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SECOND AMENDMENT

TO THE

POWER PURCHASE AGREEMENT

FOR THE

FIRM CAPACITY AND ENERGY

POWER PURCHASE AGREEMENT

BETWEEN

COLLINS PINE COMPANY

AND

PACIFIC GAS AND ELECTRIC COMPANY

THIS SECOND AMENDMENT is by and between Collins Pine Company ("Seller"), an Oregon company, and Pacific Gas and Electric Company ("PG&E"), a California corporation.

WHEREAS, Seller, on July 9, 1984, and PG&E, on July 12, 1984, executed a Firm Capacity and Energy Power Purchase Agreement (the "Agreement") for a 12 MW biomass fueled cogeneration facility located at Collins Pine Company, in Chester City, Plumas County, California (the "Facility"), which Agreement was amended by the parties on March 24, 1986 (the "First Amendment"); and

WHEREAS, the Agreement states that Seller's Facility is located in CP National's electrical service area; and

2.

WHEREAS, PG&E recently acquired CP National's transmission facilities in Plumas and Sierra Counties; and

WHEREAS, Seller's Facility is now located in the electric service area of PG&E; and

WHEREAS, Seller and PG&E therefore wish to remove all language from the Agreement which refers to CP National and also to update other sections of the Agreement; and

WHEREAS, all other terms and conditions of the Agreement will not be changed.

NOW THEREFORE, in consideration of the mutual agreements contained herein, Seller and PG&E hereby agree to amend the Agreement as follows:

- 1. Amend line 11, Page 3 of the Agreement to read as follows:
 - "Electric Company ("PGandE" or "PG&E") referred to collectively as".
- Amend Article 2 (b), Page 4, Line 14, by placing a period (".") after the word "California" and deleting the phrase: "in the service area of CP National."

ARTICLE 2 PURCHASE OF POWER

agent) contact PG&E's system as it shall exist whenever the deliveries are being made or at such other point or points as the Parties may agree in writing."

7. APPENDIX A-11 LIABILITY; DEDICATION

Amend Appendix A-11 (b), Page A-23, by inserting a comma

(",") after the phrase "other Party's facilities" at

end of Line 19 and deleting the phrase "or the facilit

of CP National," from Line 20.

8. APPENDIX C-5 PAYMENT OPTIONS

Amend Table A in Appendix C-5, Page C-11 by delet.

Lines 12-28 and replacing them with:

"The Facility is remote and the capacity loss adjustment factor is .9181.

- 1. Determined individually."
- 9. APPENDIX E-3 INTERCONNECTION FACILITIES FOR WHICH SELLER IS RESPONSIBLE

Amend Appendix E-3, Page E-4, by deleting Lines 4-14 and by inserting the following:

"The following Interconnection Facilities have been installed by PG&E for Seller pursuant to a Special Facilities Agreement. Seller's responsibility for these Facilities is in accordance with the terms and conditions of that Special Facilities Agreement.

Transfer trip transmitter and receiver

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