

FIRST AMENDMENT  
 TO  
 15 MW PORTION OF THE 100 MW  
 LONG-TERM ENERGY AND CAPACITY  
 POWER PURCHASE AGREEMENT  
 BETWEEN  
 U.S. WINDPOWER, INC.  
 AND  
 PACIFIC GAS AND ELECTRIC COMPANY

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This First Amendment to 15 MW Portion is by and between Pacific Gas and Electric Company ("PG&E") and U.S. Windpower, Inc. ("USW").

WHEREAS, there is a Long-Term Energy and Capacity Power Purchase Agreement signed by PG&E on November 5, 1984 and by USW on October 30, 1984, for a 100,000 kW facility and identifying a scheduled operation date of January 1, 1988 (the "Agreement"); and

WHEREAS, in the Altamont Renegotiation Agreement dated May 27, 1988 (the "Altamont Agreement"), USW and PG&E divided the 56.9 MW undeveloped portion of the Agreement into a 30 MW portion ("30 MW Portion"), an 11.9 MW portion ("11.9 MW Portion") and a 15 MW portion ("15 MW Portion"); and

WHEREAS, this First Amendment to 15 MW Portion amends the Agreement to the extent of the 15 MW Portion; and

WHEREAS, USW and PG&E are signing a First Amendment to the 30 MW Portion of the Agreement on the date hereof; and

WHEREAS, USW and PG&E are signing a First Amendment to the 11.9 MW Portion of the Agreement on the date hereof; and

WHEREAS, pursuant to paragraphs 8 and 14 (A)(i) of the Altamont Agreement, USW and PG&E agree to amend the 15 MW Portion in the manner set forth herein.

NOW THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, USW and PG&E agree that the Agreement, to the extent of the 15 MW Portion only, is amended as follows:

1. Capacity. Appendix D, Section D-1 is hereby amended by adding the following paragraph immediately after the heading "AS-DELIVERED CAPACITY PAYMENT OPTION 2":

Prior to the fixed price period, Seller shall be paid for as-delivered capacity at prices authorized from time to time by the CPUC.

2. Energy. Article 4, "Energy Price" is hereby amended by inserting the following paragraph immediately after the heading "Energy Payment Option 1 - Forecasted Energy Prices":

Prior to the fixed price period, Seller shall be paid for energy delivered at prices equal to PG&E's full short-run avoided operating costs.

3. Fixed Price Period. The definition of "fixed price period" set forth in section A-1 of Appendix A of the Agreement is hereby deleted and replaced by the following:

Fixed price period - The ten (10) year period of the term of agreement during which forecasted or levelized energy prices, and/or forecasted as-delivered capacity prices, are in effect; subject to the following:

(a) The fixed price period for each Windplant (as defined in Section A-1 of Appendix A) will commence at the date of initial energy deliveries to PG&E from the applicable Windplant and continue for ten (10) years, provided, however, that in no event shall the fixed price period begin before January 1, 1991 nor after December 31, 1992.

(b) The fixed price period for each Windplant will be adjusted as follows so that the end of the first nine (9) years of the fixed price period will coincide with the end of a monthly billing period:

(1) If the anniversary of the date of commencement of the fixed price period is exactly the middle of the monthly billing period, the first year of the fixed price period will be extended by one half ( $\frac{1}{2}$ ) of a monthly billing period.

(2) If the anniversary of the date of commencement of the fixed price period is between the middle and the end of the monthly billing period, the first year of the fixed price period will be extended by the appropriate amount (up to one-half ( $\frac{1}{2}$ ) of a monthly billing period).

(3) If the anniversary of the date of commencement of the fixed price period is between the beginning and the middle of a monthly billing period, the first year of the fixed price period will be decreased by the appropriate amount (up to one half ( $\frac{1}{2}$ ) of a monthly billing period).

(i) For example, if the Windplant began initial energy deliveries on either April 15 or April 17, 1990, and the monthly billing period coinciding with April, 1991, ran from April 1 through April 30, 1991, the first year prices of the fixed price period would extend until April 30, 1991. However, if the Windplant began initial energy deliveries on April 13, 1990, the first year prices of the fixed price period would end on March 31, 1991.

(3) The final year of the fixed price period will be adjusted in the opposite direction from the first year so that the term of the fixed price period will equal exactly ten (10) years. All other

years of the fixed price period will each last 12 monthly billing periods.

(c) Energy and capacity prices paid during the fixed price period will be the prices provided by Appendices B and D herein for the fixed price period 1988 through 1997.

3. Term of Agreement. Article 12, Term of Agreement, is hereby ~~deleted~~ and replaced with the following:

#### ARTICLE 12 TERM OF AGREEMENT

This Agreement shall be binding upon execution and remain in effect thereafter for twenty-eight (28) years ~~from the date of initial energy deliveries from the applicable Windplant;~~ provided, however, that if less than 15 MW are installed and operational under this 15 MW Portion by December 31, 1992, this 15 MW Portion shall terminate as to those megawatts not so installed and operational by December 31, 1992.

4. Assignment. Section A-13, Assignment, of Appendix A is hereby amended as follows:

- A. The phrase, "consisting of up to five (5) Windplants," is deleted from the first sentence in Section A-13 and the following phrase is inserted in its place: "consisting of one or more Windplants."
- B. The phrase, "at least 10,000 kW," is deleted from paragraph (a) of Section A-13 and the phrase, "at least 5,000 kW," is inserted in its place.
- C. The period (".") at the end of paragraph (b) of Section A-13 is deleted and replaced by a semicolon and the word "and" ("; and").
- D. The following paragraph (c) is inserted into Section A-13 following paragraph (b):

"(c) Total Windplants under this 15 MW Portion and under the 11.9 MW Portion shall together not exceed three (3) in number."

5. Windplant. The reference to "10,000 kW" is deleted from the last line of the definition of "Windplant" in Section A-1, Appendix A, and the term "5,000 kW" is inserted in its place.

6. Except as expressly amended herein, the Agreement is unchanged.

IN WITNESS WHEREOF, PG&E and USW have caused this First Amendment to 15 MW Portion to be signed by their duly authorized representatives and it is effective as of the last date set forth below:

U.S. WINDPOWER, INC.

PACIFIC GAS AND ELECTRIC COMPANY

By: Sandra J. Bodmer-Turner

By: Robert J. Haywood

Name: Sandra J. Bodmer-Turner  
Title: Vice President

ROBERT J. HAYWOOD  
Vice President - Power Contracts

Date Signed: July 29, 1988

Date Signed: July 25, 1988

Approved as to Form  
KBN  
Attorney