the Commission's direction in the Decision, the Company now provides the following:

- Attachment A: PacifiCorp's Final and Amended 2013 IRP On-Year Supplement;
- Attachment B: PacifiCorp's Final and Amended 2013 IRP On-Year Supplement showing, in underline, the insertions the Company made to the original 2013 IRP On-Year Supplement in response to the Decision; and
- Attachment C: PacifiCorp's Pro Forma Renewable Energy Credit Purchase and Sale Agreement.

The Company appreciates this opportunity to provide the Commission with additional information related to its 2013 IRP On-Year Supplement.

Respectfully submitted November 25, 2013, at San Francisco, California.

By _____
Etta Lockey

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Facsimile: 503-813-7252
email: etta.lockey@pacificorp.com

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[1] *Decision Conditionally Accepting 2013 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan and On-Year Supplement*, D.13-11-024, R.11-05-005 at Ordering Paragraph 27 (Nov. 20, 2013).

VERIFICATION

I am the Senior Vice President of the Commercial and Trading department of the respondent corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 25, 2013 at Portland, Oregon.

Stefan Bird
Senior Vice President, Commercial and Trading

ATTACHMENT A

PACIFICORP'S FINAL AND AMENDED 2013 INTEGRATED RESOURCE PLAN

ON-YEAR SUPPLEMENT

PACIFICORP'S FINAL AND AMENDED 2013 INTEGRATED RESOURCE PLAN ON-YEAR SUPPLEMENT

1. Introduction

The following sets forth the supplementary material needed to meet the requirements set forth in Pub. Util. Code § 399.17(d) and the *Assigned Commissioner's Ruling Identifying Issues and Schedule of Review for 2013 Renewables Portfolio Standard Procurement Plans Pursuant to Public Utilities Code Section 399.11 Et Seq. and Requesting Comments on A New Proposal,* issued May 10, 2013 (Ruling). This includes the requirements of §§ 399.13, 399.14, and 399.25. To the extent not included below, the required material is found in PacifiCorp's 2013 integrated resource plan (2013 IRP).[2]

2. Transmission Planning

The Company is a member of the Northern Tier Transmission Group (NTTG), the planning entity through which the Company demonstrates compliance with the regional planning requirements of FERC Order No. 890. NTTG is currently working on the 2012-2013 Biennial Transmission Plan that provides a regional perspective on the incremental transmission required to efficiently meet the growing load and resource needs of the region. The report is based on a roll-up of each NTTG transmission provider's local transmission plan, and generation assumptions including resources necessary to meet all applicable state renewable portfolio standards (RPS), including California's 33%-by-2020 standard. Associated with this is the ongoing regional and interregional development of the Order No. 1000 Attachment K Tariff filings. PacifiCorp filed its regional compliance filing with the FERC on October 10, 2012 and the interregional filing on May 10, 2013 that outlines interregional coordination of transmission plans and cost allocation.[3]

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[2] The 2013 IRP was filed in this docket on April 30, 2013 and is also available on PacifiCorp's website at: http://www.pacificorp.com/es/irp.html.

[3] FERC Docket No.s ER13-64 and ER13-1449, respectively.

PacifiCorp's Energy Gateway transmission projects, included in the Company's 2013 IRP, in NTTG's regional transmission plan and in the Western Electricity Coordinating Council's 2022 long-term ten-year transmission plan, play an important role in the Company's commitment to provide safe, reliable, reasonably priced electricity to meet the needs of customers. Energy Gateway's design and extensive footprint provides needed system reliability improvements and supports the development of a diverse range of cost-effective resources required for meeting customers' energy needs, including needs driven by California and other states' RPS requirements.

The first major segment of Energy Gateway – Populus to Terminal – was placed into service in November 2010, and the second major segment – Mona to Oquirrh – was placed into service in May 2013. The federal permit for Sigurd to Red Butte was issued December 7, 2012, the Certificate of Public Convenience and Necessity was issued by the Utah Public Service Commission on March 15, 2013 and construction activities began in April 2013 with a projected completion date of June 2015. Outreach, siting and permitting processes continue for additional transmission segments, including Gateway West and Gateway South. On April 26, 2013, the Bureau of Land Management published the Final Environmental Impact Statement for the Gateway West project in the Federal Register and a record of decision is expected in late 2013. The Energy Gateway projects are necessary to reliably move network resources to network loads as described in PacifiCorp's 2013 IRP. See Chapters 4 and 9 of PacifiCorp's 2013 IRP, for detailed background, status and schedule information for the Energy Gateway expansion plan.

3. RPS Portfolio Assessment

Detailed information regarding PacifiCorp's modeling and resource portfolio assessment process is found in Chapters 5 through 8 of the 2013 IRP. In order to develop the optimal mix of renewable energy PacifiCorp includes a variety of RPS-compliant resources in a capacity expansion optimization model. These include wind, geothermal, biomass (utility scale and distributed facilities), and several solar technologies. Each eligible renewable resource is assigned a capacity planning factor representing the percentage of installed capacity assumed to be available to serve annual peak loads. The capacity expansion optimization model accounts for the capacity planning factor in determining the least-cost portfolio that meets capacity and

energy requirements and other optimization constraints. Incremental transmission and interconnection costs, as well as system integration costs for wind, are factored into the resource characterizations. As a base assumption, the federal renewable production tax credit expires December 31, 2014, although PacifiCorp conducted a sensitivity analysis to determine the resource selection impact of an extension to 2022.

In addition, the Company intends to issue a California only RFP for tradable RECs in 2013 to potentially procure tradable RECs to meet California RPS compliance. Because PacifiCorp is not subject to the RPS portfolio content category limitations, PacifiCorp is not limited with regard to the quantity of tradable RECs that may be used to satisfy PacifiCorp's compliance obligations.

4. Resource Development Status Update

Table 2 provides a status update on the development schedule of resources reported in the 2011 IRP Off-Year Supplement filed in July 2012, summarizes the status of current projects that were recently executed, are operational, and where PacifiCorp receives the energy and the RECs as well as current contracts that are in development or currently under construction. Currently, all of the projects under contract but not yet generating are between PacifiCorp and qualifying facilities (QFs) under the Public Utility Regulatory Policies Act (PURPA).

Table 2: QF Contracts

Technology Type	State	Estimated Annual Production (MWhs)	Estimated Commercial Operation Date	Status
Wind	ID	109,000	December 2012	Contract operational
Wind	ID	238,500	December 2012	Contract operational
Wind	WY	201,000	December 2012	Contract terminated
Wind	WY	293	March 2013	Contract operational
Hydro	ID	3,210	November 2013	Contract executed – project under construction

In addition to the above-listed projects, PacifiCorp plans to procure and use tradable RECs for California RPS compliance as needed, consistent with the conditions set forth in D. 11-01-025. In 2012, PacifiCorp did not issue a RFP to solicit bids for the purchase of tradable RECs to meet

PacifiCorp's California RPS compliance obligations due to absence of near-term need because the Company executed a new QF agreement in April 2012. This QF agreement was for the purchase of energy and RECs from a qualified renewable energy resource through June 2018. Consistent with the 2013 IRP, the Company plans to issue, on a minimum annual basis, RFPs to solicit offers of tradable RECs eligible for California RPS compliance (see Chapter 9 Action Plan p.243).

PacifiCorp will issue an RFP seeking proposals from parties interested in providing firm RECs that qualify for compliance with the California RPS. PacifiCorp's goal in issuing the RFP is to acquire unbundled RECs at competitive prices to enable PacifiCorp to meet its RPS requirement. Offers to PacifiCorp must include RECs that are sourced from facilities already certified by the California Energy Commission (CEC), tracked in the Western Renewable Energy Generation Information System (WREGIS) and generated in the Western Electricity Coordinating Council's (WECC) territory.

PacifiCorp will evaluate bids based on assessment of the merits of proposals with regard to meeting its need. Each proposal will be evaluated based on its compliance with the RFP and according to the following information:

- REC Price
- REC Quantity
- Firm offer to sell RECs
- REC Delivery Term of proposed contract
- WREGIS account holder status
- Financial viability of Bidder
- Reliability of REC supply and delivery
- CEC certification for the generation facility(ies)
- References/experience

All proposals will be required to be delivered within 10 business days of RFP issuance date. Within 10 business days of receipt of all RFP proposals, PacifiCorp will complete evaluation and selection, if any, and commence contract negotiations.

5. Potential Compliance Delays – Risk of Failure to Build or of Construction Delay

PacifiCorp does not anticipate significant potential compliance delays. Because the renewable portfolio product content category limitations do not apply to PacifiCorp, PacifiCorp may meet its California RPS compliance shortfall by purchasing tradable RECs. As such, the single most significant potential compliance delay has to do with the viability of the tradable REC market in the western region. PacifiCorp's assessment of the viability of the market has led PacifiCorp to believe that it is unlikely that it will be unable to purchase sufficient tradable RECs to cover its California RPS compliance obligations through at least 2022. Therefore, other potential compliance delays such as transmission availability, etc., associated with purchased or constructed and owned eligible renewable resources are unlikely to have a significant impact on PacifiCorp's net short position.

This is also true with respect to compliance delays caused by failure to build or construction delays. However, these risks are included in PacifiCorp's resource acquisition and procurement decision process. This, in addition to PacifiCorp's previously discussed ability to procure tradable RECs, significantly reduces the risk of failure to build or construction delay and the impact of such to affect PacifiCorp's net short position. If PacifiCorp does not receive sufficient market depth to fulfill its compliance requirements with tradable RECs then PacifiCorp would consider issuing an additional RFP for renewable resources to fulfill its compliance requirement in California.

6. Quantitative Analysis and Renewable Net Short Position

In its 2013 IRP, PacifiCorp analyzed its RPS compliance position for all states with an RPS program, including California. See Chaper 7 (p. 186-187) and Chapter 8 (p.232) of the 2013 IRP. In addition, PacifiCorp assesses its California RPS compliance position or renewable net short position in the context of periodic compliance filings and reports. PacifiCorp submitted its

2011 Preliminary Annual 33% Renewables Portfolio Standard Progress report on December 28, 2012 (December 2012 RPS Progress Report) that included an assessment of PacifiCorp's compliance position. The report was based on PacifiCorp's California retail sales for a 10-year period, 2011 (actual), 2012 through 2020 (forecast). Compliance requirements were assessed based on the Commission established annual percentage targets for each compliance period. PacifiCorp used a deterministic approach in evaluating the renewable resources and contracts that currently are certified by the California Energy Commission (CEC) as eligible for the California RPS program. The contributing renewable generation is based on the Company's generation forecast from each owned facility or the expected generation output from the executed contract and allocated to California consistent with the Company's cost allocation methodology. Additionally, the following assumptions were made in conducting the analysis: 1) any generation from re-contracting or extension of generation was not assumed beyond the useful life of a resource; 2) contracts that have not been executed were not included; 3) generation from any projects not online or any reduction in generation for forecast variability or failure rate were not included. The calculation assesses the amount of surplus/deficit by year and by compliance period.

This methodology, reflected in PacifiCorp's December 2012 RPS Progress Report, identified RPS compliance requirements and "net short" position. In addition, the December 2012 RPS Progress Report shows the incremental need for each compliance period to reach the 33% of retail load compliance requirement. As discussed above, PacifiCorp proposes to meet its near and long-term needs through the purchase of tradable RECs, as needed. As discussed in prior sections of Attachment A, PacifiCorp does not anticipate significant risks associated with its ability to achieve the required compliance targets. PacifiCorp has included this renewable "net short" assessment in its IRP process. PacifiCorp continues to reassess it California compliance need and strategy on an ongoing basis.

7. Application to Construct, Own and Operate Eligible Renewable Resource

Section 399.14 sets forth the requirements for an application by an electrical corporation to construct, own, and operate an eligible renewable energy resource. PacifiCorp is only required to follow these requirements to the extent it intends to allocate one hundred percent of the

resource to its California customers. See SMJU decision D08-05-029 Section 3.4.2.1.3. In the event PacifiCorp is required to set forth such an application, it will comply with the requirements set out in § 399.14.

8. California Energy Commission Certification

Section 399.25 directs the California Energy Commission (CEC) to certify eligible renewable resources and design a system for tracking and verifying renewable energy and renewable energy credits. PacifiCorp is using CEC certified renewable resources to meet its RPS requirement for the California RPS program. PacifiCorp participates in the Western Renewable Energy Generation Information System (WREGIS) to track the renewable energy and renewable energy credits that it uses for the California Renewables Portfolio Standard program. PacifiCorp has also submitted to the CEC its RPS Procurement Reports as outlined in the specific CEC Renewable Energy Guidebooks. The CEC has verified PacifiCorp's 2007 RPS Procurement Report and is in the process of verifying the 2008, 2009, and 2010 RPS Procurement Reports

ATTACHMENT B

PACIFICORP'S FINAL AND AMENDED 2013 INTEGRATED RESOURCE PLAN

ON-YEAR SUPPLEMENT (REDLINE)

PACIFICORP'S FINAL AND AMENDED 2013 INTEGRATED RESOURCE PLAN

ON-YEAR SUPPLEMENT

(Insertions indicated in underline)

1. Introduction

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ATTACHMENT C

PACIFICORP'S PRO FORMA

RENEWABLE ENERGY CREDIT PURCHASE AND SALE AGREEMENT

THIS WORKING DRAFT DOES NOT CONSTITUTE A BINDING OFFER, SHALL NOT FORM THE BASIS FOR AN AGREEMENT BY ESTOPPEL OR OTHERWISE, AND IS CONDITIONED UPON EACH PARTY'S RECEIPT OF ALL REQUIRED MANAGEMENT APPROVALS (INCLUDING FINAL CREDIT AND LEGAL APPROVAL) AND ALL REGULATORY APPROVALS. ANY ACTIONS TAKEN BY A PARTY IN RELIANCE ON THE TERMS SET FORTH IN THIS WORKING DRAFT OR ON STATEMENTS MADE DURING NEGOTIATIONS PURSUANT TO THIS WORKING DRAFT SHALL BE AT THAT PARTY'S OWN RISK. UNTIL THIS AGREEMENT IS NEGOTIATED, APPROVED BY MANAGEMENT, EXECUTED, DELIVERED AND APPROVED BY ALL REQUIRED REGULATORY BODIES, NO PARTY SHALL HAVE ANY OTHER LEGAL OBLIGATIONS, EXPRESSED OR IMPLIED, OR ARISING IN ANY OTHER MANNER UNDER THIS WORKING DRAFT OR IN THE COURSE OF NEGOTIATIONS.

RENEWABLE ENERGY CREDIT PURCHASE AND SALE AGREEMENT

between

PacifiCorp, acting in its merchant function capacity
("PacifiCorp")

and

_____
("Seller")

RENEWABLE ENERGY CREDIT
PURCHASE AND SALE AGREEMENT

This Renewable Energy Credit Purchase and Sale Agreement (this "Agreement"), together with the appendices and any other attachments referenced herein, is made and entered into this __ day of _____, 201_ (the "Execution Date"), by and between PacifiCorp, an Oregon corporation acting in its merchant function capacity ("PacifiCorp" or "Buyer"), and _____ ("Seller"). PacifiCorp and Seller hereby agree to the following:

ARTICLE ONE: DEFINITIONS

1.1 "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.

1.2 "Bankrupt" means with respect to any entity, such entity that (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it and such case filed against it is not dismissed in ninety (90) days, (b) makes an assignment or any general arrangement for the benefit of creditors, (c) otherwise becomes bankrupt or insolvent (however evidenced), (d) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (e) is generally unable to pay its debts as they fall due.

1.3 "Business Day" means any day on which banks in Portland, Oregon are not authorized or required by Law to be closed, beginning at 6:00 a.m. and ending at 5:00 p.m. local time in Oregon.

1.4 "CAISO" means the California Independent System Operator Corporation or any successor entity performing similar functions.

1.5 "California Renewables Portfolio Standard" means the renewable energy program and policies established by California State Senate Bills 1038 and 1078 as amended by Senate Bill SB1X, and codified in California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

1.6 "CAMD" means the Clean Air Markets Division of the Environmental Protection Agency or successor administrator, or any state or federal entity given jurisdiction over a program involving transferability of Green Tags.

1.7 "CEC" means the California Energy Commission or any successor agency.

1.8 "CEC Certification and Verification" means that the CEC has certified that the Project is an ERR and eligible for purposes of the California Renewables Portfolio Standard and that all energy produced by the Project qualifies as generation from an ERR, and such certification is effective, for purposes of compliance with the California Renewables Portfolio Standard.

1.9 "CEC Eligibility Guidelines" means the guidebook issued by the CEC on Renewables Portfolio Standard Eligibility, as may be amended or modified from time to time, or such successor document issued by the CEC to establish the eligibility of a generating facility to produce RECs for the purpose of compliance with the California Renewables Portfolio Standard.

1.10 "Conditions Precedent" is defined in Section 6.1.

1.11 "Contract Price" means the price in U.S. Dollars ($U.S.) to be paid by PacifiCorp to Seller for the purchase of the Product, as specified in Section 2.4(a).

1.12 "Contract Quantity" means the quantity of Product, measured by RECs Delivered, in the Vintage Year and for the corresponding Contract Year, as designated in the chart shown in Section 2.4(a).

1.13 "Contract Year" means a period of twelve (12) consecutive calendar months beginning on January 1 and ending on December 31.

1.14 "Costs" means, with respect to the Non-Defaulting Party, (a) brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party in entering into new arrangements which replace a Terminated Transaction; and (b) all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

1.15 "CPUC" means the California Public Utilities Commission, or any successor entity.

1.16 "CPUC Approval" means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

(a) approves this Agreement in its entirety, including payments to be made by PacifiCorp, subject to CPUC review of PacifiCorp's administration of the Agreement; and

(b) finds that any procurement pursuant to this Agreement is procurement of Renewable Energy Credits that conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation, for purposes of determining

PacifiCorp's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 *et seq.*), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

1.17 "Credit Rating" means, as of any date, a senior, unsecured long-term debt rating (or corporate rating if a such debt rating is not available) of (x) BBB- or greater from S&P, or (y) Baa3 or greater from Moody's, provided if (x) or (y) is not available, an equivalent rating as determined by PacifiCorp through an internal process review and utilizing a proprietary credit scoring model developed in conjunction with a third party.

1.18 "Credit Support" means the amount of Credit Support Security, if any, and subject to Article 4, that is required by PacifiCorp.

1.19 "Credit Support Security" means a guaranty, Letter of Credit or Cash Escrow provided pursuant to Article 4.

1.20 "Defaulting Party" means the Party that is subject to an Event of Default.

1.21 "Deficiency Damages" means an amount equal to the product of (i) and (ii) where (i) is the difference obtained by subtracting the amount of Product Delivered from the Contract Quantity and (ii) is the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price.

1.22 "Deliver", "Delivered", "Delivering" or "Delivery" means the transfer of Product from Seller to PacifiCorp by Seller's delivery to PacifiCorp of a WREGIS Certificate and shall be deemed to be Delivered upon deposit or transfer of the WREGIS Certificate into PacifiCorp's WREGIS Account.

1.23 "Delivery Date" means each date upon which a WREGIS Certificate representing the Product is Delivered by Seller to PacifiCorp and received by PacifiCorp into PacifiCorp's WREGIS Account.

1.24 "Delivery Term" means the period of time beginning on the Initial Delivery Date and continuing until the later of _____ years or all of the Product in the amount identified in the chart in Section 2.4(a) has been Delivered by Seller to PacifiCorp, unless this Agreement is terminated earlier as provided by the terms hereof.

1.25 "Delivery Term Security" means the Performance Assurance that Seller is required to maintain, as specified in Article 4, to secure performance of its obligations during the Delivery Term.

1.26 "Delivery Term Security Posting Date" is _____.

1.27 "Early Termination Date" is defined in Section 5.2.

1.28 "Effective Date" means the date on which all of the Conditions Precedent set forth in Section 6.1 have been satisfied or waived in writing by both Parties.

1.29 "Eligible Renewable Energy Resource" or "ERR" is defined in California Public Utilities Code Section 399.12 and California Public Resources Code Section 25741, as either code provision is amended or supplemented from time to time.

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

1.31 "Event of Default" is defined in Section 5.1.

1.32 "Execution Date" means the latest signature date found on the signature page of this Agreement.

1.33 "FERC" means the Federal Energy Regulatory Commission or any successor government agency.

1.34 "Force Majeure" or "an event of Force Majeure" means an event that (a) is not reasonably anticipated as of the date hereof, (b) is not within the reasonable control of the Party affected by the event, (c) is not the result of such Party's negligence or failure to act, and (d) could not be overcome by the affected Party's use of due diligence in the circumstances. Force Majeure includes, but is not restricted to, events of the following types (but only to the extent that such an event, in consideration of the circumstances, satisfies the tests set forth in the preceding sentence): acts of God; fire; explosion; civil disturbance; sabotage; action or restraint by court order or public or government authority (as long as the affected Party has not applied for or assisted in the application for, and has opposed to the extent reasonable, such court or government action). Notwithstanding the foregoing, none of the following constitute Force Majeure: (i) Seller's ability to sell, or PacifiCorp's ability to purchase, energy or Green Tags at a more advantageous price than is provided hereunder; (ii) the cost or availability or unavailability of fuel, wind or motive force to operate the Project; (iii) economic hardship, including lack of money; (iv) any breakdown or malfunction of Project equipment (including any serial equipment defect) that is not directly caused by an independent event of Force Majeure, (v) the imposition upon a Party of costs or taxes allocated to such Party, (vi) delay or failure of Seller to perform any obligation, (vii) anything having to do with delay, alleged breach of contract, or failure by the transmission provider, network service provider or interconnection provider; (viii) maintenance upgrade or repair of any facilities or right of way corridors (except for repairs made necessary as a direct result of an event of Force Majeure); or (ix) Seller's failure to obtain, or perform under, its contracts and obligations. Notwithstanding anything to the contrary herein, in no event will the increased cost of electricity, steel, labor, or transportation constitute an event of Force Majeure.

1.35 "Gains" means with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of the Transaction for the remaining Delivery Term, determined in a commercially reasonable manner, subject to Section 5.3. Factors used in determining economic benefit may include, without limitation, reference to information either available to it internally or supplied by one or more third parties, including, without limitation, quotations (either firm or indicative) of relevant prices or other relevant market data in the relevant markets, market prices for a comparable transaction, all of which should be calculated for the remaining Delivery Term to determine the value of the Product.

1.36 "Governmental Approval" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any governmental entity and shall include those siting and operating permits and licenses, and any of the foregoing under any applicable environmental Law, that are required for the construction, use and operation of the Project.

1.37 "Governmental Authority" means any supranational, 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.

1.38 "Green Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to RECs, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;[1] (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Buyer to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Buyer's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the Project

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[1] Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project. **[STC 2, RECs and Green Attributes, Non-Modifiable.]** Green Attributes also do not include (a) matters designated by PacifiCorp as sources of liability or (b) adverse wildlife or environmental impacts.

1.39 "Ineligible Product Determination" is defined in Section 2.8(b).

1.40 "Initial Delivery Date" means the first date that Seller Delivers Product to PacifiCorp from the Project pursuant to this Agreement and shall occur within ten (10) Business Days following notice from PacifiCorp to Seller that all of the applicable Conditions Precedent in Article 6 of the Agreement have been satisfied or waived in writing.

1.41 "JAMS" means JAMS, Inc. or its successor entity, a judicial arbitration and mediation service.

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

1.43 "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) is issued by a Qualifying Institution;

(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;

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

(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;

(5) permits PacifiCorp to draw the entire amount available thereunder if such letters of credit are not increased, replaced or replenished as and when provided in Article 4; and

(6) is transferable by PacifiCorp to any party to which PacifiCorp may assign this Agreement.

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

1.44 "Losses" means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from the termination of the Transaction for the remaining Delivery Term, determined in a commercially reasonable manner, subject to Section 5.3. If the Non-Defaulting Party is the Seller, then "Losses" shall exclude any loss of federal, state or local tax credits or benefits, investment credits, accelerated depreciation, grants or other subsidies related to the construction, ownership and operation of the Project or generation therefrom.

1.45 "Moody's" means Moody's Investors Service, Inc., or its successor thereto.

1.46 "MWh" means megawatt-hour.

1.47 "Non-Defaulting Party" is defined in Section 5.2.

1.48 "Performance Assurance" means the collateral provided by Seller to PacifiCorp pursuant to Article 4 to secure Seller's obligations hereunder and includes Pre-Delivery Term Security and Delivery Term Security.

1.49 "Pre-Delivery Term Security" is defined in Section 4.3(a).

1.50 "Product" means the Renewable Energy Credits that are created, produced or generated by the Project and to be Delivered pursuant to this Agreement, and include Green Attributes, and WREGIS Certificates evidencing the Product, but exclude energy and capacity.

1.51 "Project" means _____ [description of Project].

1.52 "Qualifying Institution" means the United States office of a commercial bank or trust company organized under the laws of the United States of America or a political subdivision thereof, or a foreign bank, having assets (net of reserves) of at least $10,000,000,000 and a credit rating on its long-term senior unsecured debt of at least "A" by S&P and "A2" by Moody's.

1.53 "Refund" is defined in Section 5.2.

1.54 "Refund Amount" means the amount resulting from the product of (a) the quantity of RECs purchased or transferred to PacifiCorp, which in the case of transferred RECs

are in PacifiCorp's WREGIS account, as of the Early Termination Date, and which RECs have not been retired for PacifiCorp's compliance with the California Renewables Portfolio Standard; multiplied by (b) the Contract Price.

1.55 "Renewable Energy Credit" or "REC" is defined in California Public Utilities Code Section 399.12(h) and CPUC Decision 08-08-028, as may be amended from time to time or as further defined or supplemented by Law, is evidenced by a WREGIS Certificate, and is equivalent to one (1) MWh of energy from the Project which shall be qualified and certified as an ERR.

1.56 "Replacement Price" means the price at which PacifiCorp, acting in a commercially reasonable manner, could purchase an equivalent replacement for any Product specified in this Agreement but not delivered by Seller, plus costs reasonably incurred by PacifiCorp in purchasing such substitute Product, or at PacifiCorp's option, the market price for such Product not delivered as determined by PacifiCorp in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall PacifiCorp be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller's liability. For the purposes of this definition, PacifiCorp shall not have to enter into replacement transactions to establish a Replacement Price.

1.57 "S&P" means the Standard & Poor's Financial Services, LLC (a subsidiary of The McGraw-Hill Companies, Inc.) or its successor.

1.58 "Satisfaction Date" is defined in Section 2.1(a).

1.59 "Settlement Amount" is defined in Section 5.2.

1.60 "Term" is defined in Section 2.1(a).

1.61 "Terminated Transaction" means the Transaction terminated in accordance with Section 5.2.

1.62 "Termination Payment" is defined in Section 5.2.

1.63 "Transaction" is defined in Section 2.3.

1.64 "Vintage" means the calendar year in which the Product is created, generated, or produced for use under the California Renewables Portfolio Standard.

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

1.66 "WREGIS Certificate" has the same meaning as "Certificate" as defined by WREGIS in the WREGIS Operating Rules and are designated by Law as eligible for complying with the California Renewables Portfolio Standard and for evidencing the Product.

1.67 "WREGIS Operating Rules" means those operating rules and requirements adopted by WREGIS, as amended, supplemented or replaced from time to time.

1.68 Rules of Interpretation. Unless otherwise required by the context in which any term appears, (a) the singular includes the plural and vice versa; (b) references to "Articles," "Sections," "Schedules," "Annexes," "Appendices" or "Exhibits" are to articles, sections, schedules, annexes, appendices or exhibits hereof; (c) all references to a particular entity or an electricity market price index include a reference to such entity's or index's successors; (d) "herein," "hereof" and "hereunder" refer to this Agreement as a whole; (e) all accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied; (f) the masculine includes the feminine and neuter and vice versa; (g) "including" means "including, without limitation" or "including, but not limited to"; (h) all references to a particular law or statute mean that law or statute as amended from time to time; and (i) the word "or" is not necessarily exclusive. Each term hereof shall be construed simply according to its fair meaning and not strictly for or against either Party. The Parties have jointly prepared this Agreement, and no term hereof shall be construed against a Party on the ground that the Party is the author of that provision. Example calculations and other examples set forth herein are for purposes of illustration only and are not intended to constitute a representation, warranty or covenant concerning the example itself or the matters assumed for purposes of such example. If there is a conflict between an example and the text hereof, the text shall control.

ARTICLE TWO:
TRANSACTIONS; PAYMENT, TAXES AND TRANSFER OF TITLE

2.1 Term.

(a) Term. The term of this Agreement shall commence upon the satisfaction or waiver of the Conditions Precedent shall remain in effect until the conclusion of the Delivery Term, unless terminated sooner pursuant to Section 5.2 or Section 6.2 (the "Term"); provided that this Agreement shall thereafter remain in effect until the Parties have fulfilled all obligations with respect to the Transaction, including Delivery of Product created, produced, or generated by the Project prior to the end of the Delivery Term, payment in full of amounts due for the Product Delivered prior to the end of the Term, the Settlement Amount, or other damages (whether directly or indirectly such as through set-off or netting) and the undrawn portion of the Performance Assurance is released or returned as applicable (the "Satisfaction Date").

(b) Survival. Section 3.4 (Indemnity) and any other indemnity rights shall survive the Satisfaction Date or the end of the Term (whichever is later) for an additional thirty-six (36) months, PacifiCorp's rights and Seller's obligations under Section 2.8(b) with respect to the refund due to an Ineligible Product Determination shall survive the Early Termination Date for an additional thirty-six (36) months, and all rights and obligations under Section 8.4 (Confidentiality) shall survive the Satisfaction Date or the end of the Term (whichever is later) for an additional two (2) years.

2.2 Binding Nature.

(a) Upon Execution Date. This Agreement shall be effective and binding as of the Execution Date only to the extent required to give full effect to, and enforce, the rights and obligations of the Parties under: Sections 2.1, 2.2(a), 3.1, 4.2, 4.3(a), 4.3(c), 4.4, 5.1(a)(ii) (only with respect to Section 3.1), 5.1(a)(iii) (only with respect to the Sections identified in this Section 2.2(a)), 5.1(a)(iv)-(v), 5.1(b)(ii), 5.2 through 5.7, 8.1 through 8.5 and Articles 1, 6, 7 and 9.

(b) Upon Effective Date. This Agreement shall be in full force and effect, enforceable and binding in all respects, upon occurrence of the Effective Date.

2.3 Transaction. The Parties enter into a transaction for the purchase and sale of the Product under and in accordance with the terms of this Agreement ("Transaction").

(a) During the Delivery Term, Seller shall sell and Deliver, and PacifiCorp shall purchase and receive, the Product at PacifiCorp's WREGIS Account, and PacifiCorp shall pay Seller the Contract Price for the Product in accordance with the terms of this Agreement. In no event shall Seller have the right to procure any element of the Product from sources other than the Project for sale or delivery to PacifiCorp under this Agreement. PacifiCorp shall have no obligation to receive or purchase Product from Seller produced, created or generated prior to or after the Vintages set forth in Section 2.4(a). Seller shall be responsible for any costs or charges imposed on or associated with the Product or its delivery of the Product up to and at PacifiCorp's WREGIS Account. PacifiCorp shall be responsible for any costs or charges imposed on or associated with the Product after its receipt in PacifiCorp's WREGIS Account. Seller understands and acknowledges that PacifiCorp values the safety of the public and PacifiCorp's employees and that PacifiCorp expects Seller to act in a safe manner in the administration of this Agreement, including the Delivery of Product.

(b) The Contract Quantity shall be Delivered by Seller by May 1st following the end of each Contract Year, as set forth below, with the exception of Contract Year 1 for which Seller shall Deliver the Contract Quantity to PacifiCorp on the Initial Delivery Date. Seller shall Deliver to PacifiCorp the Contract Quantity of Product, having been created, generated or produced by the Project, with the corresponding Vintages in Section 2.4(a), during the Delivery Term. Seller shall notify PacifiCorp of the date upon which the Initial Delivery Date occurs on or prior to the date on which it occurs.

(c) Seller Failure to Deliver in any Contract Year. If, for any Contract Year, Seller delivers an amount of Product that is greater than or equal to eighty percent (80%) but less than one hundred percent (100%) of the Contract Quantity for such Contract Year, and such failure is not excused due to Force Majeure or by PacifiCorp's failure to perform, then Seller shall pay PacifiCorp, within five (5) Business Days of invoice receipt, Deficiency Damages. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and Seller shall pay such invoiced amount within sixty (60) days of receipt and Seller's failure to make timely payment shall be an event of default in accordance

with Section 5.1(a)(i). PacifiCorp shall not have to enter into replacement transactions to establish the Replacement Price.

(d) Force Majeure. Prior to the expiration of the second full Business Day subsequent to the commencement of an event of Force Majeure, the non-performing Party shall provide the other Party with oral notice of the event of Force Majeure, and within two (2) weeks of the commencement of an event of Force Majeure the non-performing Party shall provide the other Party with notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure claim. Failure to provide timely notice constitutes a waiver of a Force Majeure claim. The suspension of performance due to a claim of Force Majeure must be of no greater scope and of no longer duration than is required by the Force Majeure. PacifiCorp shall not be required to make any payments for any Product that Seller fails to deliver or provide as a result of Force Majeure during the term of a Force Majeure. PacifiCorp shall be excused from receiving and paying for the Product during periods of Force Majeure.

(e) PTCs. Seller shall bear all risks, financial and otherwise throughout the Term, associated with Seller's or the Project's eligibility to receive PTCs or qualify for accelerated depreciation for Seller's accounting, reporting or tax purposes. The obligations of the Parties hereunder, including those obligations set forth herein regarding the purchase and price for and Seller's obligation to deliver Net Output and Green Tags, shall be effective regardless of whether the sale of Output or Net Output from the Project is eligible for, or receives, PTCs during the Term.

2.4 Contract Price; Payment.

(a) The Contract Price for the Product in the form of each unit of Product as demonstrated by RECs Delivered in each Vintage for each Contract Year shall be as follows:

_____

(b) Payment. On or before the tenth (10th) day of the month following any month in which Seller has Delivered Product to PacifiCorp, Seller shall issue an invoice to PacifiCorp for Product Delivered since the last invoice. On the twenty-fifth (25th) day of the month, PacifiCorp shall pay the Contract Price for the Product in the form of each Renewable Energy Credit as evidenced by a WREGIS Certificate Delivered to PacifiCorp's WREGIS account for the prior Contract Year in accordance with Section 2.3(b). If the payment date is not a Business Day, then such payment shall be provided on the next following Business Day. PacifiCorp may offset any payment due hereunder against amounts owing from Seller to PacifiCorp pursuant hereto or any other agreement between the Parties. PacifiCorp's exercise of recoupment and set off rights shall not limit the other remedies available to PacifiCorp hereunder, under such other agreements, or otherwise. 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. Any such notice shall be provided within two (2) years of the date of the invoice in which the error first occurred.

2.5 Transfer of Title. Seller's property rights, title and interest in and to the Product will pass to PacifiCorp when the Delivery and payment are complete. Upon such completion, all rights, title and interest in and to the Product, to the full extent the same is property, will transfer to PacifiCorp. In the event of the promulgation of a scheme involving Green Attributes administered by CAMD, upon notification by CAMD that any transfers contemplated by this Agreement will not be recorded, the Parties shall promptly cooperate in taking all reasonable actions necessary so that such transfers can be recorded. Seller shall not report under § 1605(b) of the Energy Policy Act of 1992 or under any applicable program that any of the Green Attributes purchased by PacifiCorp hereunder belong to any person other than PacifiCorp. Without limiting the generality of PacifiCorp's ownership of the RECs, PacifiCorp may report under such program that such Environmental Attributes purchased hereunder belong to it. Each Party shall promptly give the other Party copies of all documents it submits to the CAMD to effectuate any transfers. Seller shall at its expense cause the Project to maintain its registration in good standing with the Center for Resource Solution's Green-e program throughout the Term.

2.6 WREGIS Metering. PacifiCorp shall have the right upon notice to Seller to perform the Qualified Reporting Entity (as defined by WREGIS) functions for the Project to implement all necessary generation information communications in WREGIS, and report generation information to WREGIS pursuant to a WREGIS-approved meter that is dedicated to the Project and only the Project.

2.7 Transfer of Product.

(a) By Delivering a Product to PacifiCorp and receiving payment for such Product by PacifiCorp, Seller transfers any and all, and the exclusive, right to use that Product in the California Renewables Portfolio Standard and for compliance under any other applicable environmental Law or regulatory requirement, as well as any and all Product Reporting Rights. Transfer of and payment for the Product does not transfer eligibility for, rights to, or ownership of production tax credits or other direct third-party subsidies for generation of electricity by the Eligible Renewable Energy Resource. Except as expressly excluded in this preceding sentence, Delivery to and payment for a Product by PacifiCorp grants PacifiCorp the right, exclusive to the full extent applicable, to verify, and otherwise take advantage of the rights, claims and ownership in the Product.

(b) Green Attributes: Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project. **[STC 2 - RECs and Green Attributes, Non-Modifiable. D.08-04-009 (3.2)]**

(c) Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer

qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009]**

2.8 Certification and Verification.

(a) Seller shall, at Seller's expense, and upon request of PacifiCorp, provide PacifiCorp with written documentation that the Projects have CEC Certification and Verification.

(b) Verification of Project. If during the Delivery Term PacifiCorp retires and uses Product for compliance with the California Renewables Portfolio Standard, and it is determined that any of the Product is ineligible for compliance because it was not created, produced or generated by a Project with CEC Certification and Verification ("Ineligible Product Determination"), Seller will refund PacifiCorp the amount paid for the ineligible Product. PacifiCorp is not entitled to a refund if PacifiCorp uses the Product incorrectly, impermissibly, out of time, in excess of permitted compliance quantities, or otherwise not in compliance with the California Renewables Portfolio Standard.

2.9 WREGIS. Seller, at its own cost and expense, shall register with, pay all fees required by, and comply with, all reporting and other requirements of WREGIS relating to the Project or RECs. Seller shall ensure that the Project will participate in and comply with, during the Term, all aspects of WREGIS. Seller shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of WREGIS Certificates to PacifiCorp, and transfer such WREGIS Certificates to PacifiCorp, in accordance with WREGIS reporting protocols and WREGIS Operating Rules. Seller shall promptly give PacifiCorp copies of all documentation it submits to WREGIS. Seller shall, at its sole expense, take all actions and execute all documents or instruments necessary to ensure that all WREGIS Certificates associated with Product are issued and tracked prior to Delivery for purposes of satisfying the requirements of the California Renewables Portfolio Standard and CEC Eligibility Guidelines and are transferred to PacifiCorp pursuant to Section 2.3(b) for PacifiCorp's sole benefit. Seller shall comply with all Laws, including, without limitation, the WREGIS Operating Rules, regarding the transfer of such WREGIS Certificates to PacifiCorp and PacifiCorp shall be given sole title to all such WREGIS Certificates. Seller shall be responsible for all expenses associated with registering the Project with WREGIS, establishing and maintaining Seller's WREGIS account, paying WREGIS Certificate issuance and transfer fees, and transferring WREGIS Certificates from Seller's WREGIS Account to PacifiCorp's WREGIS account. During the Delivery Term, PacifiCorp shall establish and maintain PacifiCorp's WREGIS Account. Seller shall ensure that each WREGIS Certificate evidencing Product indicates that the WREGIS Certificate qualifies for the California Renewables Portfolio Standard, as determined by the CEC, and that each certificate was created, produced or generated by an ERR with CEC Certification and Verification or such other designation as may be required in order to ensure compliance with the California Renewables Portfolio Standard and CEC Eligibility Guidelines. If WREGIS changes the WREGIS Operating Rules after the Execution Date or applies the WREGIS Operating Rules in a manner inconsistent with this Agreement after the Execution

Date, the Parties promptly shall cooperate as reasonably required to cause and enable Seller to Deliver to PacifiCorp's WREGIS Account the quantity of WREGIS Certificates corresponding to RECs as set forth in Section 2.4(a) for each Contract Year.

2.10 Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the renewable energy credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC REC-1, Non-modifiable. D.11-01-025]**

2.11 Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. **[STC REC-2, Non-modifiable. D.11-01-025]**

ARTICLE THREE: REPRESENTATIONS AND WARRANTIES; COVENANTS

3.1 Mutual Representations and Warranties.

On the Execution Date, each Party represents and warrants to the other Party that:

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

(b) it has all Governmental Approvals necessary for it to perform its obligations under this Agreement, except on the Execution Date only for CPUC Approval in the case of PacifiCorp;

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

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

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

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

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

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

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or the ability to make or take Delivery of the Product, as provided in this Agreement.

3.2 Seller Representations and Warranties.

Seller further represents and warrants to PacifiCorp on each Delivery Date for the Product that:

(a) the Project qualifies and is certified by the CEC as an ERR;

(b) Seller has good and marketable title to the Product and all right, title and interest in and to such Product are free and clear of any liens, taxes, claims, security interests or other encumbrances;

(c) Seller has not sold the Product or any portion thereof, to any other person or entity; and

(d) the Product is separate from the energy generated by the Project.

3.3 General Covenants.

Each Party covenants that throughout the Delivery Term:

(a) it shall continue to be duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it shall maintain (or obtain from time to time as required, including through renewal, as applicable) all Governmental Approvals necessary for it to legally perform its obligations under this Agreement and the Transaction;

(c) it shall perform its obligations under this Agreement and the Transaction in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any Law applicable to it; and

(d) it shall maintain its status as a "forward contract merchant" within the meaning of the United States Bankruptcy Code (for so long as such term has the same definition as in effect as of the date of this Agreement).

3.4 Indemnity.

(a) Indemnity by Seller. To the extent permitted by Law and subject to Section 3.4(d), 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 Indemnities") 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 Project, 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 Indemnities. 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.

(b) Indemnity by PacifiCorp. To the extent permitted by Requirements of Law and subject to Section 3.4(d), 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 Indemnities") 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 within the PacifiCorp Indemnities, 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.

(c) Additional Indemnity. Subject to Section 3.4(d), Seller shall release, indemnify and hold harmless the PacifiCorp Indemnitees from and against all Liabilities related to electricity associated with Green Attributes.

(d) **EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN INDEMNIFICATION FOR THIRD PARTY DAMAGES, OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR HEREIN, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.**

ARTICLE FOUR: CREDIT AND COLLATERAL REQUIREMENTS

4.1 Financial Information. If requested by PacifiCorp from time to time, Seller shall, within thirty (30) days provide PacifiCorp with copies of its most recent annual and quarterly financial statements prepared in accordance with generally accepted accounting principles.

4.2 Credit Support. At any time during the Term, PacifiCorp may require Seller to post Credit Support Security as determined by PacifiCorp based upon Seller's Credit Rating or that of the entity providing credit assurances as Credit Support Security on behalf of Seller, and the size of the Project. If Seller has a published Credit Rating from each of S&P and Moody's, the lower rating will be used to determine the level of Credit Support. If Seller, or the entity providing credit assurances as Credit Support Security on behalf of Seller, has no published Credit Rating, an equivalent Credit Rating will be determined by PacifiCorp through the application of PacifiCorp's proprietary credit scoring model developed in conjunction with a third party, and the amount of Credit Support for Seller will be based upon this equivalent Credit Rating. If the required Credit Support is greater than zero dollars ($0.00), upon the request of PacifiCorp, Seller shall provide the Credit Support in the form of: (x) a guaranty, in form and substance acceptable to PacifiCorp in its sole discretion from a Person acceptable to PacifiCorp in its sole discretion, (y) a Letter of Credit from a financial institution acceptable to PacifiCorp in its sole discretion, or (z) a Cash Escrow held at a financial institution acceptable to PacifiCorp in its sole discretion.

4.3 Performance Assurance.

(a) Pre-Delivery Term Security. Seller agrees to deliver to PacifiCorp collateral to secure its obligations under this Agreement, which Seller shall maintain in full force and effect for the period posted with PacifiCorp, pursuant to this Section 4.3(a) in the amount of: _____ from the Execution Date of this Agreement until Seller posts Delivery Term Security pursuant to Section 4.3(b).

(b) Delivery Term Security. Seller agrees to deliver to PacifiCorp Delivery Term Security pursuant to this Section 4.3(b) in the amount specified below from the Delivery Term Security Posting Date until the end of the Term to secure its obligations under this Agreement, which Seller shall maintain in full force and effect for the period posted with PacifiCorp, provided that Seller may elect to apply the Pre-Delivery Term Security posted pursuant to Section 4.3(a) toward the Delivery Term Security posted pursuant to this Section 4.3(b). The amount to be posted as of the Delivery Term Security Posting Date is $____.

(c) Use of Credit Support Security to Pay Amounts Due to PacifiCorp. If Seller fails to pay any amount due to PacifiCorp within the time provided for payment hereunder, PacifiCorp shall be entitled to and shall draw upon the Credit Support Security from time to time in an amount equal to the amount unpaid, and Seller shall be required to replenish or reinstate the Credit Support Security up to the amount specified herein.

(d) Security is Not a Limit on Seller's Liability. The security contemplated by this Section: (a) constitutes security for, but is not a limitation of, Seller's obligations hereunder, and (b) shall not be PacifiCorp's exclusive remedy for Seller's failure to perform in accordance with this Agreement. To the extent that PacifiCorp draws on any credit security, Seller shall, within five (5) Business Days, replenish or reinstate the drawn security to the full amount then required by this Section. At any time Seller or its credit support provider(s), if applicable, must maintain Credit Ratings such that the amount of Credit Support required in the Section is maintained during the Term.

ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES

5.1 Events of Default.

(a) An "Event of Default" means, with respect to either Party as the Defaulting Party, the occurrence of any of the following:

(i) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within five (5) Business Days after written Notice is received by the Party failing to make such payment;

(ii) any representation or warranty made by such Party herein (A) is false or misleading in any material respect when made, or (B) with respect to Sections 2.7(c) or 3.2(a) becomes false or misleading in any material respect during the Delivery Term; provided that, if a change in Law occurs after the Execution Date that causes the representation and warranty made by Seller in Sections 2.7(c) or 3.2(a) to be materially false or misleading, such breach of the representation or warranty in Section 2.7(c) or 3.2(a) shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in Law during the Delivery Term in order to make the representation and warranty no longer false or misleading;

(iii) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default), if such failure is not remedied within thirty (30) days after Notice;

(iv) such Party becomes Bankrupt; or

(v) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of Law or pursuant to an agreement reasonably satisfactory to the other Party.

(b) with respect to Seller as the Defaulting Party, the occurrence of any of the following:

(i) if at any time during the Term, Seller Delivers or attempts to Deliver Product (A) to PacifiCorp for sale under this Agreement that was not created, generated or produced by the Project as an ERR, or (B) to a third party;

(ii) failure by Seller to satisfy the creditworthiness/collateral requirements agreed to pursuant to Sections 4.2 through 4.4; or

(iii) failure to Deliver Product pursuant to this Agreement; provided that if the default arises solely in connection with Seller's Delivery of an amount of Product that is greater than or equal to eighty (80) percent but less than one hundred (100) percent of Contract Quantity in a specific Contract Year, then if applicable the remedies in Section 2.3(c) shall apply to the default in that Contract Year.

5.2 Declaration of Early Termination Date.

If an Event of Default with respect to a Defaulting Party shall have occurred and is continuing, the other Party ("Non-Defaulting Party") shall have the right (a) to send Notice, designating a day, no earlier than the day such Notice is deemed to be received and no later than twenty (20) days after such Notice is deemed to be received, as an early termination date of this Agreement ("Early Termination Date"), (b) to terminate the Transaction and end the Delivery Term effective as of the Early Termination Date, (c) in the event of any other Event of Default collect liquidated damages which shall be calculated in accordance with Section 5.3 below, defined as a "Termination Payment", (d) withhold any payments due to the Defaulting Party under this Agreement, (e) suspend performance, (f) in the case of PacifiCorp, exercise its rights pursuant to Sections 4.2 and 4.3 to draw upon and retain Performance Assurance, and (g) if PacifiCorp is the Non-Defaulting Party, then PacifiCorp may also Notify Seller that PacifiCorp shall return to Seller some or all of the Product that PacifiCorp purchased or received prior to the Early Termination Date but has not retired for PacifiCorp's compliance with the California Renewables Portfolio Standard ("Refund"), in accordance with Section 5.3(b) and Seller shall pay PacifiCorp the Refund Amount associated with the Product returned to Seller. The "Termination Payment" will be the aggregate of all Settlement Amounts netted into a single amount, where the "Settlement Amount" is equal to the Losses or Gains, and Costs, which the Non-Defaulting Party incurs as a result of the termination of this Agreement and, if the Non-Defaulting Party is PacifiCorp and PacifiCorp has elected to exercise its Refund right, then the Refund Amount for the Product returned to Seller shall be included. Additionally, if PacifiCorp is owed a refund due to an Ineligible Product Determination and such amount has not been paid by Seller prior to the Early Termination Date, the such amount shall also be included in the Settlement Amount. If the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Termination Payment shall be zero. Disputes regarding the Termination Payment shall be determined in accordance with Article 9.

5.3 Calculation of Termination Payment and Product Refund Mechanism.

(a) The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for the Terminated Transaction as of the Early Termination Date.

The Non-Defaulting Party shall use the market price for a comparable transaction to determine the Gains or Losses and such price should be determined by using the average closing market price for Renewable Energy Credits (as published in an index for a liquid traded market for Renewable Energy Credits which includes California) for the thirty (30) days preceding the date of the Notice declaring an Event of Default triggering the Early Termination Date; provided that if a liquid traded market for Renewable Energy Credits does not exist at the time of the calculation of a Settlement Amount, then the price of Renewable Energy Credits should be determined by using the average of market quotations provided by three (3) or more bona fide unaffiliated market participants. Where a quote is in the form of bid and ask prices, the price that is to be used in the averaging is the midpoint between the bid and ask price. The quotes obtained shall be: (a) for a like amount, (b) of the same Product, and (c) for the remaining Delivery Term, or in any other commercially reasonable manner. The Gains and Losses shall be calculated as the difference, plus or minus, between the economic value of the remaining Delivery Term of the Terminated Transaction and the equivalent quantities and relevant market price for the same term, as provided in this Section 5.3, or which are reasonably expected to be available in the market for a replacement contract for the Transaction. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, indirect or business interruption damages. The Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount.

(b) If PacifiCorp is the Non-Defaulting Party and a Refund Amount is paid as part of the Termination Payment, then within five (5) Business Days following PacifiCorp's receipt of a Refund Amount, PacifiCorp shall cause all WREGIS Certificates evidencing Product subject to the Refund to be returned to Seller's WREGIS account or to such other account as directed in writing by Seller. Seller agrees that it shall cooperate with PacifiCorp to take all actions to receive such WREGIS Certificates.

5.4 Notice of Payment of Termination Payment. As soon as practicable after a liquidation or with respect to the Refund, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment or Refund Amount and whether the Termination Payment is due to the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount and the sources for such calculation. The Termination Payment or Refund Amount shall be made to the Non-Defaulting Party, if applicable, within ten (10) Business Days after such Notice is effective. As set forth in Section 2.1(b), PacifiCorp's rights and Seller's obligations under Section 2.8(b) with respect to the refund due to an Ineligible Product Determination shall survive the Early Termination Date for an additional thirty-six (36) months and are not subject to the timing set forth in this Section 5.4.

5.5 Disputes with Respect to Termination Payment. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment or Refund Amount, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute.

5.6 Rights and Remedies are Cumulative. The rights and remedies of a Party pursuant to this Article 5 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

ARTICLE SIX: CONDITIONS PRECEDENT

6.1 Conditions Precedent.

Subject to Section 2.1, the Term shall not commence until the occurrence of all of the following:

(a) This Agreement has been duly executed by the authorized representatives of each of PacifiCorp and Seller;

(b) CPUC Approval has been obtained; and

(c) PacifiCorp receives a final and non-appealable order of the CPUC that is acceptable to PacifiCorp and that finds that (i) PacifiCorp's entry into this Agreement is reasonable and that payments to be made by PacifiCorp hereunder are recoverable in rates; and (ii) this Agreement is not a short term contract subject to Conclusion of Law 27 of CPUC Decision 12-06-038.

Such occurrences in Sections 6.1(a) through (c) shall be referred to collectively as "Conditions Precedent".

6.2 Failure to Meet All Conditions Precedent.

If the Conditions Precedent are not satisfied or waived in writing by PacifiCorp on or before two hundred forty (240) days from the date on which PacifiCorp files this Agreement for CPUC Approval, then either Party may terminate this Agreement effective upon receipt of Notice by the other Party. Neither Party shall have any obligation or liability to the other, including for a Termination Payment or otherwise, by reason of such termination.

ARTICLE SEVEN: GOVERNING LAW

Governing Law. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. **[STC 17, Applicable Law, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009]. Without limiting the foregoing, to the fullest extent permitted by law, each of the Parties waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under or in connection with this agreement. Each Party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.**

ARTICLE EIGHT: MISCELLANEOUS

8.1 Assignment. Except as expressly provided in this Section, neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party. Either Party may, without the need for consent from the other Party (but with notice to the other Party, including the names of the assignees), (a) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds therefrom in connection with any financing or other financial arrangements; (b) transfer or assign this Agreement to an Affiliate of such Party; or (c) transfer or assign this Agreement to any party succeeding to all or substantially all of the assets or generating assets of such Party (and, with respect to Seller, Seller shall be required to transfer or assign this Agreement to any party succeeding to all or substantially all of the assets of Seller); provided, however, that Seller shall not transfer, sell, encumber or assign this Agreement or any interest herein to any Affiliate of PacifiCorp without the prior written consent of PacifiCorp. Except with respect to collateral assignments for financing purposes and also except as otherwise provided above in the immediately preceding sentence, in every assignment hereof, the assignee must (x) agree in writing to be bound by the terms and conditions hereof, (y) possess the same or similar experience, and possess the same or better creditworthiness, as the assignor, and (z) the assignor shall remain liable for its obligations hereunder. PacifiCorp may assign this Agreement in whole or in part without the consent of Seller to any person or entity in the event that PacifiCorp ceases to be a load-serving entity, in which event PacifiCorp shall be released from liability hereunder if its assignee meets the requirements of clauses (x) and (y) in the immediately preceding sentence and the requirement of clause (z) in the immediately preceding sentence shall not apply to such assignment. The Party seeking to assign or transfer this Agreement shall be solely responsible for paying all costs of assignment.

8.2 Notices. All notices (including notices of termination), requests, statements or payments shall be made to the addresses set out below. 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. The Parties may change any of the persons to whom notices are addressed, or their addresses, by providing written notice in accordance with this Section.

To Seller: [to be provided]

To PacifiCorp: PacifiCorp
825 NE Multnomah, Suite 600
Portland, Oregon 97232- 2315
Attn: Sr. Vice President, Commercial & Trading
Telefacsimile (503) 813-6260

with a copy to: PacifiCorp
825 NE Multnomah, Suite 600
Portland, Oregon 97232- 2315
Attn: Director of Contract Administration, C&T
Telefacsimile (503) 813-6291

with copies to: PacifiCorp Energy Legal Department
825 NE Multnomah, Suite 600
Portland, Oregon 97232- 2315
Attn: Assistant General Counsel
Telefacsimile (503) 813-6761

8.3 General.

(a) No amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by both Parties. This Agreement shall not impart any rights enforceable by any third party. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. The headings used herein are for convenience and reference purposes only. Facsimile or PDF transmission will be the same as delivery of an original document; provided that at the request of either Party, the other Party will confirm facsimile or PDF signatures by signing and delivering an original document. This Agreement shall be binding on each Party's successors and permitted assigns.

(b) Severability. If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

(c) Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by fax will be deemed as effective as delivery of an originally executed counterpart.

8.4 Confidentiality. Neither Party shall disclose the non-public terms or conditions of this Agreement or any Transaction hereunder to a third party, other than (a) to the Party's Affiliates, the Party's or its Affiliates' respective employees, lenders, investors, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential, (b) for disclosure to PacifiCorp's Procurement Review Group, as defined in CPUC Decision D. 02-08-071, subject to a confidentiality agreement, (c) to the CPUC under seal for purposes of review, (d) for disclosure of terms specified in and pursuant to Section 8.5; (e) in order to comply with any applicable Law, regulation, or any exchange, control area or CAISO rule, or order issued by a court or entity with competent jurisdiction over the disclosing Party ("Disclosing Party"), other than to those entities set forth in subsection (f); or (f) in order to comply with any applicable regulation, rule, or order of the CPUC, CEC, or the FERC. In

connection with requests made pursuant to clause (e) of this Section 8.4 ("Disclosure Order") each Party shall, to the extent practicable, use reasonable efforts: (i) to notify the other Party prior to disclosing the confidential information and (ii) prevent or limit such disclosure. After using such reasonable efforts, the Disclosing Party shall not be: (x) prohibited from complying with a Disclosure Order or (y) liable to the other Party for monetary or other damages incurred in connection with the disclosure of the confidential information. Except as provided in the preceding sentence, the Parties shall be entitled to all remedies available at Law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

8.5 RPS Confidentiality.

(a) Notwithstanding Section 8.4 of this Agreement, at any time on or after the date on which PacifiCorp makes its advice filing letter seeking CPUC Approval of this Agreement, either Party shall be permitted to disclose the following terms with respect to such Transaction: Party names, resource type, Delivery Term, Project location, anticipated Initial Delivery Date, and anticipated quantity of Product.

(b) Seller acknowledges and agrees that pursuant to CPUC Decision D.06-06-066, which implements Senate Bill (SB) No. 1488 (2004 Cal. Stats., Ch. 690 (Sept. 22, 2004)) to the extent provided therein, this Agreement may be publicly available three (3) years from the Initial Delivery Date stated herein. Seller further acknowledges that the CPUC's rules regarding confidential treatment of this Agreement is subject to change and therefore the timing and extent of disclosure is subject to amendment per CPUC order, rule or regulation.

8.6 PacifiCorp Regulatory Compliance. The Parties acknowledge that PacifiCorp is required by law or regulation to report certain information that could embody Confidential Business Information from time to time. Such reports include models, filings, reports of PacifiCorp's net power costs, general rate case filings, power cost adjustment mechanisms, FERC-required reporting such as those made on FERC Form 1, Form 12, or Form 714, market power and market monitoring reports, annual state reports that include resources and loads, integrated resource planning reports, reports to entities such as NERC, WECC, Pacific Northwest Utility Coordinating Committee, WREGIS, or similar or successor organizations, forms, filings, or reports, the specific names of which may vary by jurisdiction, along with supporting documentation. Additionally, in regulatory proceedings in all state and federal jurisdictions in which it does business, PacifiCorp will from time to time be required to produce Confidential Business Information. PacifiCorp may use its business judgment in its compliance with all of the foregoing and the appropriate level of confidentiality it seeks for such disclosures. PacifiCorp may submit Confidential Business Information in regulatory proceedings without notice to Seller if PacifiCorp has obtained in such proceedings a protective order covering such Confidential Business Information.

8.7 Project Images. PacifiCorp shall be free to use any and all images from or of the Project for promotional purposes. Upon PacifiCorp's request and at PacifiCorp's expense, Seller shall install imaging equipment at the Project as PacifiCorp may request, including video and or web-based imaging equipment subject to the prudent safety requirements of Seller, and Requirements of Law relating to workplace health and safety. PacifiCorp shall retain full

discretion on how such images are presented including associating images of the Project with a PacifiCorp-designated corporate logo

8.8 News Releases and Publicity. Before Seller issues any news release or publicly distributed promotional material regarding the Project that mentions the Project, Seller shall first provide a copy thereof to PacifiCorp for its review and approval. Any use of PacifiCorp's name in such news release or promotional material must adhere to PacifiCorp's publicity guidelines then in effect; any use of Berkshire Hathaway's name requires PacifiCorp's prior written consent.

ARTICLE NINE: DISPUTE RESOLUTION

9.1 Intent of the Parties. The sole procedure to resolve any claim arising out of or relating to this Agreement is the dispute resolution procedure set forth in this Article 9.

9.2 Management Negotiations.

(a) The Parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement by prompt negotiations between each Party's Authorized Representative, or such other person designated in writing as a representative of the Party (each a "Manager"). Either Manager may request a meeting, to be held in person or telephonically, to initiate negotiations to be held within ten (10) Business Days of the other Party's receipt of such request, at a mutually agreed time and place. If the matter is not resolved within fifteen (15) Business Days of their first meeting ("Initial Negotiation End Date"), the Managers shall refer the matter to the designated senior officers of their respective companies ("Executive"), who shall have authority to settle the dispute. Within five (5) Business Days of the Initial Negotiation End Date ("Referral Date"), each Party shall provide one another written Notice confirming the referral and identifying the name and title of the Executive who will represent the Party.

(b) Within five (5) Business Days of the Referral Date, the Executives shall establish a mutually acceptable location and date to meet, which date shall not be greater than thirty (30) days from the Referral Date. After the initial meeting date, the Executives shall meet, as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute.

(c) All communication and writing exchanged between the Parties in connection with these negotiations shall be deemed confidential and subject to the confidentiality provisions of this Agreement. All such communication and writing shall be inadmissible as evidence such that it cannot be used or referred to in any subsequent binding adjudicatory process between the Parties, whether with respect to this dispute or any other.

(d) If the matter is not resolved within forty-five (45) days of the Referral Date, or if the Party receiving the written request to meet, pursuant to Section 9.2 (a) above, refuses or does not meet within the ten (10) Business Day period specified in Section 9.2(a)

above, either Party may initiate mediation of the controversy or claim according to the terms of the following Section 9.3.

9.3 Mediation. If the dispute cannot be resolved by negotiation as set forth in Section 9.2 above, then either Party may initiate mediation, the first-step of a two-step dispute resolution process, which JAMS shall administer. As the first step, the Parties agree to mediate any controversy before a commercial mediator from the JAMS panel, pursuant to JAMS's then-applicable commercial mediation rules, in San Francisco, California. Either Party may initiate such a mediation by serving a written demand for mediation. The mediator shall not have the authority to require, and neither Party may be compelled to engage in, any form of discovery prior to or in connection with the mediation. If within sixty (60) days after service of a written demand for mediation, or as extended by mutual agreement of the Parties, the mediation does not result in resolution of the dispute, then the Parties shall resolve such controversy through Arbitration by one retired judge or justice from the JAMS panel, which Arbitration shall take place in San Francisco, California, and which the arbitrator shall administer by and in accordance with JAMS's Commercial Arbitration Rules ("Arbitration"). If the Parties cannot mutually agree on the Arbitrator who will adjudicate the dispute, then JAMS shall provide the Parties with an Arbitrator pursuant to its then-applicable Commercial Arbitration Rules. The period commencing from the date of the written demand for mediation until the appointment of a mediator shall be included within the sixty (60) day mediation period. Any mediator and arbitrator shall have no affiliation with, financial or other interest in, or prior employment with either Party and shall be knowledgeable in the field of the dispute. Either Party may initiate Arbitration by filing with the JAMS a notice of intent to arbitrate within sixty (60) days of service of the written demand for mediation.

9.4 Arbitration. At the request of a Party, the arbitrator shall have the discretion to order depositions of witnesses to the extent the arbitrator deems such discovery relevant and appropriate. Depositions shall be limited to a maximum of three (3) per Party and shall be held within thirty (30) days of the making of a request. Additional depositions may be scheduled only with the permission of the arbitrator, and for good cause shown. Each deposition shall be limited to a maximum of six (6) hours duration unless otherwise permitted by the arbitrator for good cause shown. All objections are reserved for the Arbitration hearing except for objections based on privilege and proprietary and confidential information. The arbitrator shall also have discretion to order the Parties to exchange relevant documents. The arbitrator shall also have discretion to order the Parties to answer interrogatories, upon good cause shown.

(a) Each of the Parties shall submit to the arbitrator, in accordance with a schedule set by the arbitrator, offers in the form of the award it considers the arbitrator should make. If the arbitrator requires the Parties to submit more than one such offer, the arbitrator shall designate a deadline by which time the Parties shall submit their last and best offer. In such proceedings the arbitrator shall be limited to awarding only one of the two "last and best" offers submitted, and shall not determine an alternative or compromise remedy.

(b) The arbitrator shall have no authority to award punitive or exemplary damages or any other damages other than direct and actual damages and the other remedies contemplated by this Agreement.

(c) The arbitrator's award shall be made within nine (9) months of the filing of the notice of intention to arbitrate (demand) and the arbitrator shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the Parties or by the arbitrator, if necessary. The California Superior Court of the City and County of San Francisco may enter judgment upon any award rendered by the arbitrator. The Parties are aware of the decision in Advanced Micro Devices, Inc. v. Intel Corp., 9 Cal. 4th 362 (1994) and, except as modified by this Agreement, intend to limit the power of the arbitrator to that of a Superior Court judge enforcing California Law. The prevailing Party in this dispute resolution process is entitled to recover its costs and reasonable attorneys' fees.

(d) The arbitrator shall have the authority to grant dispositive motions prior to the commencement of or following the completion of discovery if the arbitrator concludes that there is no material issue of fact pending before him or her.

(e) Except as may be required by Law, neither a Party nor an arbitrator may disclose the existence, content, or results of any Arbitration hereunder without the prior written consent of both Parties.

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

[SELLER]

By:_____
Name:_____
Title:_____

PACIFICORP

By:_____
Name:_____
Title:_____