**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 OTHER NECESSARY REGULATORY APPROVALS. ANY ACTIONS TAKEN BY A PARTY IN RELIANCE ON THE TERMS, CONDITIONS OR PRICES 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, SIGNED, 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.**

**POWER PURCHASE AGREEMENT  
  
(RENEWABLE ENERGY –** **WIND)  
  
  
BETWEEN  
  
  
[\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]  
  
  
AND  
  
  
PACIFICORP**

[SECTION 1 DEFINITIONS, RULES OF INTERPRETATION 1](#_Toc482940747)

[1.1 Defined Terms. 1](#_Toc482940748)

[1.2 Rules of Interpretation. 15](#_Toc482940749)

[SECTION 2 TERM; FACILITY DEVELOPMENT 16](#_Toc482940750)

[2.1 Term. 17](#_Toc482940751)

[2.2 [Reserved]. 17](#_Toc482940752)

[2.3 Milestones. 17](#_Toc482940753)

[2.4 Project Construction, Delay Damages and Deficit Damages. 18](#_Toc482940754)

[2.5 Damages Calculation. 19](#_Toc482940755)

[2.6 Damages Invoicing. 19](#_Toc482940756)

[2.7 PacifiCorp's Right to Monitor. 19](#_Toc482940757)

[2.8 Tax Credits. 21](#_Toc482940758)

[SECTION 3 REPRESENTATIONS AND WARRANTIES 21](#_Toc482940759)

[3.1 Mutual Representations and Warranties. 21](#_Toc482940760)

[3.2 Seller's Further Representations and Warranties. 22](#_Toc482940761)

[3.3 No Other Representations or Warranties. 23](#_Toc482940762)

[3.4 Continuing Nature of Representations and Warranties; Notice. 24](#_Toc482940763)

[SECTION 4 DELIVERIES OF NET OUTPUT AND GREEN TAGS 24](#_Toc482940764)

[4.1 Purchase and Sale. 24](#_Toc482940765)

[4.2 No Sales to Third Parties. 24](#_Toc482940766)

[4.3 Title and Risk of Loss of Net Output. 24](#_Toc482940767)

[4.4 Curtailment. 24](#_Toc482940768)

[4.5 PacifiCorp as Merchant. 25](#_Toc482940769)

[4.6 Green Tags. 25](#_Toc482940770)

[4.7 Purchase and Sale of Capacity Rights. 26](#_Toc482940771)

[4.8 Representation Regarding Ownership of Capacity Rights. 27](#_Toc482940772)

[4.9 Authority to Make Sales. 27](#_Toc482940773)

[4.10 Further Assurances. 27](#_Toc482940774)

[SECTION 5 CONTRACT PRICE; COSTS 27](#_Toc482940775)

[5.1 Contract Price; Includes Green Tags and Capacity Rights. 27](#_Toc482940776)

[5.2 Costs and Charges. 28](#_Toc482940777)

[5.3 Station Service. 28](#_Toc482940778)

[5.4 Taxes. 29](#_Toc482940779)

[5.5 Costs of Ownership and Operation. 29](#_Toc482940780)

[5.6 Rates Not Subject to Review. 29](#_Toc482940781)

[SECTION 6 OPERATION AND CONTROL 29](#_Toc482940782)

[6.1 As-Built Supplement. 30](#_Toc482940783)

[6.2 Standard of Facility Operation. 30](#_Toc482940784)

[6.3 Interconnection. 31](#_Toc482940785)

[6.4 Coordination with System. 31](#_Toc482940786)

[6.5 Outages. 31](#_Toc482940787)

[6.6 Scheduling. 32](#_Toc482940788)

[6.7 Forecasting. 33](#_Toc482940789)

[6.8 Increase in Nameplate Capacity Rating; New Project Expansion or Development. 33](#_Toc482940790)

[6.9 Electronic Communications. 34](#_Toc482940791)

[6.10 Reports and Records. 35](#_Toc482940792)

[6.11 Financial and Accounting Information. 38](#_Toc482940793)

[6.12 Availability Guarantee. 38](#_Toc482940794)

[6.13 Access Rights. 39](#_Toc482940795)

[6.14 Facility Images. 39](#_Toc482940796)

[SECTION 7 RIGHT OF FIRST OFFER AND PURCHASE OPTION 39](#_Toc482940797)

[7.1 Right of First Offer on Facility Expansion. 39](#_Toc482940798)

[7.2 Purchase Option. 40](#_Toc482940799)

[SECTION 8 SECURITY AND CREDIT SUPPORT 42](#_Toc482940800)

[8.1 Project Development Security. 42](#_Toc482940801)

[8.2 Default Security. 42](#_Toc482940802)

[8.3 [Reserved]. 43](#_Toc482940803)

[8.4 Subordinated Security Interests. 43](#_Toc482940804)

[8.5 Debt-to-Equity Ratio; Annual and Quarterly Financial Statements. 44](#_Toc482940805)

[8.6 Security is Not a Limit on Seller's Liability. 44](#_Toc482940806)

[SECTION 9 METERING 45](#_Toc482940807)

[9.1 Installation of Metering Equipment. 45](#_Toc482940808)

[9.2 Metering. 45](#_Toc482940809)

[9.3 Inspection, Testing, Repair and Replacement of Meters. 45](#_Toc482940810)

[9.4 Metering Costs. 45](#_Toc482940811)

[9.5 Meter Data. 45](#_Toc482940812)

[9.6 WREGIS Metering. 46](#_Toc482940813)

[SECTION 10 BILLINGS, COMPUTATIONS AND PAYMENTS 46](#_Toc482940814)

[10.1 Monthly Invoices. 46](#_Toc482940815)

[10.2 Offsets. 46](#_Toc482940816)

[10.3 Interest on Late Payments. 46](#_Toc482940817)

[10.4 Disputed Amounts. 46](#_Toc482940818)

[10.5 Audit Rights. 47](#_Toc482940819)

[SECTION 11 DEFAULTS AND REMEDIES 47](#_Toc482940820)

[11.1 Defaults. 47](#_Toc482940821)

[11.2 Remedies for Failure to Deliver/Receive. 49](#_Toc482940822)

[11.3 Termination and Remedies. 50](#_Toc482940823)

[11.4 Termination of Duty to Buy; Memorandum of Agreement. 51](#_Toc482940824)

[11.5 Termination Damages. 51](#_Toc482940825)

[11.6 Senior Lender Foreclosure. 51](#_Toc482940826)

[11.7 Duty/Right to Mitigate. 51](#_Toc482940827)

[11.8 Security. 51](#_Toc482940828)

[11.9 Step-In Rights. 52](#_Toc482940829)

[11.10 Cumulative Remedies. 53](#_Toc482940830)

[SECTION 12 INDEMNIFICATION AND LIABILITY 53](#_Toc482940831)

[12.1 Indemnities. 53](#_Toc482940832)

[SECTION 13 INSURANCE 55](#_Toc482940833)

[13.1 Required Policies and Coverages. 55](#_Toc482940834)

[13.2 Certificates of Insurance. 55](#_Toc482940835)

[SECTION 14 FORCE MAJEURE 56](#_Toc482940836)

[14.1 Definition of Force Majeure. 56](#_Toc482940837)

[14.2 Suspension of Performance. 56](#_Toc482940838)

[14.3 Force Majeure Does Not Affect Other Obligations. 57](#_Toc482940839)

[14.4 Strikes. 57](#_Toc482940840)

[14.5 Right to Terminate. 57](#_Toc482940841)

[SECTION 15 SEVERAL OBLIGATIONS 57](#_Toc482940842)

[SECTION 16 CHOICE OF LAW 57](#_Toc482940843)

[SECTION 17 PARTIAL INVALIDITY 57](#_Toc482940844)

[SECTION 18 NON-WAIVER 58](#_Toc482940845)

[SECTION 19 GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS 58](#_Toc482940846)

[SECTION 20 SUCCESSORS AND ASSIGNS 58](#_Toc482940847)

[20.1 Restriction on Assignments. 58](#_Toc482940848)

[20.2 Permitted Assignments. 58](#_Toc482940849)

[SECTION 21 ENTIRE AGREEMENT 59](#_Toc482940850)

[SECTION 22 NOTICES 59](#_Toc482940851)

[22.1 Addresses and Delivery Methods. 59](#_Toc482940852)

[22.2 Changes of Address. 60](#_Toc482940853)

[SECTION 23 CONFIDENTIALITY 60](#_Toc482940854)

[23.1 Confidential Business Information. 60](#_Toc482940855)

[23.2 Duty to Maintain Confidentiality. 61](#_Toc482940856)

[23.3 PacifiCorp Regulatory Compliance. 61](#_Toc482940857)

[23.4 Irreparable Injury; Remedies. 61](#_Toc482940858)

[23.5 News Releases and Publicity. 61](#_Toc482940859)

[SECTION 24 DISAGREEMENTS 62](#_Toc482940860)

[24.1 Negotiations. 62](#_Toc482940861)

[24.2 Mediation; Technical Expert. 62](#_Toc482940862)

[24.3 Choice of Forum. 65](#_Toc482940863)

[23.4 Settlement Discussions. 65](#_Toc482940864)

[23.5 Waiver of Jury Trial. 65](#_Toc482940865)

**EXHIBITS**

Exhibit A Estimated Monthly Output

Exhibit B NERC Event Types

Exhibit C Start-Up Testing

Exhibit D Form of Guaranty – Credit Support Obligation

Exhibit 2.7 PacifiCorp's Initial Designated Representatives

Exhibit 3.2.3 Required Facility Documents

Exhibit 3.2.5 Leases

Exhibit 4.6(1) Green Tag Attestation and Bill of Sale

Exhibit 4.6(2) Qualified Reporting Entity Services Agreement

Exhibit 5.1 Contract Price

Exhibit 6.1 Description of Facility and Premises

Exhibit 6.7.5 Day-Ahead Forecasting

Exhibit 8.4.1 Wyoming Trust Deed

Exhibit 9.2 Point of Delivery/Interconnection Facilities

Exhibit 9.5 Seller Authorization to Release Generation Data to PacifiCorp

Exhibit 11.4 Form of Memorandum of Power Purchase Agreement

Exhibit 13 Required Insurance

POWER PURCHASE AGREEMENT  
(RENEWABLE ENERGY)

THIS POWER PURCHASE AGREEMENT (RENEWABLE ENERGY) (this “Agreement”), is entered into between [\_\_\_\_\_\_\_\_\_\_\_], a [\_\_\_\_\_\_\_\_\_\_\_] [\_\_\_\_\_\_\_\_\_\_\_\_] (the “Seller”) and PacifiCorp, an Oregon corporation acting in its merchant function capacity (“PacifiCorp”). Seller and PacifiCorp are sometimes hereinafter referred to collectively as the "Parties" and individually as a “Party.”

WHEREAS, Seller intends to construct, own, operate and maintain a wind-powered generation facility for the generation of electric energy located in [\_\_\_\_\_\_] County, Wyoming with an expected nameplate capacity rating of [\_\_] MW (AC) (the “Facility”).

WHEREAS, Seller expects that the Facility will deliver to PacifiCorp [\_\_\_\_\_\_\_\_] MWh of Net Output in the first year of operation. Seller estimates that the Net Output will be delivered during each calendar year according to the estimates of monthly output set forth in Exhibit A. Seller acknowledges that PacifiCorp will include this amount of energy in PacifiCorp's resource planning.

WHEREAS, Seller desires to sell, and PacifiCorp desires to purchase, the Net Output delivered by the Facility in accordance with the terms and conditions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties mutually agree as follows:

# SECTION 1 DEFINITIONS, RULES OF INTERPRETATION

## 1.1 Defined Terms.

Unless otherwise required by the context in which any term appears, initially capitalized terms used herein shall have the following meanings:

“AAA” means the American Arbitration Association.

“Abandonment” means (a) the relinquishment of all possession and control of the Facility by Seller, other than pursuant to a transfer permitted under this Agreement, or (b) if after commencement of the construction, testing, and inspection of the Facility, and prior to the Commercial Operation Date, there is a complete cessation of the construction, testing, and inspection of the Facility for ninety (90) consecutive days by Seller and Seller's contractors, but only if such relinquishment or cessation is not caused by or attributable to an Event of Default by PacifiCorp, a request by PacifiCorp, or an event of Force Majeure.

“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 Berkshire Hathaway Energy Company and its direct, wholly owned subsidiaries.

“AGC” or “Automatic Generation Control” means the equipment and capability of an electric generation facility to automatically adjust the generation quantity.

“AGC Set-Point” means the analog or digital signal sent to the Facility by PacifiCorp, the Interconnection Provider, the Transmission Provider or the Market Operator representing the maximum Net Output for the Facility.

“Agreement” is defined in the Recitals.

“As-built Supplement” is a supplement to be added to Exhibit 6.1 that describes the Facility as actually built, pursuant to Section 6.1 and includes an American Land Title Association survey of the Premises.

“Availability” means, for any Contract Year, the ratio, expressed as a percentage, of (a) the aggregate sum of the turbine-minutes in which each of the Wind Turbines was available to operate during such period over (b) the product of the number of Wind Turbines at the Facility multiplied by the number of minutes in such Contract Year.

“Book Value” means cost minus accumulated depreciation, and not deducting for debt or other encumbrances, calculated in accordance with generally accepted accounting principles consistently applied.

“Business Day” means any day on which banks in Salt Lake City, Utah, are not authorized or required by Requirements of Law to be closed, beginning at 6:00 a.m. and ending at 5:00 p.m. local time in Utah.

“Capacity Rights” means any current or future defined characteristic, certificate, tag, credit, ancillary service or attribute thereof, or accounting construct, including any of the same counted towards any current or future resource adequacy or reserve requirements, associated with the electric generation capability and capacity of the Facility or the Facility's capability and ability to produce energy. Capacity Rights are measured in MW and do not include any Tax Credits, or any other tax incentives existing now or in the future associated with the construction, ownership or operation of the Facility.

“Commercial Operation” means that not less than the Required Percentage of the Expected Nameplate Capacity Rating of the Facility is fully operational and reliable and the Facility is fully interconnected, fully integrated, and synchronized with the System, all of which shall be Seller's responsibility to receive or obtain, and without limiting Seller’s other obligations under this Agreement, which occurs when all of the following events (a) have occurred, and (b) remain simultaneously true and accurate as of the date and moment on which Seller gives PacifiCorp notice that Commercial Operation has occurred:

(i) PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer that is licensed in the state of Wyoming stating: (1) the Nameplate Capacity Rating of the Facility at the anticipated time of Commercial Operation, which must be at least the Required Percentage of the Expected Nameplate Capacity Rating; (2) that the Facility is able to generate electric energy reliably in amounts expected by this Agreement and in accordance with all other terms and conditions hereof; (3) Start-Up Testing of the Facility has been completed; and (4) all AGC equipment is installed and operational.

(ii) PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating that, in conformance with the requirements of the Generation Interconnection Agreement: (1) all required Interconnection Facilities have been constructed; (2) all required interconnection tests have been completed; and (3) the Facility is physically interconnected with the System in conformance with the Generation Interconnection Agreement and able to deliver energy consistent with the terms of this Agreement.

(iii) PacifiCorp has received a certificate from a Licensed Professional Engineer licensed in the state of Wyoming addressed to PacifiCorp stating that Seller has obtained or entered into all Permits and Required Facility Documents. Seller must provide copies of any or all Required Facility Documents requested by PacifiCorp.

(iv) PacifiCorp has received an opinion from a law firm or attorney registered or licensed in the State of Wyoming stating, after all appropriate and reasonable inquiry (1) Seller has obtained or entered into all Required Facility Documents; (2) neither Seller nor the Facility are in violation of or subject to any liability under any Requirements of Law; and (3) Seller has duly filed and had recorded all of the agreements, documents, instruments, mortgages, deeds of trust and other writings described in Section 8.4.1.

(v) PacifiCorp has received a certificate addressed to PacifiCorp from an authorized officer of Seller (i) stating that Seller has completed all of its obligations that would permit PacifiCorp to designate the Facility as a Network Resource and receive firm transmission service from the Transmission Provider in sufficient capacity to meet or exceed the Maximum Facility Delivery Rate; and (ii) that includes a document from the Transmission Provider confirming each of the items to which the Seller certifies in (i) above.

(vi) Seller has satisfied its obligation to pay for any required Network Upgrades as a Network Resource pursuant to the Generation Interconnection Agreement (as terms are defined in the Generation Interconnection Agreement).

(vii) PacifiCorp has received the Default Security, as applicable.

With respect to (i) through (iv) above, the certificate or opinion provided to PacifiCorp must come from a Licensed Professional Engineer or, in the case of (iv) above, an attorney that is not an employee of Seller (or any Affiliate) and has no financial interest in the Facility. Seller shall provide written notice to PacifiCorp stating when Seller believes that the Facility has achieved Commercial Operation and its Nameplate Capacity Rating accompanied by the certificates and opinions described above. PacifiCorp shall have ten (10) Business Days after receipt either to confirm to Seller that all of the conditions to Commercial Operation have been satisfied or have occurred, or to state with specificity what PacifiCorp reasonably believes has not been satisfied. If, within such ten (10) Business Day period, PacifiCorp does not respond or notifies Seller confirming that the Facility has achieved Commercial Operation, the original date of receipt of Seller's notice shall be the Commercial Operation Date. If PacifiCorp notifies Seller within such ten (10) Business Day period that PacifiCorp reasonably believes the Facility has not achieved Commercial Operation, Seller must address the concerns stated in PacifiCorp's notice to the satisfaction of PacifiCorp. In the event PacifiCorp provides notice of deficiency with regards to the information submitted to establish the Commercial Operation Date, then the Commercial Operation Date will be the date upon which Seller has addressed the concerns stated in PacifiCorp's notice to PacifiCorp's reasonable satisfaction. If Commercial Operation is achieved at less than 100 percent of the Expected Nameplate Capacity Rating and Seller informs PacifiCorp that Seller intends to bring the Facility to 100 percent of the Expected Nameplate Capacity Rating, Seller shall provide PacifiCorp, no later than ten (10) Business Days after the Commercial Operation Date, with a list of all items to be completed in order to achieve Final Completion (“Final Completion Schedule”). All items on the Final Completion Schedule must be completed on or before the ninetieth (90th) day after the Commercial Operation Date. If a Final Completion Schedule is not provided to PacifiCorp within ten (10) Business Days following the Commercial Operation Date, then the date of Final Completion shall be the same as the Commercial Operation Date.

“Commercial Operation Date” means the date that Commercial Operation is achieved for the Facility but in no event earlier than thirty (30) days before the Scheduled Commercial Operation Date.

“Commission” means the Wyoming Public Service Commission.

“Compensable Curtailment Energy” has the meaning as described in Section 5.1.3.

“Compensable Curtailment Price” has the meaning as defined in Section 5.1.3(b).

“Confidential Business Information” is defined in Section 23.1.

“Contract Interest Rate” means the lesser of (a) the highest rate permitted under Requirements of Law or (b) 200 basis points per annum plus the rate per annum equal to the publicly announced prime rate or reference rate for commercial loans to large businesses in effect from time to time quoted by Citibank, N.A. as its “prime rate.” If a Citibank, N.A. prime rate is not available, the applicable prime rate shall be the announced prime rate or reference rate for commercial loans in effect from time to time quoted by a bank with $10 billion or more in assets in New York City, N.Y., selected by the Party to whom interest is being paid.

“Contract Price” means the applicable price, expressed in $/MWh for Net Output and Capacity Rights stated in Section 5.1.

“Contract Year” means any consecutive 12‑month period during the Term, commencing at 00:00 hours on the Commercial Operation Date or any of its anniversaries and ending at 24:00 hours on the last day of such 12-month period.

Credit Requirements” means a senior, unsecured long term debt rating (or corporate rating if such debt rating is unavailable) of (a) BBB+ or greater from S&P, or (b) Baa1 or greater from Moody's, and if such ratings are split, the lower of the two ratings must be at least ‘BBB+’ or ‘Baa1’ from S&P or Moody’s, respectively; provided that if (a) or (b) 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.

“Default Security” is defined in Section 8.2.1.

“Delay Damages” for any given day are equal to (a) the Expected Energy, expressed in MWhs per year, divided by 365, multiplied by (b) PacifiCorp's Cost to Cover.

“Deficit Damages” means a one-time payment equal to (a) the difference between (i) Expected Nameplate Capacity Rating and (ii) the Nameplate Capacity Rating of the Facility on the 120th day after the Guaranteed Commercial Operation Date, stated in MWs, multiplied by (b) $25,000.

“Effective Date” is defined in Section 2.1.

“Electric System Authority” means each of NERC, WECC, WREGIS, an RTO, a regional or sub-regional reliability council or authority, and any other similar council, corporation, organization or body of recognized standing with respect to the operations of the electric system in the WECC region, as such are applicable to the Seller or PacifiCorp.

“Energy Imbalance Market” means generation facilities electrically located within PacifiCorp's balancing authority areas that are, from time to time, bid in to or otherwise subject to dispatch instructions issued or originating from the Market Operator.

“Environmental Attributes” means any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Environmental Attributes include but are not limited to: (a) any avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; and (b) any avoided emissions of carbon dioxide (CO2), methane (CH4), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change or any Governmental Authority to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere. Environmental Attributes do not include (i) PTCs, ITCs or any other Tax Credits, or certain other tax incentives existing now or in the future associated with the construction, ownership or operation of the Facility, (ii) matters designated by PacifiCorp as sources of liability, or (iii) adverse wildlife or environmental impacts.

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

“Event of Default” is defined in Section 11.1.

“Expansion Energy” is defined in Section 5.7.1.

“Expected Energy” means [\_\_\_\_\_\_\_] MWh of Net Output in the first full Contract Year, measured at the Point of Delivery, which is Seller's best estimate of the projected long-term average annual Net Output production based upon average wind conditions at the Facility and the Expected Nameplate Capacity Rating. Seller estimates that the Net Output will be delivered during each Contract Year according to the estimates of monthly Net Output set forth in Exhibit A. If at Final Completion the Facility's Nameplate Capacity Rating is less than the Expected Nameplate Capacity Rating, Expected Energy shall be reduced proportionally per year for each full MW of Nameplate Capacity Rating below the Expected Nameplate Capacity Rating. Seller acknowledges that PacifiCorp will include Expected Energy in PacifiCorp's resource planning. PacifiCorp acknowledges that wind conditions are variable and that the Facility's actual annual output of Net Output in the ordinary course in any given year will be subject to variation caused by differences in the actual wind speeds at the Facility from year to year.

“Expected Nameplate Capacity Rating” means [\_\_] MW (AC), the expected maximum instantaneous generation capacity of the Facility.

“Facility” is defined in the Recitals and is more fully described in attached Exhibit 6.1 and includes the blades, rotor, generator, gearbox, nacelle, tower, down-tower assemblies, and all other equipment, devices, associated appurtenances owned, controlled, operated and managed by Seller in connection with, or to facilitate, the production, generation, transmission, delivery, or furnishing of electric energy by Seller to PacifiCorp and required to interconnect with the System.

“Facility Equity” is defined in Section 8.5.

“Facility Financing Date” means the closing date for the construction financing for the Facility between Seller or Seller's Affiliates and a Lender.

“Fair Market Value” means the fair market value of the Facility as determined pursuant to Section 7.2.

“FERC” means the Federal Energy Regulatory Commission.

“Final Completion” means the Facility is fully operational and reliable, at or greater than the Required Percentage of the Expected Nameplate Capacity Rating, and fully interconnected, fully integrated, and synchronized with the Transmission Provider's System, modified if necessary to reflect the Nameplate Capacity Rating and, if applicable, through completion of all the items set forth on the Final Completion Schedule.

“Final Completion Schedule” is defined in the definition of “Commercial Operation.”

“Firm Market Price Index” means (a) the average price reported by Intercontinental Exchange, Inc. (“ICE”) Day-Ahead Palo Verde On-Peak Index, for On-Peak Hours, and (b) the average price reported on the ICE Day-Ahead Palo Verde Off-Peak Index, for Off-Peak Hours. If either index is not available for a given period, for purposes of calculations hereunder, the Firm Market Price Index shall be deemed to equal the volumetrically-weighted average price derived from data published by ICE for the same number of days immediately preceding and immediately succeeding the period in which the index in question was not available, regardless of which days of the week are used for this purpose. If the Firm Market Price Index or its replacement or any component of that index or its replacement ceases to be published or available, or useful for its intended purpose hereunder, during the Term, the Parties shall agree upon a replacement Firm Market Price Index or component that, after any necessary adjustments, provides the most reasonable substitute quotation of the daily price of electricity for the applicable periods.

“Force Majeure” is defined in Section 14.1.

“Forced Outage” means NERC Event Types U1, U2 and U3, as set forth in attached Exhibit B, and specifically excludes any Maintenance Outage or Planned Outage.

“Generation Interconnection Agreement” means the large generator interconnection agreement to be entered into separately between Seller and Interconnection Provider concerning the Interconnection Facilities.

“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.

“Green Tags” means (a) the Environmental Attributes associated with all Output, together with (b) the Green Tag Reporting Rights associated with such energy and Environmental Attributes, however commercially transferred or traded under any or other product names, such as “Renewable Energy Credits,” “Green-e Certified,” or otherwise. One Green Tag represents the Environmental Attributes made available by the generation of one MWh of energy from the Facility.

“Green Tags Price Component” means: (1) the price for Green Tags determined by arithmetically averaging quotes for Green Tags from three nationally recognized independent Green Tag brokers selected by PacifiCorp pursuant to which PacifiCorp could reasonably purchase substitute Green Tags similar to those Green Tags that Seller failed to deliver, with delivery terms, vintage period and any renewable program certification eligibility that are similar to those contained herein, calculated as of the date of default or as soon as reasonably possible thereafter; or (2) if after the Effective Date a liquid market for Green Tags exists, the price established for Green Tags from the established liquid market for Green Tags in a form and location that PacifiCorp determines reasonably states the market value of the Green Tags delivered hereunder.

“Green Tag Reporting Rights” means the exclusive right of a purchaser of Environmental Attributes to report ownership of Environmental Attributes in compliance with federal or state law, if applicable, and to federal or state agencies or other parties at such purchaser's discretion, including under any present or future domestic, international, or foreign emissions trading program or renewable portfolio standard.

“Guaranteed Availability” is defined in Section 6.12.1.

“Guaranteed Commercial Operation Date” means the date that is ninety (90) days after the Scheduled Commercial Operation Date.

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

“Indemnified Party” is defined in Section 6.2.3(b).

“Interconnection Facilities” means all the facilities installed, or to be installed, for the purpose of interconnecting the Facility to the System, including electrical transmission lines, upgrades, transformers and associated equipment, substations, relay and switching equipment, and safety equipment.

“Interconnection Provider” means PacifiCorp Transmission.

“ITCs” means the investment tax credits established pursuant to Section 48 of the Internal Revenue Code, as such law may be amended or superseded.

“KW” means kilowatt.

“KWh” means kilowatt hour.

“Leases” means the memoranda of lease and redacted leases recorded in connection with the development of the Facility, as the same may be supplemented, amended, extended, restated, or replaced from time to time.

“Lender” means an entity lending money or extending credit (including any financing lease, monetization of tax benefits, transaction with a tax equity investor, backleverage financing or credit derivative arrangement) to Seller or Seller's Affiliates (a) for the construction, term or permanent financing or refinancing of the Facility; (b) for working capital or other ordinary business requirements for the Facility (including for the maintenance, repair, replacement or improvement of the Facility); (c) for any development financing, bridge financing, credit support, and related credit enhancement or interest rate, currency, weather, or Environmental Attributes in connection with the development, construction or operation of the Facility; or (d) for the purchase of the Facility and related rights from Seller.

“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. 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;
4. permits PacifiCorp to draw the entire amount available thereunder if such letter of credit is not increased or replaced as and when provided in Section 8;
5. is transferable by PacifiCorp to any party to which PacifiCorp may assign this Agreement; and
6. shall remain in effect for at least ninety (90) days after the end of the Term.

“Liabilities” is defined in Section 12.1.1.

“Licensed Professional Engineer” means a person proposed by Seller and acceptable to PacifiCorp in its reasonable judgment who (a) to the extent mandated by Requirements of Law is licensed to practice engineering in the appropriate engineering discipline for the required certification being made, in the United States, and in all states for which the person is providing a certification, evaluation or opinion with respect to matters or Requirements of Law specific to such state, (b) has training and experience in the engineering disciplines relevant to the matters with respect to which such person is called upon to provide a certification, evaluation or opinion, (c) has no economic relationship, association, or nexus with Seller and is not an employee of its members or Affiliates, other than with the prior written consent of PacifiCorp, for services previously or currently being rendered to Seller or its members or Affiliates, and (d) is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or a representative of a manufacturer or supplier of any equipment installed in the Facility.

“Maintenance Outage” means NERC Event Type MO, as set forth in attached Exhibit B, and includes any outage involving ten percent (10%) of the Facility’s Net Output that is not a Forced Outage or a Planned Outage.

“Market Operator” means the California Independent System Operator or any other entity performing the market operator function for the Energy Imbalance Market.

“Maximum Delivery Rate” means the maximum hourly rate of delivery of Net Output in MWh from the Facility to the Point of Delivery, calculated on the basis of the Net Output delivered in an hour accruing at an average rate equivalent to the actual Nameplate Capacity Rating.

“Mediation Notice” is defined in Section 24.2.1.

“Mediation Procedures” is defined in Section 24.2.1(a).

“Moody's” means Moody's Investor Services, Inc.

“Mountain Prevailing Time” or “MPT” means Mountain Standard Time or Mountain Daylight Time, as applicable in Wyoming on the day in question.

“MW” means megawatt.

“MWh” means megawatt hour.

“Nameplate Capacity Rating” means the maximum installed instantaneous generation capacity of the completed Facility, expressed in MW, when operated in compliance with the Generation Interconnection Agreement and consistent with the recommended power factor and operating parameters provided by the manufacturer, as set forth in a notice from Seller to PacifiCorp delivered prior to the Commercial Operation Date and, if applicable, updated in a subsequent notice from Seller to PacifiCorp as required for Final Completion. The Nameplate Capacity Rating of the Facility shall not exceed [\_\_] MW.

“NERC” means the North American Electric Reliability Corporation.

“Net Output” means all energy and capacity produced by the Facility, less station use and less transformation and transmission losses and other adjustments (e.g., Seller's load other than station use), if any. For purposes of calculating payment under this Agreement, Net Output of energy shall be the amount of energy flowing through the Point of Delivery.

“Network Resource” is defined in the Tariff.

“Network Service Provider” means PacifiCorp Transmission, as a provider of network service to PacifiCorp under the Tariff.

“Non-Compensable Curtailment” has the meaning set forth in Section 4.4.1.

“Off-Peak Hours” or “LLH” means all hours ending 01:00:00 through 06:00:00 and hours ending 23:00:00 through 24:00:00, MPT, Monday through Saturday and hours ending 01:00:00 through 24:00:00, MPT, on Sundays and NERC designated holidays.

“On-Peak Hours” or “HLH” means all hours ending 07:00:00 through 22:00:00 MPT, Monday through Saturday, excluding NERC designated holidays.

“Option Confirmation Notice” is defined in Section 7.2.4.

“Output” means all energy produced by the Facility.

“Output Shortfall” is defined in Section 6.12.2.

“PacifiCorp” is defined in the Recitals, and explicitly excludes PacifiCorp Transmission.

“PacifiCorp Indemnitees” is defined in Section 12.1.1.

“PacifiCorp Representatives” is defined in Section 6.13.

“PacifiCorp Transmission” means PacifiCorp, an Oregon corporation, acting in its interconnection or transmission function capacity.

“PacifiCorp's Cost to Cover” means the positive difference, if any, between (a) the sum of (i) the time weighted average of the Firm Market Price Index for each day for which the determination is being made, plus (ii) the Green Tags Price Component, and (b) the Contract Price specified in Exhibit 5.1 in effect on such days, stated as an amount per MWh. If on a given day (or Contract Year in the case of calculating Output Shortfall) the difference between (a) minus (b) referenced above is zero or negative, then PacifiCorp's Cost to Cover shall be zero dollars ($0), and Seller shall have no obligation to pay any amount to PacifiCorp on account of Section 6.12.2 or Section 11.2.1 with respect to such day (or Contract Year in the case of calculating Output Shortfall). For any days prior to the Commercial Operation Date, the Contract Price applicable in the first Contract Year shall be utilized for purposes of clause (b).

“Party” and “Parties” are defined in the Recitals.

“Permits” means the permits, licenses, approvals, certificates, entitlements and other authorizations issued by Governmental Authorities required for the construction, ownership or operation of the Facility or occupancy of the Premises, and all amendments, modifications, supplements, general conditions and addenda thereto.

“Planned Outage” means NERC Event Type PO, as set forth in attached Exhibit B, and specifically excludes any Maintenance Outage or Forced Outage.

“Point of Delivery” means the point of interconnection between the Facility and the System, as specified in the Generation Interconnection Agreement and as further described in Exhibit 9.2.

“Potential Net Output” means the quantity of Net Output that Seller is capable of delivering at the Point of Delivery at any specific time. Potential Net Output will be calculated as the aggregate energy available for delivery at the Point of Delivery using the best available data obtained through commercially reasonable methods, and shall be dependent on wind speed and air density data at the Facility, Wind Turbine Availability, power curve specified for the wind turbines as shown in the manufacturer's power curve provided by Seller to PacifiCorp in accordance with Exhibit 6.1, derates and transmission line losses, and any other adjustments necessary to accurately reflect the Facility’s capability to produce and deliver energy at the Point of Delivery.

“Preliminary Interest Notice” is defined in Section 7.2.1.

“Premises” means the real property on which the Facility is or will be located, as more fully described on Exhibit 6.1.

“Project Development Security” is defined in Section 8.1.1.

“Prudent Electrical Practices” means any of the practices, methods and acts engaged in or approved by a significant portion of the independent electric power generation industry for wind facilities of similar size and characteristics or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition.

“PTCs” means the production tax credits under Section 45 of the Internal Revenue Code, as such law may be amended or superseded.

“PUHCA” means the Public Utility Holding Company Act of 2005.

“PURPA” means the Public Utility Regulatory Policies Act of 1978.

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

“Reporting Month” is defined in Section 6.10.1.

“Required Facility Documents” means the Permits and other authorizations, rights and agreements now or hereafter necessary for construction, ownership, operation, and maintenance of the Facility, and to deliver the Net Output to PacifiCorp in accordance with this Agreement and Requirements of Law, including those set forth in Exhibit 3.2.3.

“Required Percentage” means 93 percent.

“Requirements of Law” means any applicable and mandatory (but not merely advisory) federal, state and local law, statute, regulation, rule, action, order, code or ordinance enacted, adopted, issued or promulgated by any federal, state, local or other Governmental Authority or regulatory body (including those pertaining to electrical, building, zoning, environmental and wildlife protection and occupational safety and health).

“Rolling Period” is defined in Section 6.12.1.

“RTO” means any entity (including an independent system operator) that becomes responsible as system operator for, or directs the operation of, the System.

“S&P” means Standard & Poor's Rating Group (a division of S&P Global, Inc.).

“SCADA” means supervisory control and data acquisition.

“Scheduled Commercial Operation Date” means [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_].

“Security Interests” is defined in Section 8.4.1.

“Seller” is defined in the Recitals.

“Seller Indemnitees” is defined in Section 12.1.2.

“Seller's Cost to Cover” means the positive difference, if any, between (a) the Contract Price per MWh specified in Exhibit 5.1, and (b) the net proceeds per MWh actually realized by Seller from the sale to a third party of Net Output not purchased by PacifiCorp as required hereunder. If on any given day the difference between (a) minus (b) referenced above is zero or negative, then Seller's Cost to Cover shall be zero dollars with respect to such day, and PacifiCorp shall have no obligation to pay any amount to Seller on account of Section 11.2.2. For any days prior to the Commercial Operation Date, the Contract Price applicable in the first Contract Year shall be utilized for purposes of clause (a).

“Senior Lenders” means Lenders being granted senior security interests on the Facility or its assets, or Seller or its equity, other than Affiliates of Seller.

“Seller Uncontrollable Minutes” means, for each Wind Turbine in any Contract Year, the total number of minutes during such Contract Year during which such Wind Turbine was unable to deliver Net Output to PacifiCorp (or during which PacifiCorp failed to accept such delivery) due to one or more of the following events, each as recorded by Seller's SCADA and indicated by Seller's electronic fault log: (a) an emergency or Force Majeure event; (b) to the extent not caused by Seller's actions or omissions, a Non-Compensable Curtailment in accordance with Section 4.4(b); (c) the System operating outside the voltage or frequency limits defined in the applicable operating manual for such Wind Turbine; (d) Planned Outages, but in no event exceeding thirty six (36) hours per Contract Year consistent with such operating manual; (e) Compensable Curtailment as provided in Section 5.1.3; (f) a Weather Event; and (g) a default by PacifiCorp; provided, however, that if any of the events described above in items (a) through (g) occur simultaneously, then the relevant period of time shall only be counted once in order to prevent double counting. Seller Uncontrollable Minutes shall not include minutes when (i) the Wind Turbine was unavailable solely due to Seller's non-conformance with the Generation Interconnection Agreement or (ii) such Wind Turbine was paused or withdrawn from use by Seller for reasons other than those covered in this definition.

“Start-Up Testing” means the start-up tests for the Facility as set forth in Exhibit C.

“Step-In Rights” means PacifiCorp’s rights under Section 11.8.

“System” means the electric transmission substation and transmission or distribution facilities owned, operated or maintained by Transmission Provider, which shall include, after construction and installation of the Facility, the circuit reinforcements, extensions, and associated terminal facility reinforcements or additions required to interconnect the Facility, all as set forth in the Generation Interconnection Agreement.

“Tariff” means the PacifiCorp FERC Electric Tariff Volume No. 11 Open Access Transmission Tariff, as revised from time to time.

“Tax Credits” means any state, local and/or federal production tax credit (including the PTC), tax deduction, and/or investment tax credit (including the ITC) specific to the production of renewable energy and/or investments in renewable energy facilities.

“Technical Expert” is defined in Section 24.2.2.

“Technical Dispute Notice” is defined in Section 24.2.2(a).

“Term” is defined in Section 2.1.

“Test Energy” means any Net Output during periods prior to the Commercial Operation Date and related Capacity Rights.

“Transmission Provider” means PacifiCorp Transmission, including the Grid Operations business unit.

“Transmission Service” means, if applicable, the transmission services pursuant to which the Transmission Provider transmits Output to the Point of Delivery, as applicable.

“Weather Event” means conditions causing icing on Wind Turbine blades such that the Wind Turbine does not synchronize properly, lightning strikes to any portion of the Facility that did not ground properly, excessive wind speeds in excess of the cut out speed for the Wind Turbine (as specified in the operating manual provided by the turbine manufacturer for such Wind Turbine) or in excess of speeds at which maintenance and repair may safely be conducted (provided that, at the time of determination, such maintenance or repair is required for operation of the Wind Turbine), or any period during which the National Weather Service has issued a hail warning for any area within a 50‑miles radius of the Facility, provided that (a) such Weather Event is not attributable to fault or negligence on the part of Seller, (b) such Weather Event is caused by factors beyond Seller's reasonable control, and (c) despite taking all reasonable technical and commercial precautions and measures to prevent, avoid, mitigate or overcome such event and the consequences thereof, including the purchase of a cold weather package for such Wind Turbine from the turbine manufacturer, as applicable, Seller has been unable to prevent, avoid, mitigate or overcome such event or consequences.

“WECC” means the Western Electricity Coordinating Council.

“Wind Turbine” means [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_].

“WREGIS” means the Western Renewable Energy Generation Information System.

“WREGIS Certificate” or “Certificate” means “Certificate” as defined by the WREGIS Operating Rules.

“WREGIS Operating Rules” means the operating rules and requirements adopted by WREGIS.

## 1.2 Rules of Interpretation.

1.2.1 General. 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; (i) all references to energy or capacity are to be interpreted as utilizing alternating current, unless expressly stated otherwise; and (j) the word “or” is not necessarily exclusive. Reference to “days” shall be calendar days, unless expressly stated otherwise herein.

1.2.2 Terms Not to be Construed For or Against Either Party. Each term hereof shall be construed 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.

1.2.3 Headings. The headings used for the sections and articles hereof are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions hereof.

1.2.4 Examples. 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.

1.2.5 Interpretation with FERC Orders. Each Party conducts and shall conduct its operations in a manner intended to comply with FERC Order No. 717, Standards of Conduct for Transmission Providers, and its companion orders, requiring the separation of its transmission and merchant functions. Moreover, the Parties acknowledge that Interconnection Provider's transmission function offers transmission service on its system in a manner intended to comply with FERC policies and requirements relating to the provision of open-access transmission service. The Parties recognize that Seller will enter into the Generation Interconnection Agreement with the Interconnection Provider.

* + - 1. The Parties acknowledge and agree that the Generation Interconnection Agreement shall be a separate and free standing contract and that the terms hereof are not binding upon the Interconnection Provider.
      2. Notwithstanding any other provision in this Agreement, nothing in the Generation Interconnection Agreement, nor any other agreement between Seller on the one hand and Transmission Provider or Interconnection Provider on the other hand, nor any alleged event of default thereunder, shall alter or modify the Parties' rights, duties, and obligation hereunder. This Agreement shall not be construed to create any rights between Seller and the Interconnection Provider or between Seller and the Transmission Provider,
      3. Seller expressly recognizes that, for purposes hereof, the Interconnection Provider and Transmission Provider each shall be deemed to be a separate entity and separate contracting party from PacifiCorp whether or not the Generation Interconnection Agreement is entered into with Interconnection Provider or an Affiliate thereof. Seller acknowledges that PacifiCorp, acting in its merchant capacity function as purchaser hereunder, has no responsibility for or control over Interconnection Provider or Transmission Provider, and is not liable for any breach of agreement or duty by Interconnection Provider or Transmission Provider.

# SECTION 2 TERM; FACILITY DEVELOPMENT

## 2.1 Term.

This Agreement shall become effective when it is executed and delivered by both Parties and has been filed by PacifiCorp with the Commission pursuant to Commission Rules and Regulations, Chapter 3, Section 35 and W.S. Section 37-3-111, and the Commission has acknowledged that the Agreement has been filed (“Effective Date”). Unless earlier terminated as provided herein, this Agreement shall remain in effect until the twentieth (20th) anniversary of the Commercial Operation Date[; provided, however, that if Buyer at its sole option and discretion gives Seller written notice so stating on or before the eighteenth (18th) anniversary of the Commercial Operation Date, this Agreement shall remain in effect until the thirtieth (30th) anniversary of the Commercial Operation Date] (the "Term").

## 2.2 [Reserved].

## 2.3 Milestones.

Time is of the essence in the performance hereof, and Seller's completion of the Facility and delivery of Net Output and Green Tags by the Scheduled Commercial Operation Date is critically important. Therefore, Seller shall achieve the following milestones at the times indicated.

1. On or before the thirtieth (30th) day following the Effective Date, Seller shall post the Project Development Security in the amount described in Section 8.1;
2. On or before the Commercial Operation Date, Seller shall provide Default Security required under Section 8.2;
3. Seller shall provide PacifiCorp with documentation showing that Seller has obtained retail electric service for the Facility prior to the Commercial Operation Date;
4. Seller shall cause the Facility to achieve Commercial Operation on or before the Guaranteed Commercial Operation Date; and
5. If Commercial Operation of the Facility is achieved based on less than 100 percent of the Expected Nameplate Capacity Rating, then Seller may inform PacifiCorp, by written notice received no later than ten (10) Business Days after the Commercial Operation Date, that Seller intends to bring the Facility above the Required Percentage up to but not exceeding 100 percent of the Expected Nameplate Capacity Rating. Such notice from Seller shall include a Final Completion Schedule. After providing that notice, Seller shall cause the Facility to achieve Final Completion on or before the ninetieth (90th) day after the Commercial Operation Date.

Notwithstanding the foregoing, the date for achieving each of the foregoing milestones shall be extended on a day for day basis for any delay due solely to PacifiCorp's delay in taking, or failure to take, any action required of it hereunder in breach of this Agreement.

Without limiting Seller’s obligations under this Agreement, none of the following shall excuse in any respect Seller’s failure to comply in all respects with any and all provisions in this Section 2.3 and Section 2.4, no matter what the source or reason: (i) any event of Force Majeure, actual or alleged; (ii) economic hardship, including lack of money or inability to obtain financing; (iii) inability to obtain any supply of any good or service, (iv) any breakdown or malfunction of any equipment; (v) costs or taxes; (vi) anything relating to any Required Facility Document; (vii) Requirements of Law; (viii) anything relating to the Transmission Provider, Network Service Provider, Interconnection Provider, or Generation Interconnection Agreement; or (ix) increased cost of electricity, steel, labor, or transportation.

## 2.4 Project Construction, Delay Damages and Deficit Damages.

1. On or before the later of: (i) the Facility Financing Date or (ii) excavation of the first tower foundation for the first Wind Turbine, Seller shall provide to PacifiCorp a certificate from a Licensed Professional Engineer confirming that the Required Facility Documents including the material permits, consents and agreements necessary to operate and maintain the Facility have been obtained by Seller.
2. If Commercial Operation is not achieved on or before the Scheduled Commercial Operation Date, Seller shall pay to PacifiCorp Delay Damages from and after the Scheduled Commercial Operation Date up to, but not including, the date that the Facility achieves Commercial Operation.
3. If the Facility does not achieve Commercial Operation by the Guaranteed Commercial Operation Date, PacifiCorp may terminate this Agreement pursuant to Section 11.
4. If the Facility achieves Final Completion based on less than one hundred percent (100%) of the Expected Nameplate Capacity Rating, Seller shall pay to PacifiCorp Deficit Damages.
5. After the date of Final Completion, any partially completed Wind Turbine shall not be part of the Facility, and Seller shall not undertake to add such Wind Turbine to the Facility without the prior written consent of PacifiCorp. Any output of such Wind Turbine or Capacity Rights associated with such output shall be treated as Net Output above the Maximum Delivery Rate and is subject to Section 5.7.

## 2.5 Damages Calculation.

Each Party agrees and acknowledges that (a) the damages that PacifiCorp would incur due to Seller's delay in achieving Commercial Operation or failure to reach Final Completion based on 100 percent of the Expected Nameplate Capacity Rating would be difficult or impossible to predict with certainty, and (b) it is impractical and difficult to assess actual damages in the circumstances stated, and therefore the Delay Damages and Deficit Damages as agreed to by the Parties and set forth herein are a fair and reasonable calculation of such damages. The Parties agree that Delay Damages and Deficit Damages shall be PacifiCorp's exclusive remedy for a delay in achieving Commercial Operation or failure to reach Final Completion based on 100 percent of the Expected Nameplate Capacity Rating and believe that Delay Damages and Deficit Damages fairly represent actual damages. Subject to the foregoing sentence, this Section 2.5 shall not limit the amount of damages payable to PacifiCorp if this Agreement is terminated as a result of Seller's failure to achieve Commercial Operation by the Guaranteed Commercial Operation Date. Any such termination damages shall be determined in accordance with Section 11.5.

## 2.6 Damages Invoicing.

By the tenth (10th) day following the end of the calendar month in which Delay Damages begin to accrue or Deficit Damages are incurred, as applicable, and continuing on the tenth (10th) day of each calendar month during the period in which Delay Damages accrue (and the following months, if applicable), PacifiCorp shall deliver to Seller an invoice showing PacifiCorp's computation of such damages and any amount due PacifiCorp in respect thereof for the preceding calendar month. No later than ten (10) days after receiving such an invoice and subject to Sections 10.3 and 10.4, Seller shall pay to PacifiCorp, by wire transfer of immediately available funds to an account specified in writing by PacifiCorp or by any other means agreed to by the Parties in writing from time to time, the amount set forth as due in such invoice.

## 2.7 PacifiCorp's Right to Monitor.

During the Term, Seller shall permit PacifiCorp and its advisors and consultants to:

1. Review and discuss with Seller and its advisors and consultants monthly status reports on the progress of the acquisition, design, financing, engineering, construction and installation of the Facility. Between the Effective Date and thirty (30) days following the date of Final Completion, Seller shall, on or before the tenth (10th) day of each calendar month, provide PacifiCorp with a brief monthly status report for the preceding month.
2. Monitor the status of the acquisition, land leasing, design, financing, engineering, construction and installation of the Facility and the performance of the contractors constructing the Facility.
3. Monitor and receive monthly updates from Seller concerning (i) the progress of Seller's negotiation and execution of contracts for the acquisition, design, financing, engineering, construction and installation of the Facility, Premises, major equipment, and warranties, and (ii) the contractors' performance and achievement of contract deliverables and all performance and other tests required to achieve Commercial Operation or contemplated by the warranty agreements between Seller and a manufacturer of the Wind Turbines and any other material items of Facility equipment that require testing for warranty agreements to be effective. Seller shall provide PacifiCorp with at least two (2) Business Days prior notice of each such test, with the understanding that if the performance of such test is dependent on the presence of sufficient wind or other variables beyond the control of Seller, the date of such test may be postponed if, on the date specified in the related notice, there is insufficient wind or other circumstances beyond the control of Seller that prevent the performance of such test on the scheduled date. Seller does not herein grant PacifiCorp the right to review, comment on or approve of the terms or conditions of any contract or negotiation between Seller and a third party, the terms and conditions of each such contract or negotiation being confidential and to be determined by Seller in its sole discretion. Conversely, nothing in this Agreement shall be construed to require PacifiCorp to review, comment on, or approve of any contract between Seller and a third party.
4. Witness initial performance tests and other tests and review the results thereof; with Seller to make best efforts to provide PacifiCorp five (5) Business Days' advance notice of each such major test.
5. Perform such examinations, inspections, and quality surveillance as, in PacifiCorp's reasonable judgment, are appropriate and advisable to determine that each Wind Turbine has been properly commissioned and Commercial Operation and Final Completion have been achieved.

With respect to PacifiCorp's right to monitor under this Section 2.7, (i) PacifiCorp is under no obligation to exercise any of these monitoring rights, (ii) such monitoring shall occur subject to reasonable rules developed by Seller regarding Facility construction, access, health, safety, and environmental requirements, and (iii) PacifiCorp shall have no liability to Seller for failing to advise it of any condition, damages, circumstances, infraction, fact, act, omission or disclosure discovered or not discovered by PacifiCorp with respect to the Facility or any contractor. Any review or monitoring of the Facility conducted by PacifiCorp hereunder shall be performed in a manner that does not impede, hinder, postpone, or delay Seller or its contractors in their performance of the engineering, construction, design or testing of the Facility. PacifiCorp shall maintain one or more designated representatives for purposes of the monitoring activities contemplated in this Section 2.7, which representatives shall have authority to act for PacifiCorp in all technical matters under this Section 2.7 as authorized by PacifiCorp but not to amend or modify any provision hereof. PacifiCorp's initial representatives and their contact information are listed in Exhibit 2.7. PacifiCorp may, by written notice to Seller, change its representatives or their contact information.

## 2.8 Tax Credits.

Seller shall notify PacifiCorp whether Seller has elected to claim PTC or ITCs, as applicable, within thirty (30) days following the date that Seller (or Seller's Affiliate, on a consolidated basis) files its first tax return after the Commercial Operation Date. Seller shall bear all risks, financial and otherwise throughout the Term, associated with Seller's or the Facility's eligibility to receive PTCs, ITCs or other Tax Credits, or to 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, shall be effective regardless of whether the sale of Output or Net Output from the Facility is eligible for, or receives, PTCs, ITCs or other Tax Credits during the Term.

# SECTION 3 REPRESENTATIONS AND WARRANTIES

## 3.1 Mutual Representations and Warranties.

Each Party represents, covenants, and warrants to the other that:

3.1.1 Organization. It is duly organized and validly existing under the laws of the State of its organization.

3.1.2 Authority. It has the requisite power and authority to enter this Agreement and to perform according to the terms hereof.

3.1.3 Corporate Actions. It has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance hereof and the consummation of the transactions contemplated hereby.

3.1.4 No Contravention. The execution and delivery hereof does not contravene any provision of, or constitute a default under, any indenture, mortgage, security instrument or undertaking, or other material agreement to which it is a party or by which it is bound, or any valid order of any court, or any regulatory agency or other Governmental Authority having authority to which it is subject.

3.1.5 Valid and Enforceable Agreement. This Agreement is a valid and legally binding obligation of it, enforceable against it in accordance with its terms, except as the enforceability hereof may be limited by general principles of equity or bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies.

3.1.6 Litigation. No litigation, arbitration, investigation or other proceeding is pending or, to the best of either Party’s knowledge, threatened in writing against either Party or its members, with respect hereto and the transactions contemplated hereunder. No other investigation or proceeding is pending or threatened in writing against a Party, its members, or any Affiliate, the effect of which would materially and adversely affect the Party's performance of its obligations hereunder.

3.1.7 Eligible Contract Participant. It, and any guarantor of its obligations under this Agreement, is an “eligible contract participant” as that term is defined in the United States Commodity Exchange Act.

## 3.2 Seller's Further Representations and Warranties.

Seller further represents, covenants, and warrants to PacifiCorp that:

3.2.1 Authority. Seller (a) has (or will have prior to the Commercial Operation Date) all required regulatory authority to make wholesale sales from the Facility; (b) has the power and authority to own and operate the Facility and be present upon the Premises for the Term; and (c) is duly qualified and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification.

3.2.2 No Contravention. The execution, delivery, performance and observance by Seller of its obligations hereunder do not and will not:

* + 1. contravene, conflict with or violate any provision of any material Requirements of Law presently in effect having applicability to either Seller or any of Seller's members;
    2. require the consent or approval of or material filing or registration with any Governmental Authority or other person other than such consents and approvals which are (i) set forth in Exhibit 3.2.3 or (ii) required in connection with the construction or operation of the Facility and expected to be obtained in due course;
    3. result in a breach of or constitute a default under any provision of any security issued by any of Seller's members or managers, the effect of which would materially and adversely affect Seller's performance of, or ability to perform, its obligations hereunder, or any material agreement, instrument or undertaking to which either Seller's members or any Affiliates of Seller's members is a party or by which the property of any of Seller's members or any Affiliates of Seller's members is bound, the effect of which would materially and adversely affect Seller's performance of, or ability to perform, its obligations hereunder.

3.2.3 Required Facility Documents. All Required Facility Documents are listed on Exhibit 3.2.3. Pursuant to the Required Facility Documents, Seller holds as of the Effective Date, or will hold by the Commercial Operation Date (or such other later date as may be specified under Requirements of Law), and will maintain for the Term all Required Facility Documents. The anticipated use of the Facility complies with all applicable restrictive covenants affecting the Premises. Following the Commercial Operation Date, Seller shall promptly notify PacifiCorp of any additional Required Facility Documents.

3.2.4 Delivery of Energy. On or before the Commercial Operation Date, Seller shall hold rights sufficient to enable Seller to deliver Net Output at the Nameplate Capacity Rating from the Facility to the Point of Delivery pursuant to this Agreement throughout the Term.

3.2.5 Control of Premises. Seller has all legal rights necessary for the Seller to enter upon and occupy the Premises for the purpose of constructing, operating and maintaining the Facility for the Term. All leases of real property required for the operation of the Facility or the performance of any obligations of Seller hereunder are set forth and accurately described in Exhibit 3.2.5. Seller shall maintain all leases or other land grants necessary for the construction, operation and maintenance of the Facility as valid for the Term. Upon request by PacifiCorp, Seller shall provide copies of the memoranda of lease recorded in connection with the development of the Facility.

3.2.6 Undertaking of Agreement; Professionals and Experts. Seller has engaged those professional or other experts it believes necessary to understand its rights and obligations pursuant to this Agreement. All professionals or experts including engineers, attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement have been solely those of Seller. In entering into this Agreement and the undertaking by Seller of the obligations set forth herein, Seller has investigated and determined that it is capable of performing hereunder and has not relied upon the advice, experience or expertise of PacifiCorp in connection with the transactions contemplated by this Agreement.

3.2.7 Verification. All information relating to the Facility, its operation and output and the Premises provided to PacifiCorp and contained in this Agreement has been verified by Seller and is true and accurate.

3.2.8 Renewable Claims. Seller has at all times complied with the Federal Trade Commission requirements set forth in 16 CFR Part 260 in any communications concerning the Output, the Facility and the Green Tags that have or may be generated from the Facility. Seller has not claimed the Green Tags, Environmental Attributes or other “renewable energy,” “green energy,” “clean energy” or similar attributes of the Output or the Facility as belonging to the Seller or any Seller Affiliate and is not aware of any such claims made by third parties with respect to the Facility or the Output.

## 3.3 No Other Representations or Warranties.

Each Party acknowledges that it has entered into this Agreement in reliance upon only the representations and warranties set forth in this Agreement, and that no other representations or warranties have been made by the other Party with respect to the subject matter hereof.

## 3.4 Continuing Nature of Representations and Warranties; Notice.

The representations and warranties set forth in this section are made as of the Effective Date and deemed repeated as of the Commercial Operation Date. If at any time during the Term, the Seller obtains actual knowledge of any event or information that would have caused any of the representations and warranties in Section 3 to be materially untrue or misleading at the time given, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. If at any time the Seller obtains actual knowledge that the representations and warranties in this Section 3 are not true, Seller shall provide written notice to PacifiCorp. The notice required pursuant to this section shall be given as soon as practicable after the occurrence of each such event.

# SECTION 4 DELIVERIES OF NET OUTPUT AND GREEN TAGS

## 4.1 Purchase and Sale.

Except as otherwise expressly provided herein, commencing on the Commercial Operation Date and continuing through the Term, Seller shall sell and make available to PacifiCorp, and PacifiCorp shall purchase and receive (a) the entire Net Output from the Facility at the Point of Delivery, and (b) all Green Tags associated with the Output or otherwise resulting from the generation of energy by the Facility. PacifiCorp shall be under no obligation to make any purchase hereunder other than Net Output and all Green Tags, as described above. PacifiCorp shall not be obligated to purchase, receive or pay for Output (or Green Tags associated with such Output) that is not delivered to the Point of Delivery. In addition, during the period between the Effective Date and the Commercial Operation Date, Seller shall sell and make available to PacifiCorp, and PacifiCorp shall purchase and receive, all Net Output and Green Tags from the Facility as Test Energy at the price specified in Section 5.1.1.

## 4.2 No Sales to Third Parties.

During the Term, Seller shall not sell any Net Output, energy, Green Tags or Capacity Rights from the Facility to any party other than PacifiCorp; provided, however, that this restriction shall not apply during periods when PacifiCorp is in default hereof because it has failed to accept or purchase that Net Output or Green Tags as required hereunder.

## 4.3 Title and Risk of Loss of Net Output.

Seller shall deliver Net Output, Green Tags and Capacity Rights free and clear of all liens, claims and encumbrances. Title to and risk of loss of all Net Output shall transfer from Seller to PacifiCorp upon its delivery to PacifiCorp at the Point of Delivery. Seller shall be deemed to be in exclusive control of, and responsible for, any damage or injury caused by, all Output up to and at the Point of Delivery. PacifiCorp shall be deemed to be in exclusive control of, and responsible for, any damages or injury caused by, Net Output after the Point of Delivery.

## 4.4 Curtailment.

4.4.1 Non-Compensable Curtailment. Except for Compensable Curtailment in accordance with Section 5.1.3, PacifiCorp shall not be obligated to purchase, receive, pay for, or pay any damages associated with, Net Output if such Net Output is not delivered to the System or Point of Delivery for any of the following reasons: (a) the interconnection between the Facility and the System is disconnected, suspended or interrupted, in whole or in part, consistent with the terms of the Generation Interconnection Agreement, (b) the Market Operator, Transmission Provider or Network Service Provider directs a general curtailment, reduction, or redispatch of generation in the area, (which would include the Net Output) for any reason (excluding curtailment of purchases for general economic reasons unilaterally directed by the Market Operator or PacifiCorp acting solely in its merchant function capacity), even if and no matter how such curtailment or redispatch directive is carried out by PacifiCorp, which may fulfill such directive by acting in its sole discretion; or if PacifiCorp curtails or otherwise reduces the Net Output in any way in order to meet its obligations to the Market Operator, Transmission Provider or Network Service Provider to operate within system limitations or otherwise, (c) the Facility's Output is not received because the Facility is not fully integrated or synchronized with the System, or (d) an event of Force Majeure prevents either Party from delivering or receiving Net Output (“Non-Compensable Curtailment”).

4.4.2 Curtailed Amount. Seller will calculate the quantity of Non-Compensable Curtailment by determining the quantity of Net Output that would have been produced by the Facility and delivered to the Point of Delivery had its generation not been so curtailed under this Section 4.4. Seller shall determine the quantity of such curtailed energy based on (a) the time and duration of the Non-Compensable Curtailment and (b) wind conditions recorded at the Facility during the period of Non-Compensable Curtailment and the power curve specified for the Wind Turbines as shown in the manufacturer's power curve provided by Seller to PacifiCorp in accordance with Exhibit 6.1. Seller shall promptly provide PacifiCorp with access to such information and data as PacifiCorp may reasonably require to confirm to its reasonable satisfaction the amount of energy that was not generated or delivered because of a Non-Compensable Curtailment.

4.4.3 Compensable Curtailment. PacifiCorp shall pay Seller for Compensable Curtailment Energy as set forth in Section 5.1.3.

## 4.5 PacifiCorp as Merchant.

Seller acknowledges that PacifiCorp, acting in its merchant capacity function as purchaser under this Agreement, has no responsibility for or control over PacifiCorp Transmission or any successor Transmission Provider.

## 4.6 Green Tags.

4.6.1 Title. Title to the Green Tags shall pass from Seller to PacifiCorp immediately upon the generation of the Output at the Facility that gives rise to such Green Tags.

4.6.2 Documentation. The Parties shall execute all additional documents and instruments reasonably requested by PacifiCorp in order to further document the transfer of the Green Tags to PacifiCorp or its designees. Without limiting the generality of the foregoing, Seller must, on or before the tenth (10th) day of each month, deliver to PacifiCorp a Green Tags Attestation and Bill of Sale, in the form attached in Exhibit 4.6(1), for all Green Tags delivered to PacifiCorp hereunder in the preceding month, along with any attestation that is then-current with the Center for Resource Solution’s Green-e Program (or such successor program). Seller must, at its own cost and expense cause the Facility to maintain its registration in good standing with the Center for Resource Solution’s Green-e Program (or such successor program) throughout the Term. 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 Facility or Green Tags. Seller shall ensure that the Facility will participate in and comply with, during the Term, all aspects of WREGIS. Seller shall, at its sole expense, effectuate the transfer of WREGIS Certificates to PacifiCorp in accordance with WREGIS Operating Rules. Seller may either elect to enter into a Qualified Reporting Entity Services Agreement with PacifiCorp in a form similar to that in Exhibit 4.6(2) or elect to act as its own WREGIS-defined Qualified Reporting Entity. Unless the failure to deliver WREGIS Certificates was caused by action of PacifiCorp not acting in its capacity as Qualified Reporting Entity under the Qualified Reporting Entity Services Agreement, PacifiCorp shall be entitled to a refund of the Green Tags Price Component of Green Tags associated with any Output for which WREGIS Certificates are not delivered, and shall not transfer the affected Green Tags back to Seller, provided that Seller shall have thirty (30) days to correct any error and deliver such WREGIS Certificates to PacifiCorp or provide such refund payment. Seller shall promptly provide PacifiCorp copies of all documentation it submits to WREGIS. Further, in the event of the promulgation of a scheme involving Green Tags administered by a Governmental Authority, upon notification by such Governmental Authority 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.

4.6.3 Publicity. Seller shall not make any public statement or report under any program that any of the Green Tags purchased by PacifiCorp hereunder belong to any person other than PacifiCorp. Seller shall reasonably cooperate in any registration by PacifiCorp of the Facility in the renewable portfolio standard or equivalent program in all such further states and programs in which PacifiCorp may wish to register or maintained registered the Facility by providing copies of all such information as PacifiCorp reasonably requires for such registration.

4.6.4 Renewable Claims. Seller will comply with the Federal Trade Commission requirements set forth in 16 CFR Part 260 in any communications concerning the Output, the Facility and the Green Tags that are or may be generated from the Facility. Seller will not claim the Green Tags, Environmental Attributes or other “renewable energy,” “green energy,” “clean energy” or similar attributes of the Output or the Facility as belonging to the Seller or any Seller Affiliate.

## 4.7 Purchase and Sale of Capacity Rights.

For and in consideration of PacifiCorp's agreement to purchase from Seller the Facility's Net Output and Green Tags on the terms and conditions set forth herein, Seller transfers to PacifiCorp, and PacifiCorp accepts from Seller, any right, title, and interest that Seller may have in and to Capacity Rights, if any, existing during the Term.

## 4.8 Representation Regarding Ownership of Capacity Rights.

Seller represents that it has not sold, and covenants that during the Term it will not sell or attempt to sell to any other person or entity the Capacity Rights, if any. During the Term, Seller shall not report to any person or entity that the Capacity Rights, if any, belong to anyone other than PacifiCorp. PacifiCorp may at its own risk and expense report to any person or entity that Capacity Rights exclusively belong to it.

## 4.9 Authority to Make Sales.

Seller covenants that during the Term it will maintain all required regulatory authority to make wholesale sales from the Facility.

## 4.10 Further Assurances.

At PacifiCorp's request, the Parties shall execute such documents and instruments as may be reasonably required to effect recognition and transfer of the Net Output or Capacity Rights, if any, to PacifiCorp.

# SECTION 5 CONTRACT PRICE; COSTS

## 5.1 Contract Price; Includes Green Tags and Capacity Rights.

PacifiCorp shall pay Seller the prices stated below for all deliveries of Net Output, Green Tags and Capacity Rights, up to the Maximum Delivery Rate. The price provided for Test Energy in Section 5.1.1, the Contract Price provided for in Section 5.1.2, and the Compensable Curtailment Price provided for in Section 5.1.3 include the consideration to be paid by PacifiCorp to Seller for all Net Output, Green Tags, Capacity Rights and Test Energy, respectively, and Seller shall not be entitled to any compensation over and above the Contract Price or the Test Energy price, as the case may be, for the Green Tags and Capacity Rights associated therewith.

5.1.1 Test Energy and Net Output Before Later of Commercial Operation Date and Scheduled Operation Date. Between the Effective Date and the later to occur of the (i) Commercial Operation Date or (ii) the Scheduled Commercial Operation Date, Seller shall sell and deliver to PacifiCorp all Test Energy and Net Output. PacifiCorp shall pay Seller for such Test Energy and Net Output delivered at the Point of Delivery, an amount per MWh equal to seventy five percent (75%) of the Firm Market Price Index for the applicable hour on the applicable day in the applicable month, provided, however, that Seller's right to receive payment for such Test Energy and Net Output is subject to PacifiCorp's right of offset under Section 10.2 for, among other things, payment by Seller of any Delay Damages owed to PacifiCorp by Seller pursuant to Section 2.4.

5.1.2 Net Output After The Later of Commercial Operation Date and Scheduled Commercial Operation Date. For the period beginning on the later of (i) the Commercial Operation Date or (ii) the Scheduled Commercial Operation Date and thereafter during the Term, PacifiCorp shall pay to Seller the Contract Price per MWh of Net Output delivered to the Point of Delivery, as specified in Exhibit 5.1.

5.1.3 Compensable Curtailment. If, during the period beginning on the later of (i) the Commercial Operation Date or (ii) the Scheduled Commercial Operation Date and thereafter during the Term, Net Output is curtailed by PacifiCorp and such curtailment is not included as a Non-Compensable Curtailment (“Compensable Curtailment Energy”), then PacifiCorp shall pay to Seller the Compensable Curtailment Price for the Compensable Curtailment Energy, as determined below.

* + - 1. The Parties will calculate the quantity of Compensable Curtailment Energy by determining the Potential Net Output (A) during those periods of time when the Facility is on AGC and the AGC Set-Point is set at a level that will not allow the entire Nameplate Capacity Rating to be deliverable by determining the difference between Potential Net Output and the delivered Net Output, and (B) during those periods of time when the Facility is not on AGC or the AGC Set-Point is set at a level that will allow the Nameplate Capacity Rating to be deliverable by determining the amount that would have been available for delivery had its generation not been so curtailed. Compensable Curtailment Energy shall equal the number of MWh represented by the Potential Net Output less the Net Output actually delivered to the Point of Delivery.
      2. PacifiCorp will pay Seller the Contract Price for each MWh of Compensable Curtailment Energy, net of any Non-Compensable Curtailments (the “Compensable Curtailment Price”).
      3. For purposes of determining Compensable Curtailment Energy, the amount of Potential Net Output at any given time will be calculated using PacifiCorp’s wind forecasting vendor.

## 5.2 Costs and Charges.

Seller shall be responsible for paying or satisfying when due all costs or charges imposed in connection with the scheduling and delivery of Net Output up to and at the Point of Delivery, including transmission costs, Transmission Service, and transmission line losses, and any operation and maintenance charges imposed by Interconnection Provider and Transmission Provider for the Interconnection Facilities. PacifiCorp shall be responsible for all costs or charges, if any, imposed in connection with the delivery of Net Output at and from the Point of Delivery, including transmission costs and transmission line losses and imbalance charges or penalties. Without limiting the generality of the foregoing, Seller, in accordance with the Generation Interconnection Agreement, shall bear all costs associated with the modifications to Interconnection Facilities or the System (including system upgrades) caused by or related to (a) the interconnection of the Facility with the System and (b) any increase in generating capacity of the Facility.

## 5.3 Station Service.

Seller shall be responsible for arranging and obtaining, at its sole risk and expense, any station service required by the Facility that is not provided by the Facility itself.

## 5.4 Taxes.

Seller shall pay or cause to be paid when due, or reimburse PacifiCorp for, all existing and any new sales, use, excise, severance, ad valorem, and any other similar taxes, imposed or levied by any Governmental Authority on the Net Output, Capacity Rights or Green Tags up to and including, but not beyond, the Point of Delivery, regardless of whether such taxes are imposed on PacifiCorp or Seller under Requirements of Law. PacifiCorp shall pay or cause to be paid when due all such taxes imposed or levied by any Governmental Authority on the Net Output, Capacity Rights or Green Tags beyond the Point of Delivery, regardless of whether such taxes are imposed on PacifiCorp or Seller under Requirements of Law. The Contract Price shall not be adjusted on the basis of any action of any Governmental Authority with respect to changes to or revocations of sales and use tax benefits, rebates, exception or give back. In the event any taxes are imposed on a Party for which the other Party is responsible hereunder, the Party on which the taxes are imposed shall promptly provide the other Party notice thereof and such other information as such Party may reasonably request with respect to any such taxes. Seller shall be responsible for any and all sun and light severance taxes.

## 5.5 Costs of Ownership and Operation.

Without limiting the generality of any other provision hereof and subject to Section 5.4, Seller shall be solely responsible for paying when due (a) all costs of owning and operating the Facility in compliance with existing and future Requirements of Law and the terms and conditions hereof, and (b) all taxes and charges (however characterized) now existing or hereinafter imposed on or with respect to the Facility, its operation, or on or with respect to emissions or other environmental impacts of the Facility, including any such tax or charge (however characterized) to the extent payable by a generator of such energy or Environmental Attributes.

## 5.6 Rates Not Subject to Review.

The rates for service specified herein shall remain in effect until expiration of the Term, and shall not be subject to change for any reason, including regulatory review, absent agreement of the parties. Neither Party shall petition FERC pursuant to the provisions of Sections 205 or 206 of the Federal Power Act (16 U.S.C. § 792 et seq.) to amend such prices or terms, or support a petition by any other person seeking to amend such prices or terms, absent the agreement in writing of the other Party. Further, absent the agreement in writing by both Parties, the standard of review for changes hereto proposed by a Party, a non-party or the FERC acting sua sponte shall be the “public interest” application of the “just and reasonable” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group. Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527, 128 S. Ct. 2733 (2008).

# SECTION 6 OPERATION AND CONTROL

## 6.1 As-Built Supplement.

Within thirty (30) days of completion of construction of the Facility, Seller shall provide PacifiCorp the As-built Supplement. The As-built Supplement shall be deemed effective and shall be added to Exhibit 6.1 when it has been reviewed and approved by PacifiCorp, which approval shall not be unreasonably withheld or delayed. If the proposed As-built Supplement does not accurately describe the Facility as actually built or is otherwise defective as to form in any material respect, PacifiCorp may within fifteen (15) days after receiving the proposed As-built Supplement give Seller a notice describing what PacifiCorp wishes to correct. If PacifiCorp does not give Seller such a notice within the fifteen (15) day period, the As-built Supplement shall be deemed approved. If PacifiCorp provides a timely notice requiring corrections, Seller shall in good faith cooperate with PacifiCorp to revise the As-built Supplement to address PacifiCorp's concerns. Notwithstanding the foregoing, PacifiCorp shall have no right to require Seller to relocate, modify or otherwise change in any respect any aspect of the Facility as actually built.

## 6.2 Standard of Facility Operation.

6.2.1 General. At Seller's sole cost and expense, Seller shall build, operate, maintain and repair the Facility and the Interconnection Facilities in accordance with (a) the applicable and mandatory standards, criteria and formal guidelines of FERC, NERC, any RTO, and any other Electric System Authority and any successors to the functions thereof; (b) the Permits and Required Facility Documents; (c) the Generation Interconnection Agreement; (d) all Requirements of Law; (e) the requirements hereof; and (f) Prudent Electrical Practice. Seller acknowledges that it shall have no claims hereunder against PacifiCorp with respect to any requirements imposed by or damages caused by (or allegedly caused by) the Transmission Provider. Seller will have no claims against PacifiCorp under this Agreement with respect to the provision of station service.

6.2.2 Qualified Operator. From and after the Commercial Operation Date, Seller or an Affiliate of Seller shall itself operate and maintain the Facility or cause the Facility to be operated and maintained by an entity, approved by PacifiCorp (such approval not to be unreasonably withheld, conditioned or delayed), that has at least two years of experience in operation and maintenance of wind energy facilities of comparable size to the Facility. Seller shall provide PacifiCorp thirty (30) days prior written notice of any proposed change in the operator of the Facility.

6.2.3 Fines and Penalties.

* + - 1. Without limiting a Party's rights under Section 6.2.3(b), each Party shall pay all fines and penalties incurred by such Party on account of noncompliance by such Party with Requirements of Law in respect to this Agreement, except where such fines and penalties are being contested in good faith through appropriate proceedings.
      2. If fines, penalties, or legal costs are assessed against or incurred by either Party (the “Indemnified Party”) on account of any action by any Governmental Authority due to noncompliance by the other Party (the “Indemnifying Party”) with any Requirements of Law or the provisions hereof, or if the performance of the Indemnifying Party is delayed or stopped by order of any Governmental Authority due to the Indemnifying Party's noncompliance with any Requirements of Law, the Indemnifying Party shall indemnify and hold harmless the Indemnified Party against any and all losses, liabilities, damages, and claims suffered or incurred by the Indemnified Party as a result thereof. Without limiting the generality of the foregoing, the Indemnifying Party shall reimburse the Indemnified Party for all fees, damages, or penalties imposed on the Indemnified Party by any Governmental Authority, other person or to other utilities for violations to the extent caused by a default by the Indemnifying Party or a failure of performance by the Indemnifying Party hereunder.

## 6.3 Interconnection.

Seller shall be responsible for the costs and expenses associated with obtaining from the Transmission Provider network resource interconnection service for the Facility at its Nameplate Capacity Rating at the Point of Delivery. Seller shall have no claims hereunder against PacifiCorp, acting in its merchant function capacity, with respect to any requirements imposed by or damages caused by (or allegedly caused by) acts or omissions of the Transmission Provider or Interconnection Provider, in connection with the Generation Interconnection Agreement or otherwise.

## 6.4 Coordination with System.

Seller shall be responsible for the coordination and synchronization of the Facility and the Interconnection Facilities with the System.

## 6.5 Outages.

6.5.1 Planned Outages. Except as otherwise provided herein, Seller shall not schedule a Planned Outage during any portion of the months of November, December, January, February, June, July, and August, except to the extent a Planned Outage is reasonably required to enable a vendor to satisfy a guarantee requirement. Seller shall provide PacifiCorp with an annual forecast of Planned Outages for each Contract Year at least one month, but no more than three months, before the first day of that Contract Year, and shall promptly update such schedule, or otherwise change it, only to the extent that Seller is reasonably required to change it in order to comply with Prudent Electrical Practices. Seller shall not schedule any maintenance of Interconnection Facilities during such months, without the prior written approval of PacifiCorp, which approval shall not be unreasonably withheld or delayed.

6.5.2 Maintenance Outages. If Seller reasonably determines that it is necessary to schedule a Maintenance Outage, Seller shall notify PacifiCorp of the proposed Maintenance Outage as soon as practicable but in any event at least five days before the outage begins (or such shorter period to which PacifiCorp may reasonably consent in light of then-existing wind conditions). Upon such notice, the Parties shall plan the Maintenance Outage to mutually accommodate the reasonable requirements of Seller and the service obligations of PacifiCorp; provided, however, that Seller shall take all reasonable measures consistent with Prudent Electrical Practices to not schedule any Maintenance Outage during the following periods: November, December, January, February, June 15 through June 30, July, August, and September 1 through September 15. Notice of a proposed Maintenance Outage shall include the expected start date and time of the outage, the amount of generation capacity of the Facility that will not be available, and the expected completion date and time of the outage. Seller shall give PacifiCorp notice of the Maintenance Outage as soon as practicable after Seller determines that the Maintenance Outage is necessary. PacifiCorp shall promptly respond to such notice and may request reasonable modifications in the schedule for the outage. Seller shall use all reasonable efforts to comply with any request to modify the schedule for a Maintenance Outage provided that such change has no substantial impact on Seller. Seller shall notify PacifiCorp of any subsequent changes in generation capacity available to PacifiCorp as a result of such Maintenance Outage or any changes in the Maintenance Outage completion date and time. As soon as practicable, any notifications given orally shall be confirmed in writing. Seller shall take all reasonable measures consistent with Prudent Electrical Practices to minimize the frequency and duration of Maintenance Outages. Notwithstanding anything in this Section 6.5.2 to the contrary, Seller may schedule a Maintenance Outage at any time and without the requirement to notify PacifiCorp in advance during conditions of sustained low wind speeds.

6.5.3 Forced Outages. Seller shall promptly provide to PacifiCorp an oral report, via telephone to a number specified by PacifiCorp (or other method approved by PacifiCorp), of any Forced Outage resulting in more than ten (10) percent of the Nameplate Capacity Rating of the Facility being unavailable. This report shall include the amount of the generation capacity of the Facility that will not be available because of the Forced Outage and the expected return date of such generation capacity. Seller shall promptly update the report as necessary to advise PacifiCorp of changed circumstances. As soon as practicable, the oral report shall be confirmed in writing by notice to PacifiCorp. Seller shall take all reasonable measures consistent with Prudent Electrical Practices to avoid Forced Outages and to minimize their duration.

6.5.4 Notice of Deratings and Outages. Without limiting the foregoing, Seller will inform PacifiCorp, via telephone to a number specified by PacifiCorp (or other method approved by PacifiCorp), of any major limitations, restrictions, deratings or outages known to Seller affecting the Facility for the following day (except curtailments pursuant to Section 4.4(b)) and will promptly update Seller's notice to the extent of any material changes in this information, with “major” defined as affecting more than five (5) percent of the Nameplate Capacity Rating of the Facility.

6.5.5 Effect of Outages on Estimated Output. Seller represents and warrants that the estimated monthly net output set forth on Exhibit A takes into account the Planned Outages, Maintenance Outages, and Forced Outages that Seller reasonably expects to encounter in the ordinary course of operating the Facility.

## 6.6 Scheduling.

6.6.1 Cooperation and Standards. With respect to any and all scheduling requirements hereunder, (a) Seller shall cooperate with PacifiCorp with respect to scheduling Net Output, and (b) each Party shall designate authorized representatives to communicate with regard to scheduling and related matters arising hereunder. Each Party shall comply with the applicable variable resource standards and criteria of any applicable Electric System Authority.

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

## 6.7 Forecasting.

6.7.1 Long-Range Forecasts. For PacifiCorp's planning purposes, Seller shall, by December 1 of each year during the Term (except for the last year of the Term), provide an annual update to the expected long-term monthly/diurnal mean net energy and net capacity factor estimates (12 X 24 profile). Seller shall prepare such forecasts by utilizing a wind speed and direction prediction model or service that is satisfactory to PacifiCorp in the exercise of its reasonable discretion and comparable in accuracy to models or services commonly used in the wind energy industry and that reflect turbine availability. The forecasts provided by Seller must comply with all applicable Electric System Authority tariff procedures, protocols, rules and testing as necessary and as may be modified from time to time.

6.7.2 Day-Ahead Forecasts and Updates. At Seller’s expense, PacifiCorp shall solicit and obtain from a qualified wind energy production forecasting vendor forecast data and information with respect to the Facility, including day-ahead and real-time forecasting services and provision of real-time meteorological data necessary for compliance with applicable Electric System Authority procedures, protocols, rules and testing. Upon request by PacifiCorp, Seller shall provide a 24‑hour telephone number that PacifiCorp may contact to determine the then-current status of the Facility. PacifiCorp shall present Seller with an invoice and documentation supporting the costs of obtaining such forecasting data. Seller shall pay the amount stated on the invoice within fifteen (15) days of receipt. PacifiCorp reserves the right to change the forecasting vendor in its sole discretion during the Term.

## 6.8 Increase in Nameplate Capacity Rating; New Project Expansion or Development.

Without limiting Section 5.7 or any restrictions herein on Nameplate Capacity Rating, if Seller elects to increase, at its own expense, the ability of the Facility to deliver Net Output in quantities in excess of the Maximum Delivery Rate through any means, including replacement or modification of Facility equipment or related infrastructure, PacifiCorp shall not be required to purchase any Net Output or Green Tags above the Maximum Delivery Rate. If Seller or any Affiliate elects to build an expansion or additional wind project within five miles of the Facility (measured from the nearest generation equipment at both locations), neither Seller nor any Affiliate will have the ability to require PacifiCorp to purchase (and PacifiCorp shall have no obligation to purchase pursuant to this Agreement) the output of any such expansion or additional facility. Seller covenants that it will take all actions necessary to ensure that the immediately preceding sentence (i) applies to Seller’s direct and indirect parent affiliates, and (ii) will not be avoided through use or establishment of a special purpose entity or other Affiliate. Any such expansion or additional facility may not materially and adversely impact the ability of either Party to fulfill its obligations pursuant hereto.

## 6.9 Electronic Communications.

6.9.1 AGC.

* + - 1. Beginning on the Commercial Operation Date, PacifiCorp will dispatch Facility through its AGC system installed by Seller.
      2. PacifiCorp may notify Seller, by telephonic communication or through use of the AGC Set-Point, to curtail the delivery of Net Output to PacifiCorp from the Facility and to the Point of Delivery, for any reason and in its sole discretion and Seller shall promptly comply with such notification.
      3. The AGC Set-Point is calculated by the Transmission Provider and communicated electronically through the SCADA system. Seller shall ensure that, throughout the Term, the SCADA signal is capable of functioning on all AGC Set-Points within the margin of error specified in the Facility control system manufacturer’s set point margin of error.
      4. Unless otherwise directed by PacifiCorp, Seller shall ensure that the Facility AGC is in “Remote” set-point control during normal operations.

6.9.2 Telemetering. Seller shall during the Term provide telemetering equipment and facilities capable of transmitting the following information concerning the Facility pursuant to the Generation Interconnection Agreement and to PacifiCorp on a real-time basis, and will operate such equipment when requested by PacifiCorp to indicate:

* + - 1. instantaneous MW output at the Point of Delivery;
      2. Net Output; and
      3. the Facility's total instantaneous generation capacity.

Commencing on the date of initial delivery of Test Energy, Seller shall also transmit or cause to be transmitted to or make accessible to PacifiCorp any other data from the Facility that Seller receives on a real time basis, including meteorological data, wind speed and air density data and Net Output data. Such real time data shall be provided to or be made accessible to PacifiCorp on the same basis on which Seller receives the data (e.g., if Seller receives the data in four second intervals, PacifiCorp shall also receive the data in four second intervals). Seller must provide PacifiCorp access to Seller’s web-based performance monitoring system.

6.9.3 Transmission Provider Consent. Seller shall execute a consent, in the form required by Transmission Provider, to provide that PacifiCorp can read the meter and receive any and all data from the Transmission Provider relating to transmission of Output or other matters relating to the Facility without the need for further consent from Seller.

6.9.4 Dedicated Communication Circuit. Seller shall install a dedicated direct communication circuit (which may be by common carrier telephone) between PacifiCorp and the control center in the Facility's control room or such other communication equipment as the Parties may agree.

## 6.10 Reports and Records.

6.10.1 Monthly Reports. Commencing on the Commercial Operation Date, within thirty (30) days after the end of each calendar month during the Term (each, a “Reporting Month”), Seller shall provide to PacifiCorp a report in electronic format, which report shall include (a) summaries of the Facility's wind speed and air density data and actual and predicted output data for the Reporting Month in intervals not to exceed one hour (or such shorter period as is reasonably possible with commercially available technology), including information from the Facility's computer monitoring system; (b) summaries of any other significant events related to the construction or operation of the Facility for the Reporting Month; and (c) any supporting information that PacifiCorp may from time to time reasonably request (including historical wind speed and air density data for the Facility).

6.10.2 Electronic Fault Log. Seller shall maintain an electronic fault log of operations of the Facility during each hour of the Term commencing on the Commercial Operation Date. Seller shall provide PacifiCorp with a copy of the electronic fault log within thirty (30) days after the end of the calendar month to which the fault log applies.

6.10.3 Other Information to be Provided to PacifiCorp. Seller shall provide to PacifiCorp the following information concerning the Facility:

* + - 1. Upon the request of PacifiCorp, the manufacturers' guidelines and recommendations for maintenance of the Facility equipment;
      2. A report summarizing the results of maintenance performed during each Maintenance Outage, Planned Outage, and any Forced Outage, and upon request of PacifiCorp any of the technical data obtained in connection with such maintenance;
      3. Before Final Completion, a monthly progress report stating the percentage completion of the Facility and a brief summary of construction activity during the prior month;
      4. Before Final Completion, a monthly report containing a brief summary of construction activity contemplated for the next calendar month;
      5. From and after the Commercial Operation Date, a monthly report detailing the Availability of the Facility; and
      6. At any time from the Effective Date, one year's advance notice of the termination or expiration of any material agreement, including Leases, pursuant to which the Facility or any material equipment relating thereto is upon the Premises; provided that the foregoing does not authorize any early termination of any land lease. In the event Seller has less than one year’s advance notice of such termination or expiration, Seller shall provide the notice contemplated by this Section to PacifiCorp within fifteen (15) Business Days of Seller obtaining knowledge of the termination or expiration.

6.10.4 Information to Governmental Authorities. Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with all data collected by Seller related to the construction, operation or maintenance of the Facility reasonably required by PacifiCorp or an Affiliate thereof for reports to, and information requests from, any Governmental Authority or Electric System Authority. Along with this information, Seller shall provide to PacifiCorp copies of all submittals to Governmental Authorities or Electric System Authorities directed by PacifiCorp and related to the operation of the Facility with a certificate that the contents of the submittals are true and accurate to the best of Seller's knowledge. Seller shall use best efforts to provide this information to PacifiCorp with sufficient advance notice to enable PacifiCorp to review such information and meet any submission deadlines imposed by the requesting organization or entity. PacifiCorp shall reimburse Seller for all of Seller's reasonable actual costs and expenses in excess of $10,000 per year, if any, incurred in connection with PacifiCorp's requests for information under this Section 6.10.4.

6.10.5 Data Request. Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with data collected by Seller related to the construction, operation or maintenance of the Facility reasonably required for information requests from any Governmental Authorities, state or federal agency intervener or any other party achieving intervenor status in any PacifiCorp rate proceeding or other proceeding before any Governmental Authority. Seller shall use best efforts to provide this information to PacifiCorp sufficiently in advance to enable PacifiCorp to review it and meet any submission deadlines. PacifiCorp shall reimburse Seller for all of Seller's reasonable actual costs and expenses in excess of $10,000 per year, if any, incurred in connection with PacifiCorp's requests for information under this Section 6.10.5.

6.10.6 Documents to Governmental Authorities. After sending or filing any statement, application, and report or any document with any Governmental Authority or Electric System Authority relating to operation and maintenance of the Facility, Seller shall, within five (5) Business Days of such submission or filing, provide to PacifiCorp a copy of the same.

6.10.7 Environmental Information. Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with all data reasonably requested by PacifiCorp relating to environmental information under the Required Facility Documents. Seller shall further provide PacifiCorp with information relating to environmental impact mitigation measures it is taking in connection with the Facility's construction or operation that are required by any Governmental Authority. PacifiCorp shall reimburse Seller for all of Seller's reasonable actual costs and expenses in excess of $10,000 per year, if any, incurred in connection with PacifiCorp's requests for the foregoing information under this Section 6.10.7. As soon as it is known to Seller, Seller shall disclose to PacifiCorp, the extent of any material violation of any environmental laws or regulations arising out of the construction or operation of the Facility, or the presence of Environmental Contamination at the Facility or on the Premises, alleged to exist by any Governmental Authority having jurisdiction over the Premises, or the present existence of, or the occurrence during Seller's occupancy of the Premises of, any enforcement, legal, or regulatory action or proceeding relating to such alleged violation or alleged presence of Environmental Contamination presently occurring or having occurred during the period of time that Seller has occupied the Premises.

6.10.8 Operational Reports. Seller shall provide PacifiCorp monthly operational reports in a form and substance reasonably acceptable to PacifiCorp, and Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with all operational data requested by PacifiCorp with respect to the performance of the Facility and delivery of Net Output, Green Tags or Capacity Rights therefrom.

6.10.9 Notice of Material Adverse Events. Seller shall promptly notify PacifiCorp of receipt of written notice or actual knowledge by Seller or its Affiliates of the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller's ability to develop, construct, operate, maintain or own the Facility as provided herein.

6.10.10 Notice of Litigation. Following its receipt of written notice or actual knowledge of the commencement of any action, suit, or proceeding before any court or Governmental Authority against Seller or its members with respect to this Agreement or the transactions contemplated hereunder, Seller shall, within ten (10) days of such notice or knowledge, give notice to PacifiCorp of the same. Following its receipt of written notice or actual knowledge of the commencement of any action, suit or proceeding before any court or Governmental Authority against Seller, its members or any Affiliate, the effect of which would materially and adversely affect Seller's performance of its obligations hereunder, Seller shall, within ten (10) days of such notice or knowledge, give notice to PacifiCorp of the same.

6.10.11 Additional Information. Seller shall provide to PacifiCorp such other information respecting the condition or operations of Seller, as such pertains to Seller's performance of its obligations hereunder, or the Facility as PacifiCorp may, from time to time, reasonably request.

6.10.12 Confidential Treatment. The monthly reports and other information provided to PacifiCorp under this Section 6.10 shall be treated as Confidential Business Information if such treatment is requested in writing by Seller at the time the information is provided to PacifiCorp, subject to PacifiCorp's rights to disclose such information pursuant to Sections 6.10.4, 6.10.5, 6.10.7, 9.5, 9.6, 23.2 and 23.3, and pursuant to any applicable Requirements of Law. Seller shall have the right to seek confidential treatment of any such information from the Governmental Authority entitled to receive such information.

## 6.11 Financial and Accounting Information.

If PacifiCorp or one of its Affiliates determines that, under (i) the Accounting Standards Codification (ASC) 810, Consolidation of Variable Interest Entities, and (ii) Requirements of Law that it may hold a variable interest in Seller, but it lacks the information necessary to make a definitive conclusion, Seller hereby agrees to provide, upon PacifiCorp's written request, sufficient financial and ownership information so that PacifiCorp or its Affiliate may confirm whether a variable interest does exist under ASC 810 and Requirements of Law. If PacifiCorp or its Affiliate determines that, under ASC 810, it holds a variable interest in Seller, Seller hereby agrees to provide, upon PacifiCorp's written request, sufficient financial and other information to PacifiCorp or its Affiliate so that PacifiCorp may properly consolidate the entity in which it holds the variable interest or present the disclosures required by ASC 810 and Requirements of Law. PacifiCorp shall reimburse Seller for Seller's reasonable costs and expenses, if any, incurred in connection with PacifiCorp's requests for information under this Section 6.11.

## 6.12 Availability Guarantee.

6.12.1 Guaranteed Availability. Seller guarantees that the annual Availability of the Facility shall be at least ninety five percent (95%) of the calculated Availability (the “Guaranteed Availability”). In no event shall the required Guaranteed Availability for any period be subject to any adjustment in the event that Seller achieves Final Completion at less than one hundred percent (100%) of the Expected Nameplate Capacity Rating.

6.12.2 Liquidated Damages for Output Shortfall. If the Availability in any given Contract Year falls below the Guaranteed Availability for that Contract Year, the resulting shortfall shall be expressed in MWh as the “Output Shortfall.” The Output Shortfall shall be calculated in accordance with the following formula:

Output Shortfall = (Guaranteed Availability – Availability) x Expected Energy.

If an Output Shortfall occurs in any given Contract Year, Seller shall pay PacifiCorp liquidated damages equal to the product of (a) the Output Shortfall for that Contract Year, multiplied by (b) PacifiCorp's Cost to Cover for that Contract Year. Each Party agrees and acknowledges that (i) the damages that PacifiCorp would incur due to the Facility's failure to achieve the Guaranteed Availability would be difficult or impossible to predict with certainty and (ii) the liquidated damages contemplated by this provision are a fair and reasonable calculation of such damages.

6.12.3 Annual Invoicing. On the thirtieth (30th) day following the end of each Contract Year, PacifiCorp shall deliver to Seller an invoice showing PacifiCorp's computation of Net Output and Output Shortfall, if any, for the prior Contract Year and any amount due PacifiCorp for liquidated damages pursuant to this Section 6.12. In preparing such invoices, PacifiCorp shall utilize the meter data provided to PacifiCorp for the Contract Year in question, but may also rely on historical averages and such other information as may be available to PacifiCorp at the time of invoice preparation, if the meter data for such Contract Year is then incomplete or otherwise not available. To the extent required, PacifiCorp shall true up any such invoice as promptly as practicable following its receipt of actual results for the relevant Contract Year. Seller shall pay to PacifiCorp, by wire transfer of immediately available funds to an account specified in writing by PacifiCorp or by any other means agreed to by the Parties in writing from time to time, the amount set forth as due in such invoice, and shall within thirty (30) days after receiving the invoice raise any objections regarding any disputed portion of the invoice. All disputes regarding such invoices shall be subject to Section 10.4. Objections not made by Seller within the thirty (30) day period shall be deemed waived.

## 6.13 Access Rights.

Upon reasonable prior notice and subject to the prudent safety requirements of Seller, and Requirements of Law relating to workplace health and safety, Seller shall provide PacifiCorp and its authorized agents, employees and inspectors (“PacifiCorp Representatives”) with reasonable access to the Facility: (a) for the purpose of reading or testing metering equipment, (b) as necessary to witness any acceptance tests, (c) to provide tours of the Facility to customers and other guests of PacifiCorp (not more than twelve (12) times per year), (d) for purposes of implementing Sections 2.7 or 10.5, and (e) for other reasonable purposes at the reasonable request of PacifiCorp. PacifiCorp shall release Seller from any and all Liabilities resulting from actions or omissions by any of the PacifiCorp Representatives in connection with their access to the Facility, except to the extent that such Liabilities are caused by the intentional or negligent act or omission of Seller or its agents or Affiliates.

## 6.14 Facility Images.

PacifiCorp shall be free to use any and all images from or of the Facility for promotional purposes, subject to Seller's consent (not to be unreasonably withheld or delayed, and which consent may consider Requirements of Law relating to Premises security, obligations to outside vendors (including any confidentiality obligations), and the corporate policies of Seller's Affiliates). Upon PacifiCorp's request and at PacifiCorp's expense, Seller shall install imaging equipment at the Facility 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 Facility with a PacifiCorp-designated corporate logo.

# SECTION 7 RIGHT OF FIRST OFFER AND PURCHASE OPTION

## 7.1 Right of First Offer on Facility Expansion.

7.1.1 Seller’s Duty to Offer Expansion Energy. If, at any time during the Term, Seller or any Affiliate of Seller intends (a) to install equipment on the Premises in addition to the equipment included in the original Facility, and such installation is designed to increase the capacity of the Facility to more than the Nameplate Capacity Rating at Final Completion, or (b) to otherwise enable the Facility or any expansion thereof to produce more than the Maximum Delivery Rate, Seller shall first offer (or cause its Affiliate to offer) the excess above the Maximum Delivery Rate (the “Expansion Energy”) to PacifiCorp. Such offer shall set forth the terms and conditions of the offer in writing and in reasonable detail. Seller shall promptly answer any questions that PacifiCorp may have concerning the offered terms and conditions and shall meet with PacifiCorp to discuss the offer.

7.1.2 PacifiCorp’s Rejection of Offer; Revival of Offer. If PacifiCorp does not accept the offered terms and conditions within thirty (30) days after receiving Seller's offer, Seller (or the applicable Affiliate of Seller) may enter into an agreement to sell the Expansion Energy to a third party on terms and conditions no more favorable to the third party than those offered to PacifiCorp, provided such sale of Expansion Energy may not in any way impact or alter PacifiCorp’s rights, obligations or entitlements under this Agreement. If Seller (or its Affiliate) wishes to enter into an agreement with a third party on terms more favorable to PacifiCorp than those previously offered to PacifiCorp under this section, Seller shall first offer (or cause its Affiliate to offer) the revised terms and conditions to PacifiCorp under this section.

7.1.3 PacifiCorp’s Acceptance of Offer. If PacifiCorp accepts an offer made by Seller (or its Affiliate) under this section, the parties shall within sixty (60) days following such acceptance enter into a power purchase agreement in substantially the same form as this Agreement for the purchase and sale of such Expansion Energy (with appropriate provisions proportionally adjusted to account for the size of the proposed expansion relative to the Nameplate Capacity Rating of the Facility), but incorporating such changes as are expressly identified in the terms and conditions offered by Seller (or its Affiliate).

## 7.2 Purchase Option.[[1]](#footnote-2)

7.2.1 Purchase Option. On the last day of the Term,[[2]](#footnote-3) PacifiCorp shall have the option to purchase the Facility and all rights of Seller therein or relating thereto, for the Fair Market Value of the Facility, in accordance with the provisions set forth herein. PacifiCorp shall indicate its preliminary interest with respect to the option, if at all, by delivering to Seller a preliminary notice of its interest no less than two years prior to the last day of the Term (the “Preliminary Interest Notice”). If PacifiCorp fails to deliver such notice by such date, PacifiCorp's option shall terminate.

7.2.2 Determination of Fair Market Value of the Facility. Promptly following delivery of the Preliminary Interest Notice, the Parties shall mutually agree to the fair market value of the Facility. If PacifiCorp and Seller cannot mutually agree to a fair market value of the Facility within thirty (30) days of delivery of the Preliminary Interest Notice, then each of PacifiCorp and Seller shall select and retain, at each Party’s own cost and expense, a nationally recognized independent appraiser with experience and expertise in appraising wind power generation facilities to determine separately the value of the Facility. Subject to the appraisers' execution and delivery to Seller of a suitable confidentiality agreement in a form reasonably acceptable to Seller, Seller shall provide both appraisers access to the Facility and its books and records during business hours and upon prior written notice. The appraisers shall act reasonably and in good faith to determine the fair market value of the Facility and the Parties shall use their best efforts to cause the appraisers to complete such determination no later than sixty (60) days following delivery of the Preliminary Interest Notice. If for any reason (other than failure by Seller to provide access hereunder to PacifiCorp's appraiser), one of the appraisals is not completed within ninety (90) days following delivery of the Preliminary Interest Notice, the results of the other completed appraisal shall be deemed the Fair Market Value of the Facility. Each Party may provide to both appraisers a list of factors which the Parties suggest be taken into consideration when the appraisers generate their appraisals, consistent with industry standards prevailing at such time for appraising wind power generation facilities. Any information provided to an appraiser by a Party shall be provided to the other appraiser and the other Party at the same time, it being the intent of the Parties that the appraisers have access to the same information. PacifiCorp and Seller shall deliver the results of their respective appraisal to the other Party when completed. If so requested by either Party, the appraisals shall be exchanged simultaneously. After both appraisals are completed and exchanged, the Parties and their appraisers promptly shall confer and attempt to agree upon the Fair Market Value of the Facility.

7.2.3 Disagreement as to Value. If, within thirty (30) days after completion of both appraisals, the Parties cannot agree on the fair market value of the Facility, and the values of the appraisals are within ten percent (10%) of each other, the Fair Market Value of the Facility shall be the simple average of the two appraisals. If the values of the two appraisals differ by ten percent (10%) or more, the first two appraisers shall choose a third independent appraiser experienced in appraising wind power generation assets, or, if the first two appraisers fail to agree upon a third appraiser within ten (10) days after the expiration of the thirty (30) day period following completion of both appraisals, such appointment shall be made by the AAA upon application of either Party in accordance with the applicable rules and regulations of the AAA for such selection. The third appraiser shall have access to the same information as was available to the two other appraisers. The Parties shall direct the third appraiser to determine the fair market value of the Facility within sixty (60) days following his retention. The costs and expenses of such third appraiser shall be shared equally by the Parties. Upon completion of the fair market value of the Facility by such appraiser, the Fair Market Value of the Facility will be the simple average of the three appraisal values completed in accordance with this Section 7.2.

7.2.4 Exercise of Purchase Option. Within ninety (90) days following the determination of the Fair Market Value of the Facility pursuant to this Section 7.2, but in no event later than eighteen (18) months following delivery of a Preliminary Interest Notice, PacifiCorp shall notify Seller if PacifiCorp elects to exercise its option (an “Option Confirmation Notice”).

7.2.5 Purchase and Sale. If PacifiCorp delivers a valid and timely Option Confirmation Notice, Seller shall sell, transfer, assign and convey to PacifiCorp all of the Facility and all rights of Seller therein or relating thereto, on an “AS IS, WHERE IS” basis, free and clear of all liens, claims, encumbrances, or rights of others arising through Seller on the last day of the Term, including good and valid title to the Facility and Seller's rights in the Premises. In connection with such sale, transfer, assignment and conveyance, Seller shall (a) assign or otherwise make available, to the extent permitted by Requirements of Law and not already assigned or otherwise transferred to PacifiCorp, Seller's interest in all applicable Required Facility Documents; (b) cooperate with all reasonable requests of PacifiCorp for purposes of enabling PacifiCorp to obtain any and all applicable Permits that are or will be required to be obtained by PacifiCorp in connection with the use, occupancy, operation or maintenance of the Facility or the Premises in compliance with Requirements of Law; (c) provide PacifiCorp copies of all documents, instruments, plans, maps, specifications, manuals, drawings and other documentary materials relating to the installation, maintenance, operation, construction, design, modification and repair of the Facility, as shall be in Seller's possession and shall be reasonably appropriate or necessary for the continued operation of the Facility.

# SECTION 8 SECURITY AND CREDIT SUPPORT

## 8.1 Project Development Security.

Seller shall provide within five (5) Business Days from receipt of a written request from PacifiCorp all reasonable financial records necessary for PacifiCorp to confirm Seller satisfies the Credit Requirements.

8.1.1 Form and Amount of Project Development Security. On or before the date specified in Section 2.3(a), Seller shall post and maintain in favor of PacifiCorp (a) a guaranty from a party that satisfies the Credit Requirements, in substantially the form attached hereto as Exhibit D, or (b) a Letter of Credit in favor of PacifiCorp, in a form acceptable to PacifiCorp in its reasonable discretion, equal in each case to two hundred dollars ($200) per kW of Expected Nameplate Capacity Rating (the “Project Development Security”). Seller and any entity providing a guaranty shall provide within five (5) Business Days from receipt of a written request from PacifiCorp all reasonable financial records necessary for PacifiCorp to confirm the guarantor satisfies the Credit Requirements.

8.1.2 Use of Project Development Security to Pay Delay Damages. If the Commercial Operation Date occurs after the Scheduled Commercial Operation Date and Seller has failed to pay any Delay Damages when due under Section 2.5, PacifiCorp shall be entitled to and shall draw upon the Project Development Security an amount equal to the Delay Damages until such time as the Project Development Security is exhausted. PacifiCorp shall also be entitled to draw upon the Project Development Security for other damages if this Agreement is terminated under Section 11 because of Seller's default.

8.1.3 Termination of Project Development Security. Seller shall no longer be required to maintain the Project Development Security after the Commercial Operation Date, if at such time no damages are owed to PacifiCorp under this Agreement. However, as of the Commercial Operation Date, Seller may elect to apply the Project Development Security toward the Default Security required by Section 8.2, including by the automatic continuation (as opposed to the replacement) thereof.

## 8.2 Default Security.

8.2.1 Duty to Post Default Security. On the date specified in Section 2.3(b), Seller shall post and maintain in favor of PacifiCorp (a) a guaranty from an entity that satisfies the Credit Requirements, in substantially the form attached hereto as Exhibit D, or (b) a Letter of Credit, each in the amount specified in Section 8.2.1 (the “Default Security”), as provided in this Section 8.2. Seller and any entity providing a guaranty shall provide within five (5) Business Days from receipt of a written request from PacifiCorp all reasonable financial records necessary for PacifiCorp to confirm the guarantor satisfies the Credit Requirements.

8.2.2 Amount of Default Security. The amount of the Default Security required by Section 8.2.1 shall be one hundred dollars ($100) per kW of Expected Nameplate Capacity Rating and will be held until the agreement expires.

## 8.3 [Reserved].

## 8.4 Subordinated Security Interests.

8.4.1 Security Interests. On or before the Effective Date, and simultaneously with the acquisition by Seller after the Effective Date of any additional real property in connection with the Facility, Seller shall execute, file and record such agreements, documents, instruments, mortgages, deeds of trust and other writings as PacifiCorp may reasonably request, all in the form attached hereto as Exhibit 8.4.1, to give PacifiCorp a perfected security interest in and lien on the Facility, the Premises, all present and future real property, personal property and fixtures therein and all other assets necessary or appropriate for the development, construction, ownership, operation or maintenance of the Facility, as security for Seller's performance and any amounts owed by Seller to PacifiCorp pursuant hereto (collectively the “Security Interests”). The Security Interests shall be subordinate in right of payment, priority and remedies only to (a) the interests of the Senior Lenders in any credit arrangements described in the definition of “Lenders,” and (b) to the extent provided by applicable law, any workers', mechanics', suppliers', tax or similar liens arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within five (5) Business Days of the commencement of any proceeding to foreclose the lien.

8.4.2 Maintenance of Security Interests. Seller hereby authorizes the filing and recording of financing statements in the name of Seller as debtor thereunder and shall take such further action and execute such further instruments and other writings as shall be required by PacifiCorp to confirm and continue the validity, priority, and perfection of the Security Interests. The granting of the Security Interests shall not be to the exclusion of, nor be construed to limit the amount of any further claims, causes of action or other rights accruing to PacifiCorp by reason of any breach or default by Seller hereunder or the termination hereof prior to the expiration of the Term.

8.4.3 Transfer of Required Facility Documents. The Security Interests shall provide that if PacifiCorp acts to obtain title to the Facility pursuant to the Security Interests, Seller shall take all steps necessary to transfer all Required Facility Documents necessary to operate the Facility to PacifiCorp, and shall diligently prosecute and cooperate in such transfers.

## 8.5 Debt-to-Equity Ratio; Annual and Quarterly Financial Statements.

Seller shall at all times during the Term, following the Commercial Operation Date, maintain the percentage of Facility Equity (as defined below) at no less than thirty percent (30%). Annually on March 1st, commencing after the Commercial Operation Date, Seller shall provide to PacifiCorp a certificate of Seller's Chief Financial Officer attesting to the maintenance of such Facility Equity percentage and the Facility's then-current Book Value. 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 and statement of the Facility's then-current Book Value. If, as of any such reporting date, the Facility Equity percentage is less than thirty (30) percent, then within sixty (60) days after such reporting date, Seller, in its discretion, will either (a) take the necessary action to cause the percentage of Facility Equity to be no less than thirty percent (30%) or (b) increase the amount of the Default Security by an amount equal to one percent (1%) (or pro rata portion thereof) of the then-current Book Value of the Facility for each percentage (or pro rata portion thereof) that Facility Equity falls below thirty percent (30%). PacifiCorp, in its sole discretion, may require that any required increase to the Default Security be provided in a form of Letter of Credit or cash, by providing written notice to Seller. For purposes of this section, “Facility Equity” means the aggregate amount, as of the Commercial Operation Date, of equity investment in the Facility by any owner, investor, or other party. The phrases “percentage of Facility Equity” or “Facility Equity percentage” means the ratio, expressed as a percentage, of the Facility Equity to the sum of (x) all indebtedness outstanding to third parties and (y) the amount of Facility Equity. Seller shall not grant a security interest to any third party in the Facility or any of its assets to support the obligations of any entity other than Seller or its Affiliates, or any obligations of Seller or its Affiliates other than obligations that relate directly to the Facility or Seller's or its Affiliates' other wind energy facilities. Without limiting the foregoing, Seller agrees to cause the contribution of Facility Equity whenever such contribution is required under Seller's and Seller's Affiliates agreements with Lenders.

## 8.6 Security is Not a Limit on Seller's Liability.

The security contemplated by this Section 8 (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. Seller shall maintain security as required by Sections 8.1, 8.2 and 8.3, as applicable per this Agreement. To the extent that PacifiCorp draws on any security, Seller shall, on or before the first day of the Contract Year following such draw, replenish or reinstate the security to the full amount then required under this Section 8. If at any time the Seller or Seller's credit support provider(s) fails to meet the Credit Requirements, then Seller shall provide replacement security meeting the requirements set forth in Section 8 within ten (10) Business Days after the earlier of (x) Seller's receipt of notice from any source that Seller or the credit support provider(s), as applicable, no longer meets the Credit Requirements or (y) Seller's receipt of written notice from PacifiCorp requesting the posting of alternate security.

# SECTION 9 METERING

## 9.1 Installation of Metering Equipment.

Metering equipment shall be designed, furnished, installed, owned, inspected, tested, maintained and replaced as provided in the Generation Interconnection Agreement; provided, however, that PacifiCorp acting in its merchant function capacity shall be under no obligation, pursuant hereto, to bear any expense relating to such metering equipment.

## 9.2 Metering.

Metering shall be performed at the location and in the manner specified in Exhibit 9.2, the Generation Interconnection Agreement and as necessary to perform Seller's obligations hereunder. All quantities of Net Output purchased hereunder shall reflect the net amount of energy flowing into the System at the Point of Delivery.

## 9.3 Inspection, Testing, Repair and Replacement of Meters.

PacifiCorp shall have the right to periodically inspect, test, repair and replace the metering equipment that are provided for in the Generation Interconnection Agreement, without PacifiCorp assuming any obligations thereunder. If any of the inspections or tests disclose an error exceeding 0.5 percent (0.5%), either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three months, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered. Such correction, when made, shall constitute full adjustment of any claim between Seller and PacifiCorp arising out of such inaccuracy of metering equipment. Nothing in this Agreement shall give rise to PacifiCorp, acting in its merchant function capacity hereunder, having any obligations to Seller, or any other person or entity, pursuant to or under the Generation Interconnection Agreement.

## 9.4 Metering Costs.

To the extent not otherwise provided in the Generation Interconnection Agreement, Seller shall bear all costs (including PacifiCorp's costs) relating to all metering equipment installed to accommodate Seller's Facility.

## 9.5 Meter Data.

Within ten (10) days of the Effective Date, Seller may request the Interconnection Provider or Transmission Provider in writing in a form similar to that found in Exhibit 9.5 to provide any and all meter or other data associated with the Facility or Net Output directly to PacifiCorp. Should Seller refuse to provide a release similar to that found in Exhibit 9.5, Seller shall establish a mechanism at its expense that allows PacifiCorp, in its merchant function, to obtain all necessary meter and other data to fully perform and verify Seller’s performance under this Agreement. Notwithstanding any other provision hereof, PacifiCorp shall have the right to provide such data to any Electric System Authority.

## 9.6 WREGIS Metering.

Seller shall cause the Facility 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 Facility and only the Facility.

# SECTION 10 BILLINGS, COMPUTATIONS AND PAYMENTS

## 10.1 Monthly Invoices.

On or before the tenth (10th) day following the end of each calendar month, Seller shall deliver to PacifiCorp a proper invoice showing Seller's computation of Net Output delivered to the Point of Delivery during such month. When calculating the invoice, Seller shall provide computations showing the portion of Net Output that was delivered during On-Peak Hours and the portion of Net Output that was delivered during Off-Peak Hours. If such invoice is delivered by Seller to PacifiCorp, then PacifiCorp shall send to Seller, on or before the later of the twentieth (20th) day following receipt of such invoice or the thirtieth (30th) day following the end of each month, payment for Seller's deliveries of Net Output and associated Green Tags to PacifiCorp.

## 10.2 Offsets.

Either Party may offset any payment due hereunder against amounts owed by the other Party pursuant hereto. Either Party's exercise of recoupment and set off rights shall not limit the other remedies available to such Party hereunder.

## 10.3 Interest on Late Payments.

Any amounts that are not paid when due hereunder shall bear interest at the Contract Interest Rate from the date due until paid.

## 10.4 Disputed Amounts.

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. Except with respect to invoices provided under Section 6.12.3, any such notice shall be provided within two (2) years of the date of the invoice in which the error first occurred. If any amount disputed by such Party is determined to be due the other Party, or if the Parties resolve the payment dispute, the amount due shall be paid within five (5) Business Days after such determination or resolution, along with interest at the Contract Interest Rate from the date due until the date paid.

## 10.5 Audit Rights.

Each Party, through its authorized representatives, shall have the right, at its sole expense upon reasonable notice and during normal business hours, to examine and copy the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made hereunder or to verify the other Party's performance of its obligations hereunder. Upon request, each Party shall provide to the other Party statements evidencing the quantities of Net Output delivered at the Point of Delivery. If any statement is found to be inaccurate, a corrected statement shall be issued and any amount due thereunder will be promptly paid and shall bear interest at the Contract Interest Rate from the date of the overpayment or underpayment to the date of receipt of the reconciling payment. Notwithstanding the foregoing, no adjustment shall be made with respect to any statement or payment hereunder unless a Party questions the accuracy of such payment or statement within two (2) years after the date of such statement or payment.

# SECTION 11 DEFAULTS AND REMEDIES

## 11.1 Defaults.

The following events are defaults (each a “default” before the passing of applicable notice and cure periods, and an “Event of Default” thereafter) hereunder:

11.1.1 Defaults by Either Party.

* + - 1. A Party fails to make a payment when due hereunder if the failure is not cured within ten (10) Business Days after the non-defaulting Party gives the defaulting Party a notice of the default.
      2. A Party (i) makes a general assignment for the benefit of its creditors; (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (iii) becomes insolvent; or (iv) is unable to pay its debts when due.
      3. A Party breaches a representation or warranty made by it herein if the breach is not cured within thirty (30) days after the non-defaulting Party gives the defaulting Party a notice of the default; provided that if such default is not reasonably capable of being cured within the thirty (30) day cure period but is reasonably capable of being cured within a ninety (90) day cure period, the defaulting Party will have such additional time (not exceeding an additional sixty (60) days) as is reasonably necessary to cure, if, prior to the end of the thirty (30) day cure period the defaulting Party provides the non-defaulting Party a remediation plan, the non-defaulting party approves such remediation plan, and the defaulting Party promptly commences and diligently pursues the remediation plan.
      4. A Party otherwise fails to perform any material obligation hereunder for which an exclusive remedy is not provided hereunder and which is not addressed in any other Event of Default described in Section 11.1, if the failure is not cured within thirty (30) days after the non-defaulting Party gives the defaulting Party notice of the default; provided that if such default is not reasonably capable of being cured within the thirty (30) day cure period but is reasonably capable of being cured within a ninety (90) day cure period, the defaulting Party will have such additional time (not exceeding an additional sixty (60) days) as is reasonably necessary to cure, if, prior to the end of the thirty (30) day cure period the defaulting Party provides the non-defaulting Party a remediation plan, the non-defaulting party approves such remediation plan, and the defaulting Party promptly commences and diligently pursues the remediation plan.

11.1.2 Defaults by Seller.

* + - 1. Seller fails to post, increase, or maintain the Project Development Security or Default Security as required under, and by the applicable dates set forth in, Section 2 and Section 8 and such failure is not cured within ten (10) Business Days after PacifiCorp gives Seller notice of default.
      2. Seller fails to (i) cause the Facility to achieve Commercial Operation on or before the Guaranteed Commercial Operation Date, or (ii) complete all items included on the Final Completion Schedule within ninety (90) days after the Commercial Operation Date.
      3. Seller sells Output, Green Tags or Capacity Rights from the Facility to a party other than PacifiCorp in breach of Section 4.2, or Seller makes a public statement or otherwise takes an action that any Governmental Authority or the Center for Resource Solutions determines is a retirement, double counting, double sale, double use or double claim of Green Tags, if Seller does not permanently cease such sale and compensate PacifiCorp for the damages arising from the breach within ten (10) days after PacifiCorp gives Seller a notice of default.

(d) PacifiCorp receives notice of foreclosure of the Facility or any part thereof by a Lender, mechanic or materialman, or any other holder, of an unpaid lien or other charge or encumbrance, if the same has not been stayed, paid, or bonded around within ten (10) days of the date of the notice received by PacifiCorp.

(e) After the Commercial Operation Date, Seller fails to maintain any Required Facility Documents or Permits necessary to own or operate the Facility and such failure continues for thirty (30) days after Seller’s receipt of written notice thereof from PacifiCorp; provided, however, that, upon written notice from Seller, the thirty (30) day period shall be extended by an additional sixty (60) days if (i) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (ii) the default is capable of being cured within the additional sixty (60) day period, and (iii) Seller commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure.

(f) Seller's Abandonment of construction or operation of the Facility and such failure continues for thirty (30) days after Seller’s receipt of written notice thereof from PacifiCorp.

(g) Seller fails to maintain insurance as required by the Agreement and such failure continues for ten (10) days after Seller’s receipt of written notice thereof from PacifiCorp.

(h) Seller fails to meet the Guaranteed Availability for two (2) consecutive years.

## 11.2 Remedies for Failure to Deliver/Receive.

11.2.1 Remedy for Seller's Failure to Deliver. Upon the occurrence and during the continuation of a default of Seller under Section 11.1.2(c), Seller shall pay PacifiCorp within five (5) Business Days after invoice receipt, an amount equal to the sum of (a) PacifiCorp's Cost to Cover multiplied by the Net Output delivered to a party other than PacifiCorp, (b) additional transmission charges, if any, reasonably incurred by PacifiCorp in moving replacement energy to the Point of Delivery or if not there, to such points in PacifiCorp's control area as are determined by PacifiCorp, and (c) any additional cost or expense incurred as a result of Seller's default under Section 11.1.2(c), as determined by PacifiCorp in a commercially reasonable manner. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

11.2.2 Remedy for PacifiCorp's Failure to Purchase. If PacifiCorp fails to receive or purchase all or part of the Net Output and Green Tags required to be purchased pursuant hereto and such failure is not excused under the terms hereof or by Seller's failure to perform, then Seller shall first satisfy its obligations under Section 11.7 and then PacifiCorp shall pay Seller, on the earlier of the date payment would otherwise be due in respect of the month in which the failure occurred or within five (5) Business Days after invoice receipt, an amount equal to Seller's Cost to Cover multiplied by the amount of Net Output so not purchased, less amounts received by Seller pursuant to Section 11.7. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation thereof.

11.2.3 Remedy for Seller's Failure to Sell/Deliver Capacity Rights. Seller shall be liable for PacifiCorp's actual damages in the event Seller fails to sell or deliver all or any portion of the Capacity Rights to PacifiCorp.

## 11.3 Termination and Remedies.

From and during the continuance of an Event of Default, the non-defaulting Party shall be entitled to all remedies available at law or in equity, and may terminate this Agreement by notice to the other Party designating the date of termination and delivered to the defaulting Party no less than one (1) Business Day before such termination date. The notice required by this Section 11.3 may be provided in the notice of default (and does not have to be a separate notice) so long as it complies with all other terms of this Section 11.3. As a precondition to Seller's exercise of this termination right, Seller must also provide copies of such notice to the notice addresses of the then-current President and General Counsel of PacifiCorp. Such copies shall be sent by registered overnight delivery service or by certified or registered mail, return receipt requested. In addition, Seller's termination notice shall state prominently therein in typefont no smaller than 14‑point all-capital letters that “THIS IS A TERMINATION NOTICE UNDER A WIND PPA. YOU MUST CURE A DEFAULT, OR THE PPA WILL BE TERMINATED,” and shall state therein any amount purported to be owed and wiring instructions. Notwithstanding any other provision of this Agreement to the contrary, Seller will not have any right to terminate this Agreement if the default that gave rise to the termination right is cured within fifteen (15) Business Days of PacifiCorp’s receipt of such notice. Further, from and after the date upon which Seller fails to remedy a default within the time periods provided in Section 11.1, and until PacifiCorp has recovered all damages incurred on account of such default by Seller, without exercising its termination right, PacifiCorp may offset its damages against any payment due Seller. Except in circumstances in which a remedy provided for in this Agreement is described as a Party's sole or exclusive remedy, upon termination, the non-defaulting Party may pursue any and all legal or equitable remedies provided by law, equity or this Agreement. The rights contemplated by this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. In the event of a termination hereof:

* + - 1. Each Party shall pay to the other all amounts due the other hereunder for all periods prior to termination, subject to offset by the non-defaulting Party against damages incurred by such Party.
      2. The amounts due pursuant to Section 11.3(a) shall be calculated and paid within thirty (30) days after the billing date for such charges and shall bear interest thereon at the Contract Interest Rate from the date of termination until the date paid. The foregoing does not extend the due date of, or provide an interest holiday for any payments otherwise due hereunder.
      3. Before and after the effective date of termination, the non-defaulting Party may pursue, to the extent permitted by this Agreement, any and all legal or equitable remedies provided by law, equity or this Agreement.
      4. Without limiting the generality of the foregoing, the provisions of Sections 4.5, 5.4, 5.5, 6.10.4, 6.10.5, 6.10.7, 10.3, 10.4, 10.5, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.9 and Section 12, Section 13, Section 23, and Section 24 shall survive the termination hereof.

## 11.4 Termination of Duty to Buy; Memorandum of Agreement.

If this Agreement is terminated because of a default by Seller, neither Seller nor any Affiliate of Seller, nor any successor to Seller with respect to the ownership of the Facility or Premises, on whose behalf Seller acts as agent, may thereafter require or seek to require PacifiCorp to make any purchases from the Facility or any electric generation facility constructed on the Premises under PURPA, or any other Requirements of Law, for any periods that would have been within the Term had this Agreement remained in effect. Seller, on behalf of itself and on behalf of any other entity on whose behalf it may act, hereby waives its rights to require PacifiCorp to do so. On or before the Effective Date, the Parties shall execute and record, in the appropriate real property records of the counties in which the Facility or Premises is situated, and any federal agency as applicable, a memorandum in the form of Exhibit 11.4 to provide constructive notice to third parties of Seller's agreements under this Section 11.4.

## 11.5 Termination Damages.

If this Agreement is terminated as a result of an Event of Default by one of the Parties, termination damages shall be determined. The amount of termination damages shall be calculated by the non-defaulting Party within a reasonable period after termination of the Agreement. Amounts owed pursuant to this section shall be due within five (5) Business Days after the non-defaulting Party gives the defaulting Party notice of the amount due. The non-defaulting Party shall under no circumstances be required to account for or otherwise credit or pay the defaulting Party for economic benefits accruing to the non-defaulting Party as a result of the defaulting Party's default.

## 11.6 Senior Lender Foreclosure.

An exercise of remedies under the financing documents between Seller and Senior Lenders, in and of itself, is not an Event of Default under Section 11.1.2(d).

## 11.7 Duty/Right to Mitigate.

Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance hereof. “Commercially reasonable efforts” (a) by Seller shall include requiring Seller to use commercially reasonable efforts to maximize the price for Net Output and associated Green Tags received by Seller from third parties, including entering into an enabling agreement with, or being affiliated with, one or more power marketers of nationally recognized standing to market such Net Output and associated Green Tags not purchased or accepted by PacifiCorp (only during a period PacifiCorp is in default), in each case only to the extent any of the foregoing actions are permitted under Requirements of Law and the Interconnection Agreement; and (b) by PacifiCorp shall include requiring PacifiCorp to use commercially reasonable efforts to minimize the price paid to third parties for energy and Green Tags purchased to replace Net Output and Green Tags not delivered by Seller as required hereunder.

## 11.8 Security.

If this Agreement is terminated because of Seller's default, PacifiCorp may, in addition to pursuing any and all other remedies available at law or in equity, proceed against any security held by PacifiCorp in whatever form to reduce any amounts that Seller owes PacifiCorp arising from such default.

## 11.9 Step-In Rights.

11.9.1 Failure to Achieve Commercial Operation. If Seller fails to achieve Commercial Operation of the Facility by the Guaranteed Commercial Operation Date, PacifiCorp shall have the right to enter the Facility and do all such things as PacifiCorp may consider necessary or desirable to complete the Facility and cause Commercial Operation to occur. PacifiCorp shall, following the Commercial Operation Date (a) return the Facility to Seller upon execution of an indemnity and release by Seller of all claims arising out of the period of PacifiCorp’s entry on the Facility in a form reasonably acceptable to PacifiCorp or (b) failing the execution of such release or indemnity, operate the Facility for the Term pursuant to Section 11.9.2. PacifiCorp shall likewise return the Facility to Seller upon a showing by Seller that it is immediately ready, willing and able to achieve Commercial Operation of the Facility within a commercially and technically reasonable period of time.

11.9.2 License to Operate Facility. Seller hereby irrevocably grants to PacifiCorp the right, license, and authority to enter the Premises, operate and maintain the Facility, and to perform Seller's obligations hereunder for the Term during the continuance of an Event of Default by Seller under Sections 11.1.2(b), 11.1.2(c), 11.1.2(e), 11.1.2(f), or 11.1.2(h) (such rights along with those rights set forth in Section 11.9.1, “Step-In Rights”). PacifiCorp may, but shall not be obligated to, exercise its rights as licensee under this section in lieu of termination. During any period in which PacifiCorp is operating and maintaining the Facility pursuant to the license granted in this Section, Seller shall, upon request from PacifiCorp, reimburse PacifiCorp for all reasonable costs and expenses incurred by PacifiCorp to operate and maintain the Facility.

11.9.3 Indemnification; Standard of Care. Seller shall indemnify and hold PacifiCorp harmless from and against all losses, costs, charges and expenses reasonably incurred by PacifiCorp in connection with exercise of its rights under Section 11.9.1 or 11.9.2 whether to third parties or otherwise, other than losses, costs, charges and expenses attributable to the gross negligence or willful misconduct of PacifiCorp. During such time as PacifiCorp has custody of the Premises and Facility pursuant to this Section 11.9, it shall conduct all of its activities pursuant to Prudent Electrical Practices.

11.9.4 Records and Access. Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon PacifiCorp's notice of its intent to exercise Step-In Rights, PacifiCorp, its employees, contractors, or designated third parties shall have the right to enter the Premises and the Facility for the purpose of constructing or operating the Facility. Upon the exercise by PacifiCorp of the Step-In Rights, Seller shall cause the Facility operator (and any Person within the control of Seller) to give PacifiCorp access to and control of the operation and maintenance of the Facility to the extent reasonably necessary to enable PacifiCorp to exercise the Step-In Rights in respect of the part of the Facility so to be operated by PacifiCorp, and shall provide reasonable assistance and cooperation to PacifiCorp to effect safely the transfer of operational responsibility as may be requested by PacifiCorp. Seller shall execute such documents and take such other action as may be necessary for PacifiCorp to effectuate its rights under this Section 11.9.

11.9.5 Return. PacifiCorp may, at any time, terminate its exercise of the Step-In Rights whether or not the applicable event has been cured. If at any time after exercising its Step-In Rights, PacifiCorp elects to return such possession to Seller, PacifiCorp shall provide Seller with at least ten (10) days advance notice of the date PacifiCorp intends to return such possession, and upon receipt of such notice Seller shall take all measures necessary to resume possession of the Facility on such date.

11.9.6 No Assumption. PacifiCorp's exercise of its Step-In Rights shall not be deemed an assumption by PacifiCorp of any liability of Seller due and owing prior to the exercise of such rights. PacifiCorp shall not assume any liability of Seller for the period during which PacifiCorp exercises such Step-In Rights. During any period that PacifiCorp is exercising its Step-In Rights, Seller shall retain legal title to and ownership of the Facility and all of its other property and its revenues. When exercising its Step-In Rights, PacifiCorp shall assume possession, operation, and control of the Facility solely as agent for Seller. In no event shall PacifiCorp's election to exercise the Step-In Rights be deemed to constitute a transfer of ownership of or title to the Facility or any assets of Seller.

11.9.7 Costs and Expenses. Seller shall indemnify and hold harmless PacifiCorp from and against all losses, costs, charges and expenses incurred by PacifiCorp in connection with exercise of its Step-In Rights other than all losses, costs, charges and expenses attributable to the gross negligence or willful misconduct of PacifiCorp. In connection with its exercise of Step-In Rights, PacifiCorp shall have the right to recoup and set off all such losses, costs, charges and expenses against amounts otherwise owed by PacifiCorp hereunder. PacifiCorp's exercise of such recoupment and set off rights shall not limit the other remedies available to PacifiCorp hereunder or otherwise.

## 11.10 Cumulative Remedies.

Except in circumstances in which a remedy provided for in this Agreement is described as a sole or exclusive remedy, the rights and remedies provided to PacifiCorp hereunder are cumulative and not exclusive of any rights or remedies of PacifiCorp.

# SECTION 12 INDEMNIFICATION AND LIABILITY

## 12.1 Indemnities.

12.1.1 Indemnity by Seller. To the extent permitted by Requirements of Law and subject to Section 12.1.5, Seller shall release, indemnify and hold harmless PacifiCorp, its divisions, Affiliates, and each of its and their respective directors, officers, employees, agents, and representatives (collectively, the “PacifiCorp Indemnitees”) against and from any and all losses, fines, penalties, claims, demands, damages, liabilities, actions or suits of any nature whatsoever (including legal costs and attorneys' fees, both at trial and on appeal, whether or not suit is brought) (collectively, “Liabilities”) actually or allegedly resulting from, or arising out of, or in any way connected with, the performance by Seller of its obligations hereunder, or relating to the Facility or Premises, for or on account of injury, bodily or otherwise, to, or death of, or damage to or destruction of property of, any person or entity, excepting only to the extent such Liabilities as may be caused by the gross negligence or willful misconduct of any person or entity within the PacifiCorp Indemnitees. Seller shall be solely responsible for (and shall defend and hold PacifiCorp harmless against) any damage that may occur as a direct result of Seller's breach of the Generation Interconnection Agreement.

12.1.2 Indemnity by PacifiCorp. To the extent permitted by Requirements of Law and subject to Section 12.1.5, PacifiCorp shall release, indemnify and hold harmless Seller, its Affiliates, and each of its and their respective directors, officers, employees, agents, and representatives (collectively, the “Seller Indemnitees”) against and from any and all Liabilities actually or allegedly 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 (a) injury, bodily or otherwise, to, or death of, or (b) for damage to, or destruction of property of, any person or entity within the Seller Indemnitees, excepting only to the extent such Liabilities as may be caused by the gross negligence or willful misconduct of any person or entity within the Seller Indemnitees.

12.1.3 Additional Cross Indemnity. Without limiting Sections 12.1.1 and 12.1.2, Seller shall release, indemnify and hold harmless the PacifiCorp Indemnitees from and against all Liabilities related to Net Output prior to its delivery by Seller at the Point of Delivery, and PacifiCorp shall release, indemnify and hold harmless the Seller Indemnitees from and against all Liabilities related to Net Output once delivered to PacifiCorp at the Point of Delivery as provided herein, except in each case to the extent such Liabilities are attributable to the gross negligence or willful misconduct or a breach of this Agreement by any member of the PacifiCorp Indemnitees or the Seller Indemnitees, respectively, seeking indemnification hereunder.

12.1.4 No Dedication. Nothing herein shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party. No undertaking by one Party to the other under any provision hereof shall constitute the dedication of PacifiCorp's facilities or any portion thereof to Seller or to the public, nor affect the status of PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

12.1.5 Consequential Damages. **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. THE PARTIES AGREE THAT ANY LIQUIDATED DAMAGES, DELAY DAMAGES, PACIFICORP AND SELLER COST TO COVER DAMAGES, SECTION 11.2.3 CAPACITY RIGHTS LOSS DAMAGES, OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR HEREIN, ARE NOT INTENDED BY THEM TO REPRESENT SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES.**

# SECTION 13 INSURANCE

## 13.1 Required Policies and Coverages.

Without limiting any liabilities or any other obligations of Seller hereunder, Seller shall secure and continuously carry the insurance coverage specified on Exhibit 13 during the Term or longer period if specified in Exhibit 13.

## 13.2 Certificates of Insurance.

Seller shall provide PacifiCorp with certificates of insurance within ten (10) days after the date by which such policies are required to be obtained (as set forth in Exhibit 13). Seller shall provide a certificate of insurance (in ACORD or similar industry form) to PacifiCorp within ten (10) days of the effective date of any insurance policy required under this Agreement. The certificates shall indicate that the insurer shall provide thirty (30) days prior written notice of cancellation. If any coverage is written on a “claims-made” basis, the certification accompanying the policy shall conspicuously state that the policy is "claims made."

# SECTION 14 FORCE MAJEURE

## 14.1 Definition of Force Majeure.

“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; civil disturbance; sabotage; strikes; lock-outs; work stoppages; and action or restraint by court order or public or Governmental 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, capacity or Green Tags at a more advantageous price than is provided hereunder; (ii) the cost or availability of fuel or motive force to operate the Facility; (iii) economic hardship, including lack of money; (iv) any breakdown or malfunction of the Facility's Wind Turbines or other equipment (including any serial equipment defect) that is not caused by an independent event of Force Majeure, (v) the imposition upon a Party of costs or taxes allocated to such Party under Section 5, (vi) delay or failure of Seller to obtain or perform any Required Facility Document unless due to a Force Majeure event, (vii) any delay, alleged breach of contract, or failure by the Transmission Provider, Network Service Provider or Interconnection Provider unless due to a Force Majeure event, (viii) maintenance upgrade or repair of any facilities or right of way corridors constituting part of or involving the Interconnection Facilities, whether performed by or for Seller, or other third parties (except for repairs made necessary as a result of an event of Force Majeure); (ix) Seller's failure to obtain, or perform under, the Generation Interconnection Agreement, or its other contracts and obligations to transmission owner, Transmission Provider or Interconnection Provider, unless due to a Force Majeure event; or (x) any event attributable to the use of Interconnection Facilities for deliveries of Net Output to any party other than PacifiCorp. 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.

## 14.2 Suspension of Performance.

After the Commercial Operation Date, but not before, neither Party shall be liable for any delay or failure in its performance under this Agreement, nor shall any delay, failure, or other occurrence or event become an Event of Default, to the extent such delay, failure, occurrence or event is substantially caused by conditions or events of Force Majeure during the continuation of the event of Force Majeure, for the same number of days that the event of Force Majeure has prevailed, provided that:

* + - 1. the Party affected by the Force Majeure, shall, within five (5) days after the occurrence of the event of Force Majeure, give the other Party written notice describing the particulars of the event; and
      2. the suspension of performance shall be of no greater scope and of no longer duration than is required to remedy the effect of the Force Majeure; and
      3. the affected Party shall use diligent efforts to remedy its inability to perform.

## 14.3 Force Majeure Does Not Affect Other Obligations.

No obligations of either Party that arose before the Force Majeure causing the suspension of performance or that arise after the cessation of the Force Majeure shall be excused by the Force Majeure. No obligation of Seller arising before the Commercial Operation Date may be excused by Force Majeure.

## 14.4 Strikes.

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

## 14.5 Right to Terminate.

If a Force Majeure event prevents a Party from substantially performing its obligations hereunder for a period exceeding 180 consecutive days (despite the affected Party's effort to take all reasonable steps to remedy the effects of the Force Majeure with all reasonable dispatch), then the Party not affected by the Force Majeure event, with respect to its obligations hereunder, may terminate this Agreement by giving ten (10) days prior notice to the other Party. Upon such termination, neither Party will have any liability to the other with respect to the period following the effective date of such termination; provided, however, that this Agreement will remain in effect to the extent necessary to facilitate the settlement of all liabilities and obligations arising hereunder before the effective date of such termination.

# SECTION 15 SEVERAL OBLIGATIONS

Nothing contained herein shall be construed to create an association, trust, partnership or joint venture or to impose a trust, partnership or fiduciary duty, obligation or liability on or between the Parties.

# SECTION 16 CHOICE OF LAW

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

# SECTION 17 PARTIAL INVALIDITY

The Parties do not intend to violate any laws governing the subject matter hereof. If any of the terms hereof are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms hereof shall remain in effect. The Parties shall use best efforts to amend this Agreement to reform or replace any terms determined to be invalid, illegal or void, such that the amended terms (a) comply with and are enforceable under applicable law, (b) give effect to the intent of the Parties under this Agreement, and (c) preserve the balance of the economics and equities contemplated by this Agreement in all material respects.

# SECTION 18 NON-WAIVER

No waiver of any provision hereof shall be effective unless the waiver is set forth in a writing that (a) expressly identifies the provision being waived, and (b) is executed by the Party waiving the provision. A Party's waiver of one or more failures by the other Party in the performance of any of the provisions hereof shall not be construed as a waiver of any other failure or failures, whether of a like kind or different nature.

# SECTION 19 GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those Governmental Authorities having control over either Party or this Agreement. During the Term, Seller shall maintain all Permits required, as applicable, for the construction, operation, or ownership of the Facility.

# SECTION 20 SUCCESSORS AND ASSIGNS

## 20.1 Restriction on Assignments.

Except as expressly provided in this Section 20, neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party.

## 20.2 Permitted Assignments.

Notwithstanding Section 20.1, 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 project financing for the Facility; or (b) transfer or assign this Agreement to an Affiliate meeting the requirements of this Agreement; 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 in every assignment permitted under this Section 20.2, the assignee must agree in writing to be bound by the terms and conditions hereof and must possess the same or similar experience, and possess the same or better creditworthiness, as the assignor. 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 upon approval of PacifiCorp ceasing to be a load-serving entity by the Commission. The Party seeking to assign or transfer this Agreement shall be solely responsible for paying all costs of assignment.

# SECTION 21 ENTIRE AGREEMENT

This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding the subject matter hereof. No modification hereof shall be effective unless it is in writing and executed by both Parties.

# SECTION 22 NOTICES

## 22.1 Addresses and Delivery Methods.

All notices, requests, statements or payments shall be made to the addresses set out below. In addition, copies of a notice of termination of this Agreement under Section 11.3 shall contain the information required by Section 11.3 and shall be sent to the then-current President and General Counsel of PacifiCorp. Notices required to be in writing shall be delivered by letter, facsimile or other tangible documentary form. Notice by overnight mail or courier shall be deemed to have been given on the date and time evidenced by the delivery receipt. Notice by hand delivery shall be deemed to have been given when received or hand delivered. Notice by facsimile is effective as of transmission to each and all of the telefacsimile numbers provided below for a Party, but must be followed up by notice by registered mail or overnight carrier to be effective. Notice by overnight mail shall be deemed to have been given the Business Day after it is sent, if sent for next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express or UPS). Notice by certified or registered mail, return receipt requested, shall be deemed to have been given upon receipt.

To Seller: [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]

[\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]

[\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]

with a copy to: [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]

[\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]

[\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]

To PacifiCorp: PacifiCorp  
825 NE Multnomah, Suite 600  
Portland, Oregon 97232- 2315  
Attn: Director, Valuation & Commercial Business  
Telefacsimile (503) 813-6260

with a copy to: PacifiCorp  
825 NE Multnomah, Suite 600  
Portland, Oregon 97232- 2315  
Attn: Contract Administration  
Telefacsimile (503) 813-6291  
Email: cntadmin@pacificorp.com

with copies to: PacifiCorp Legal Department  
825 NE Multnomah, Suite 1800  
Portland, Oregon 97232- 2315  
Attn: Assistant General Counsel  
Telefacsimile (503) 813-6761

and termination notices to PacifiCorp: PacifiCorp   
1407 West North Temple  
Suite 320  
Salt Lake City, Utah 84116  
Attn: President

and to: PacifiCorp   
1407 West North Temple  
Suite 320  
Salt Lake City, Utah 84116  
Attn: General Counsel

## 22.2 Changes of Address.

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.

# SECTION 23 CONFIDENTIALITY

## 23.1 Confidential Business Information.

The following constitutes “Confidential Business Information,” whether oral or written: (a) the Parties' proposals and negotiations concerning this Agreement, made or conducted prior to the Effective Date, (b) the actual charges billed to PacifiCorp hereunder, and (c) any information delivered by PacifiCorp to Seller prior to the Effective Date relating to the market prices of energy or Green Tags and methodologies for their determination or estimation. Seller and PacifiCorp each agree to hold such Confidential Business Information wholly confidential, except as otherwise expressly provided in this Agreement. “Confidential Business Information” shall not include information that (x) is in or enters the public domain through no fault of the Party receiving such information, or (y) was in the possession of a Party prior to the Effective Date, other than through delivery thereof as specified in subsections (a) and (c) above. A Party providing any Confidential Business Information under this Agreement shall clearly mark all pages of all documents and materials to be treated as Confidential Business information with the term “Confidential” on the front of each page, document or material. If the Confidential Business Information is transmitted by electronic means the title or subject line shall indicate the information is Confidential Business Information. All Confidential Business Information shall be maintained as confidential, pursuant to the terms of this Section 23, for a period of two (2) years from the date it is received by the receiving Party unless otherwise agreed to in writing by the Parties.

## 23.2 Duty to Maintain Confidentiality.

Each Party agrees not to disclose Confidential Business Information to any other person (other than its Affiliates, accountants, auditors, counsel, consultants, lenders, prospective lenders, employees, officers and directors), without the prior written consent of the other Party, provided that: (a) either Party may disclose Confidential Business Information, if and to the extent such disclosure is required (i) by Requirements of Law, (ii) in order for PacifiCorp to receive regulatory recovery of expenses related to this Agreement, (iii) pursuant to an order of a court or regulatory agency, or (iv) in order to enforce this Agreement or to seek approval hereof, and (b) notwithstanding any other provision hereof, PacifiCorp may in its sole discretion disclose or otherwise use for any purpose in its sole discretion the Confidential Business Information described in Sections 23.1(b) or 23.1(c). In the event a Party is required by Requirements of Law to disclose Confidential Business Information, such Party shall to the extent possible promptly notify the other Party of the obligation to disclose such information.

## 23.3 PacifiCorp Regulatory Compliance.

The Parties acknowledge that PacifiCorp is required by law or regulation to report certain information that is or could otherwise 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 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.

## 23.4 Irreparable Injury; Remedies.

Each Party agrees that violation of the terms of this Section 23 constitutes irreparable harm to the other, and that the harmed Party may seek any and all remedies available to it at law or in equity, including injunctive relief.

## 23.5 News Releases and Publicity.

Except as otherwise provided in Section 6.14, before either Party issues any news release or publicly distributed promotional material regarding the Facility that mentions the Facility, such Party shall first provide a copy thereof to the other Party for its review and approval. Any use of either Party's name in such news release or promotional material must adhere to such Party's publicity guidelines then in effect; any use of Berkshire Hathaway's name requires PacifiCorp's prior written consent.

# SECTION 24 DISAGREEMENTS

## 24.1 Negotiations.

Prior to proceeding with formal dispute resolution procedures as provided below in this Section 24, the Parties must first attempt in good faith to resolve all disputes arising out of, related to or in connection with this Agreement promptly by negotiation, as follows. Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Executives of both Parties at levels one level above those employees who have previously been involved in the dispute must meet at a mutually acceptable time and place within ten (10) days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty (30) days after the referral of the dispute to such senior executives, or if no meeting of such senior executives has taken place within fifteen (15) days after such referral, either Party may initiate any legal remedies available to the Party. All negotiations pursuant to this clause are confidential.

## 24.2 Mediation; Technical Expert.

24.2.1 Mediation. If the dispute is not resolved within thirty (30) days after the referral of the dispute to senior executives, or if no meeting of senior executives has taken place within fifteen (15) days after such referral, either Party may request that the matter be submitted to non-binding mediation. If the other Party agrees, the mediation will be conducted in accordance with the Construction Industry Arbitration Rules and Mediation Procedures (Including Procedures for Large, Complex Construction Disputes) of the AAA, as amended and effective on the date a Party requests mediation, and except as modified in this Section 24 (the “Mediation Procedures”).

* + - 1. The Party requesting the mediation, may commence the mediation process with AAA by notifying AAA and the other Party in writing (“Mediation Notice”) of such Party's desire that the dispute be resolved through mediation, including therewith a copy of the Dispute Notice and the response thereto, if any, and a copy of the other Party's written agreement to such mediation.
      2. The mediation shall be conducted through, by and at the office of AAA located in Salt Lake City, Utah.
      3. The mediation shall be conducted by a single mediator. The Parties may select any mutually acceptable mediator. If the Parties cannot agree on a mediator within five (5) days after the date of the Mediation Notice, then the AAA's arbitration administrator shall send a list and resumes of three (3) available mediators to the Parties, each of whom shall strike one name, and the remaining person shall be appointed as the mediator. If more than one name remains, either because one or both Parties have failed to respond to the AAA's arbitration administrator within five (5) days after receiving the list or because one or both Parties have failed to strike a name from the list or because both Parties strike the same name, the AAA's arbitration administrator will choose the mediator from the remaining names. If the designated mediator shall die, become incapable or, unwilling to, or unable to serve or proceed with the mediation, a substitute mediator shall be appointed in accordance with the selection procedure described above in this Section 24.2.1, and such substitute mediator shall have all such powers as if he or she has been originally appointed herein.
      4. The mediation shall consist of one or more informal, non-binding meetings between the Parties and the mediator, jointly and in separate caucuses, out of which the mediator will seek to guide the Parties to a resolution of the Dispute. The mediation process shall continue until the resolution of the dispute, or the termination of the mediation process pursuant to Section 24.2.1(f). The costs of the mediation, including fees and expenses, shall be borne equally by the Parties.
      5. All verbal and written communications between the Parties and issued or prepared in connection with this Section 24 shall be deemed prepared and communicated in furtherance, and in the context, of dispute settlement, and shall be exempt from discovery and production, and shall not be admissible in evidence (whether as admission or otherwise) in any litigation or other proceedings for the resolution of the dispute.
      6. The initial mediation meeting between the Parties and the mediator shall be held within twenty (20) days after the Mediation Notice. Either Party may terminate the mediation process upon or after the earlier to occur of (i) the failure of the initial mediation meeting to occur within twenty (20) days after the date of the Mediation Notice, (ii) the passage of thirty (30) days after the date of the Mediation Notice without the dispute having been resolved, or (iii) such time as the mediator makes a finding that there is no possibility of resolution through mediation.
      7. All deadlines specified in this Section 24.2.1 may be extended by mutual agreement.

24.2.2 Technical Expert. If the dispute regards (a) whether or not Commercial Operation has been achieved, or (b) the disputed amount of any invoice, the Parties may, in lieu of mediation, have such dispute resolved pursuant to this Section 24.2.2. Any such dispute will be determined by an independent technical expert, who shall be a mutually acceptable third party with training and experience in the disciplines relevant to the matters with respect to which such person is called upon to provide a certification, evaluation or opinion (the “Technical Expert”), which determination shall be (x) except as otherwise provided in this Section 24.2.2, made in accordance with the Construction Industry Arbitration Rules and Mediation Procedures (Including Procedures for Large, Complex Construction Disputes) of the AAA, as amended and effective on the date a Party provides notice of its intent to submit the dispute to a technical expert, and (y) binding upon the Parties.

* + - 1. Either Party may commence the technical dispute process with AAA by notifying AAA and the other Party in writing (“Technical Dispute Notice”) of such Party's desire that the dispute be resolved through a determination by a technical expert.
      2. The determination shall be conducted by a sole Technical Expert. The Parties may select any mutually acceptable Technical Expert. If the Parties cannot agree on a Technical Expert within five (5) days after the date of the Technical Dispute Notice, then the AAA's arbitration administrator shall send a list and resumes of three (3) available technical experts meeting the qualifications set forth in Section 24.2.2 to the Parties, each of whom shall strike one name, and the remaining person shall be appointed as the Technical Expert. If more than one name remains, either because one or both Parties have failed to respond to the AAA's arbitration administrator within five (5) days after receiving the list or because one or both Parties have failed to strike a name from the list or because both Parties strike the same name, the AAA's arbitration administrator will choose the Technical Expert from the remaining names. If the designated Technical Expert shall die, become incapable or, unwilling to, or unable to serve or proceed with the determination, a substitute technical expert shall be appointed in accordance with the selection procedure described above, and such substitute Technical Expert shall have all such powers as if he or she has been originally appointed herein.
      3. Within thirty (30) days of the appointment of the Technical Expert pursuant to the foregoing sub-section, each Party shall submit to the Technical Expert a written report containing its position with respect to the dispute, and arguments therefor together with supporting documentation and calculations. Discovery shall be limited to Facility documentation relating to the disputed matter. Within sixty (60) days from receipt of such submissions, the Technical Expert shall select one or the other Party's position with respect to the dispute, whereupon such selection shall be a binding determination upon the Parties for all purposes hereof. The costs of the determination by the Technical Expert of any dispute, including fees and expenses, shall be borne by the Party whose position was not selected by the Technical Expert. If the Technical Expert fails to render a decision within ninety (90) days from receipt of each Party's submissions, either Party may initiate litigation in accordance with the provisions herein.
      4. All verbal and written communications between the Parties and issued or prepared in connection with this Section 24.2.2 shall be deemed prepared and communicated in furtherance, and in the context, of dispute settlement, and shall be exempt from discovery and production, and shall not be admissible in evidence (whether as admission or otherwise) in any litigation or other proceedings for the resolution of the dispute.
      5. All deadlines specified in this Section 24.2.2 may be extended by mutual agreement of the Parties.

## 24.3 Choice of Forum.

Each Party irrevocably consents and agrees that any legal action or proceeding arising out of this Agreement or the actions of the Parties leading up to the Agreement shall be brought exclusively in the United States District Court for the District of Wyoming. By execution and delivery hereof, each Party (a) accepts the exclusive jurisdiction of such court and waives any objection that it may now or hereafter have to the exercise of personal jurisdiction by such court over each Party for the purpose of any proceeding related to this Agreement, (b) irrevocably agrees to be bound by any final judgment (after any and all appeals) of any such court arising out of such documents or actions, (c) irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceedings arising out of such documents brought in such court (including any claim that any such suit, action or proceeding has been brought in an inconvenient forum) in connection herewith, (d) agrees that service of process in any such action may be effected by mailing a copy thereof by registered or certified mail, postage prepaid, to such Party at its address as set forth herein, and (e) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law.

## 23.4 Settlement Discussions.

No statements of position or offers of settlement made in the course of the dispute process described in this section will be offered into evidence for any purpose in any litigation between the Parties, nor will any such statements or offers of settlement be used in any manner against either Party in any such litigation. Further, no such statements or offers of settlement shall constitute an admission or waiver of rights by either Party in connection with any such litigation. At the request of either Party, any such statements and offers of settlement, and all copies thereof, shall be promptly returned to the Party providing the same.

## 23.5 Waiver of Jury Trial.

EACH PARTY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF THE PARTIES FOR ENTERING HEREINTO. EACH PARTY HEREBY WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY MATTER ARISING HEREUNDER OR THEREUNDER, WITH ANY PROCEEDING IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED. THIS PARAGRAPH WILL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

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

|  |  |
| --- | --- |
| [SELLER]  By:  Name:  Title:  Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | PACIFICORP  By:  Name:  Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |

**EXHIBIT A**

**ESTIMATED MONTHLY OUTPUT**

|  |  |  |  |
| --- | --- | --- | --- |
| **EXPECTED ENERGY - FIRST FULL CONTRACT YEAR** | | | |
| **PERIOD** | **ON-PEAK (MWh)** | **OFF-PEAK (MWh)** | **TOTAL (MWh)** |
| **January** |  |  |  |
| **February** |  |  |  |
| **March** |  |  |  |
| **April** |  |  |  |
| **May** |  |  |  |
| **June** |  |  |  |
| **July** |  |  |  |
| **August** |  |  |  |
| **September** |  |  |  |
| **October** |  |  |  |
| **November** |  |  |  |
| **December** |  |  |  |
| **First Year Total** |  |  |  |

Under separate cover, Seller will also provide PacifiCorp one (1) electronic and hard copy of the wind plant performance estimation report no later than ninety (90) days prior to the start of construction. This report will include, at a minimum, estimated hourly MW generation output in MWh/h for the site and Facility, and shall set forth additional losses related to Availability, transformers, substation and no-load losses. On or prior to the Commercial Operation Date, Seller shall provide an updated Exhibit A and wind plant performance estimation report based on completed construction.

Upon the date of Final Completion, if different than the Commercial Operation Date, Seller shall provide an updated Exhibit A and wind plant performance estimation report based on the final completed construction.

**EXHIBIT B  
  
NERC EVENT TYPES**

|  |  |
| --- | --- |
| Event Type | **Description of Outages** |
| U1 | Unplanned (Forced) Outage—Immediate – An outage that requires immediate removal of a unit from service, another outage state or a Reserve Shutdown state. This type of outage results from immediate mechanical/electrical/hydraulic control systems trips and operator-initiated trips in response to unit alarms. |
| U2 | Unplanned (Forced) Outage—Delayed – An outage that does not require immediate removal of a unit from the in-service state but requires removal within six (6) hours. This type of outage can only occur while the unit is in service. |
| U3 | Unplanned (Forced) Outage—Postponed – An outage that can be postponed beyond six hours but requires that a unit be removed from the in-service state before the end of the next weekend. This type of outage can only occur while the unit is in service. |
| SF | Startup Failure – An outage that results from the inability to synchronize a unit within a specified startup time period following an outage or Reserve Shutdown. A startup period begins with the command to start and ends when the unit is synchronized. An SF begins when the problem preventing the unit from synchronizing occurs. The SF ends when the unit is synchronized or another SF occurs. |
| MO | Maintenance Outage – An outage that can be deferred beyond the end of the next weekend, but requires that the unit be removed from service before the next planned outage. (Characteristically, a MO can occur any time during the year, has a flexible start date, may or may not have a predetermined duration and is usually much shorter than a PO.) |
| ME | Maintenance Outage Extension – An extension of a maintenance outage (MO) beyond its estimated completion date. This is typically used where the original scope of work requires more time to complete than originally scheduled. Do not use this where unexpected problems or delays render the unit out of service beyond the estimated end date of the MO. |
| PO | Planned Outage – An outage that is scheduled well in advance and is of a predetermined duration, lasts for several weeks and occurs only once or twice a year. (Boiler overhauls, turbine replacement or inspections are typical planned outages.) |
| PE | Planned Outage Extension – An extension of a planned outage (PO) beyond its estimated completion date. This is typically used where the original scope of work requires more time to complete than originally scheduled. Do not use this where unexpected problems or delays render the unit out of service beyond the estimated end date of the PO. |

**EXHIBIT C  
  
START-UP TESTING**

Required factory testing includes such checks and tests necessary to determine that the equipment systems and subsystems have been properly manufactured and installed, function properly, and are in a condition to permit safe and efficient start-up of the Facility, which may include but are not limited to:

1. Test of mechanical and electrical equipment;

2. Calibration of all monitoring instruments;

3. Operating tests of all valves, operators, motor starters and motor;

4. Alarms, signals, and fail-safe or system shutdown control tests;

5. Point-to-point continuity tests;

6. Bench tests of protective devices; and

7. Tests required by manufacturer(s) and designer(s) of equipment.

Required start-up tests are those checks and tests necessary to determine that all features and equipment, systems, and subsystems have been properly installed and adjusted, function properly, and are capable of operating simultaneously in such condition that the Facility is capable of continuous delivery into PacifiCorp's electrical system, which may include but are not limited to:

1. Turbine/generator mechanical runs and functionality;

2. System operation tests;

3. Brake tests;

4. Energization of transformers;

5. Synchronizing tests (manual and auto);

6. Excitation and voltage regulation operation tests;

7. Auto stop/start sequence;

8. Completion of any state and federal environmental testing requirements;

9. Tests required by manufacturer(s) and designer(s) of equipment; and  
 10. Tests required by the Generation Interconnection Agreement.

For wind projects only, the following Wind Turbine Generator Installation Checklists are required documents to be signed off by Manufacturer or Subcontract Category Commissioning Personnel as part of the Commissioning and startup testing:

Turbine Installation

Foundation Inspection (by Owner's independent inspector)

Controller Assembly

Power Cables

Cable Installation Checklists including: Controller  
Top Deck / Yaw Deck  
Tower Top Section / Saddle  
Mid Section Cables or buss bars  
Base Section

Tower Base Section  
 Tower Lights and Outlets  
 Tower Mid Section  
 Tower Top Section   
 Nacelle   
 Rotor

**EXHIBIT D  
  
FORM OF GUARANTY — CREDIT SUPPORT OBLIGATION**

**EXHIBIT 2.7  
  
PACIFICORP'S INITIAL DESIGNATED REPRESENTATIVES**

Authorized Representatives:

|  |  |
| --- | --- |
| PacifiCorp: | Director, Valuation & Commercial Business PacifiCorp 825 NE Multnomah St., Suite 600 Portland, OR 97232-2315 Fax 503-813-6260 |
| With a copy to: | Contract Administration PacifiCorp Energy Supply Management 825 NE Multnomah St., Suite 600 Portland, OR 97232-2315 Fax 503-813-6291 Email: [cntadmin@pacificorp.com](mailto:cntadmin@pacificorp.com) |

**EXHIBIT 3.2.3  
  
REQUIRED FACILITY DOCUMENTS**

**1. Obtained Required Facility Documents:**

Permits:

Land Rights:

**2. To Be Obtained (Prior to Commercial Operation) Required Facility Documents:**

Licenses, Permits and Authorizations:

Evidence of market-based rate authority under Section 205 of the Federal Power Act or evidence of qualifying facility certification under the Public Utility Regulatory Policies Act

Access road easement

Electrical Permit

Land Use Permit

Environmental Permit

Building Permit

Interconnection approval

Utility easement

Construction and Operations and Maintenance:

Contract for the Sale of Power Generation Equipment and Related Services between \_\_\_\_\_\_and Seller

Generator Interconnection Agreement

Retail Electric Service Agreement

Proof of Insurance

Construction Agreements:

Balance of Plant/Construction Services Agreement

Operations and Maintenance Agreements:

Warranty, Service and Maintenance Agreement

**SUCH LIST MAY BE UPDATED PURSUANT TO SECTION 3.2.3**

**EXHIBIT 3.2.5**

**LEASES**

**EXHIBIT 4.6(1)**

**GREEN TAG ATTESTATION AND BILL OF SALE**

**EXHIBIT 4.6(2)**

**QUALIFIED REPORTING ENTITY SERVICES AGREEMENT**

**EXHIBIT 5.1  
  
CONTRACT PRICE**

*[Bidders offering Buyer option to extend term to 30 years to include pricing for that period.]*

**EXHIBIT 6.1****Description of Seller’s Facility**

*[To be populated based on the information provided by Bidder in response to RFP.]*

**EXHIBIT 6.1 — Attachments**

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Site Map

2. Distance Between Wind Turbines of Adjacent Qualifying Facilities, if applicable

3. As-Builts

4. Wind Turbine manufacturer’s power curve

5. [Other]

**EXHIBIT 8.4.1  
  
FORM OF SUBORDINATED MORTGAGE**

**EXHIBIT 9.2  
  
POINT OF DELIVERY/INTERCONNECTION FACILITIES**

[Seller to provide its own diagram and description]

Instructions to Seller:

1. Include description of point of metering, and Point of Interconnection

2. Include description of Point of Delivery

3. Provide interconnection single line drawing of Facility including any transmission facilities on Seller's side of the Point of Interconnection.

4. Provide transmission single line drawing of the transmission path from the Point of Interconnection to the Point of Delivery as the path is defined in the Transmission Agreement(s). Specify any changes of ownership along the transmission path. Specify the Transmission Agreement(s) governing each segment of Seller's transmission path, from the Point of Interconnection to the Point of Delivery.

5. Describe Seller's arrangements for station service to the facility and show on one-line diagram how station service will be provided and metered.

6. Specify the maximum hourly rate (MW) at which Seller is permitted to deliver energy to the Point of Delivery and in compliance with Seller's transmission rights between the Point of Interconnection and the Point of Delivery ("Maximum Transmission Rate"):

\_\_\_\_\_\_\_\_\_\_MW.

EXHIBIT 9.2 – Attachments

1. Substation Metering One-Line Diagram

**EXHIBIT 9.5  
  
SELLER AUTHORIZATION TO RELEASE GENERATION DATA TO PACIFICORP**

[DATE]

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

To Whom it May Concern:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Seller") hereby voluntarily authorizes PacifiCorp's Transmission business unit to share Seller's interconnection information with marketing function employees of PacifiCorp, including but not limited to those in Energy Supply Management. Seller acknowledges that PacifiCorp did not provide it any preferences, either operational or rate-related, in exchange for this voluntary consent.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXHIBIT 11.4  
  
FORM OF MEMORANDUM OF POWER PURCHASE AGREEMENT**

**EXHIBIT 13  
  
REQUIRED INSURANCE**

1.1 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than “A-/VII” by the A.M. Best Company the insurance coverage specified below:

1.1.1 Workers’ Compensation. Seller shall comply with any applicable laws or statutes, state or federal jurisdiction, where Seller performs work.

1.1.2 Employers’ Liability. Seller shall maintain employers’ liability insurance with minimum limits covering bodily injury for: $1,000,000 – each accident, $1,000,000 by disease – each employee, and $1,000,000 by disease – policy limit.

1.1.3 Commercial General Liability. Seller shall maintain insurance to include premises and operations, contractual liability, with a minimum single limit of $1,000,000 each occurrence to protect against and from loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

1.1.4 Business Automobile Liability. Seller shall secure and continuously carry business automobile liability insurance with a minimum single limit of $1,000,000 each accident covering bodily injury and property damage with respect to Seller’s vehicles whether owned, hired or non-owned.

1.1.5 Umbrella/excess Liability. Seller shall maintain umbrella or excess liability insurance on an occurrence and following form basis with a minimum limits as follows:

(a) Facility Capacity Rating under 200 KW - $1,000,000

(b) Facility Capacity Rating at or above 200 KW - $5,000,000

1.1.6 Property Insurance. Seller shall maintain property insurance covering equipment and structures in an amount at least equal to the full replacement value for "all risks" of physical loss or damage, including coverage for earth movement, flood, boiler and machinery, and business interruption. The policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. Property insurance will be maintained in accordance with terms available in the insurance market for similar facilities.

1.2 Additional Provisions or Endorsements:

1.2.1 Except for workers’ compensation and property insurance, the policies required herein shall include provisions or endorsements as follows:

(a) naming PacifiCorp, parent, divisions, officers, directors and employees as additional insureds;

(b) include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder, and

(c) cross liability coverage or severability of interest.

1.2.2 Unless prohibited by applicable law, all required insurance policies shall contain provisions that the insurer will have no right of recovery or subrogation against PacifiCorp.

1.3 Certificates. Prior to connection of the Facility to PacifiCorp’s electric system, or another utility’s electric system if delivery to PacifiCorp is to be accomplished by wheeling, Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) confirming Seller’s compliance with the insurance requirements hereunder. Insurance certificate confirming compliance shall be provided to PacifiCorp by Seller at least annually and each time a new insurance policy is issued or becomes effective.

1.4 Commercial General Liability coverage written on a “claims-made” basis, if any, shall be specifically identified on the certificate, and Seller shall be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

1.5 Periodic Review. PacifiCorp may review this schedule of insurance as often as once every two (2) years. PacifiCorp may in its discretion require Seller to make reasonable changes to the policies and coverages described in this Exhibit to the extent reasonably necessary to cause such policies and coverages to conform to the insurance policies and coverages typically obtained or required for power generation facilities comparable to the Facility at the time PacifiCorp's review takes place.

1. Note To Bidders – Providing a purchase option in favor of PacifiCorp is not a required condition to submitting a bid, nor will inclusion or failure to include a purchase option impact the overall scoring of a bid. [↑](#footnote-ref-2)
2. Note To Bidders – PacifiCorp will entertain a mid-Term purchase option (or more than one mid-Term purchase option). [↑](#footnote-ref-3)