

through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. No amendment or modification to this Agreement shall be enforceable unless reduced to a writing signed by all Parties. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. The term "including" when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. The headings used herein are for convenience and reference purposes only. All indemnity rights shall survive the termination of this Agreement for twelve (12) months. This Agreement shall be binding on each Party's successors and permitted assigns. Nothing in this Agreement shall in any way restrict or otherwise limit the rights of either Party under Sections 205 and 206 of the Federal Power Act.

Section 10.11 of the Agreement is deleted in its entirety and is replaced with the following provision, irrespective of the election made by Seller on the Cover Sheet:

10.11 Confidentiality. Neither Party shall disclose the non-public terms or conditions of this Agreement or any Transaction hereunder to a third party, other than (i) the Party's employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential, (ii) for disclosure to Buyer's Procurement Review Group, as defined in CPUC Decision (D) 02-08-071 and made applicable to this Agreement by D.04-06-015, subject to a confidentiality agreement, (iii) to the CPUC under seal for purposes of review, (iv) disclosure of terms specified in and pursuant to Section 10.12 of this Agreement; (v) in order to comply with any applicable law, regulation, or any exchange, control area or ISO rule, or order issued by a court or entity with competent jurisdiction over the disclosing Party ("Disclosing Party"), other than to those entities set forth in subsection (vi); or (vi) in order to comply with any applicable regulation, rule, or order of the CPUC, CEC, or the Federal Energy Regulatory Commission. In connection with requests made pursuant to clause (v) of this Section 10.11 ("Disclosure Order") each Party shall, to the extent practicable, use reasonable efforts: (i) to notify the other Party prior to disclosing the confidential information and (ii) prevent or limit such disclosure. After using such reasonable efforts, the Disclosing Party shall not be: (i) prohibited from complying with a Disclosure Order or (ii) liable to the other Party for monetary or other damages incurred in connection with the disclosure of the confidential information. Except as provided in the preceding sentence, the Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

The following new Section 10.12 shall be added as follows:

10.12 RPS Confidentiality. Notwithstanding Section 10.11 of this Agreement, at any time on or after the date on which Buyer makes its advice filing letter seeking CPUC Approval of the Agreement, either Party shall be permitted to disclose the following terms with respect to such Transaction: Party names, resource type, delivery term, project location, and project capacity. If Option B is checked on the Cover Sheet, neither Party shall disclose Party name or project location, pursuant to this Section 10.12, until six months after such CPUC Approval.

The following new Section 10.13 shall be added as follows:

10.13 Insurance. Throughout the term of this Agreement, Seller shall obtain and maintain in force as hereinafter provided commercial general liability insurance, including contractual liability coverage, with respect to the Unit(s) specified in the Confirmation. PG&E reserves the right to request coverages of the type and amounts that are required by lenders for similarly financed projects.

Reviews of such insurance may be conducted by PG&E on an annual basis. Seller is also responsible for its agents and contractors' maintaining sufficient limits of the appropriate insurance coverage. The insurance carrier or carriers and form of policy shall be subject to review and approval by PG&E.

(a) Workers' Compensation and Employers' Liability.

(i) Workers' Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws or statutes, state or federal, where Seller's licensee performs work.

(ii) Employers' Liability insurance shall not be less than \$1,000,000 for injury or death occurring as a result of each accident.

(b) Commercial General Liability.

(i) Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no additional coverage deletions and be endorsed for "Failure to Supply" coverage.

(ii) The limit shall not be less than \$10,000,000 each occurrence for bodily injury, property damage and personal injury.

(c) Seller shall (i) prior to the Initial Energy Delivery Date (as defined in the Confirmation), furnish a certificate of insurance to PG&E, which certificate shall provide that such insurance shall not be terminated nor expire except on thirty (30) calendar days' prior written Notice to PG&E, (ii) maintain such insurance in effect for so long as Seller's Unit(s) is operated in parallel with the PG&E electric system, (iii) furnish an endorsement specifying that Seller's insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it and (iv) furnish to PG&E an additional insured endorsement with respect to such insurance in substantially the following form:

'In consideration of the premium charged, PG&E, its director, officers, agents, and employees are named as additional insured with respect to all liabilities arising out of Seller's use and ownership of Seller's Unit(s).'

'The inclusion of more than one insured under this policy shall not operate to impair the rights of one insured against another insured and the coverages afforded by this policy will apply as though separate policies had been issued to each insured. The inclusion of more than one insured will not, however, operate to increase the limit of the carrier's liability. PG&E will not, by reason of its inclusion under this policy, incur liability to the insurance carrier for payment of premium for this policy.'

'Any other insurance carried by PG&E which may be applicable shall be deemed excess insurance and Seller's insurance primary for all purposes despite any conflicting provisions in Seller's policy to the contrary.'

The following new Section 10.14 "Prevailing Wage" shall be added as follows:

10.14 Prevailing Wage. To the extent applicable, Seller shall comply with the prevailing wage requirements of Public Utilities Code section 399.14, subdivision (h).

The following new Section 10.15 shall be added as follows:

10.15 Covenants.

(a) Each Party covenants that throughout the Delivery Term:

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

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

(iii) it shall perform its obligations under this Agreement and the Transaction in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it.

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

(b) Seller, and, if applicable, its successors, covenants that throughout the Delivery Term of each Transaction entered into under this Agreement: (a) the Unit(s) will qualify and will be certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16 as of the date of this Agreement; and (b) the Unit(s)' output delivered to Buyer will qualify under the requirements of the California Renewable Portfolio Standard in effect as of the date of this Agreement.

The following shall be added as "ARTICLE ELEVEN" to the Agreement:

ARTICLE ELEVEN: CONDITIONS PRECEDENT

11.1 Conditions Precedent. The term of this Agreement shall not commence until the occurrence of all of the following:

(a) This Agreement, which includes the Confirmation, has been duly executed by the authorized representatives of each of PG&E and Seller;

(b) CPUC Approval has been obtained;

(c) Buyer receives a final and non-appealable order of the CPUC that finds that Buyer's entry into this Agreement is reasonable and that payments to be made by Buyer hereunder are recoverable in rates; and

(d) PG&E and Seller execute the termination agreement with respect to that certain Standard Offer #4 for Long-Term Energy and Capacity Power Purchase Agreement, effective July 16, 1984 with PG&E Log Number 01W001 ("Original PPA"), a form of which is attached

hereto, by and between Buyer and Buena Vista as the ultimate successor in interest to the Original PPA entered into by Windmaster, Inc.

11.2 Failure to Meet All Conditions Precedent. If each Condition Precedent set forth in Section 11.1 is not satisfied on or before 180 days from the date on which Buyer files this Agreement for CPUC Approval, then either Party may terminate this Agreement and the Transaction(s) without liability effective upon receipt of Notice by the other Party.

The following shall be added as a new "ARTICLE TWELVE" to the Agreement:

ARTICLE TWELVE: DISPUTE RESOLUTION

12. Dispute Resolution.

Mindful of the high costs of litigation, not only in dollars but time and energy as well, the Parties intend to and do hereby establish a final and binding out-of-court dispute resolution procedure to be followed in the event any controversy should arise out of or concerning the performance of the Transaction(s). Accordingly, it is agreed as follows:

12.1 Negotiation.

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

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

(c) All communication and writing exchanged between the Parties in connection with these negotiations shall be confidential and shall not be used or referred to in any subsequent binding adjudicatory process between the Parties.

(d) If the matter is not resolved within 45 calendar days of the Referral Date, or if the Party receiving the written request to meet, pursuant to subpart (a) above, refuses or will not meet within 10 Business Days, either Party may initiate mediation of the controversy or claim according to the terms of the following Section 12.2.

(e) If a dispute exists with respect to the Termination Payment, and such dispute cannot be resolved by good faith negotiation of the Parties within 10 Business Days of the Non-Defaulting Party's receipt of the detailed basis for the explanation of the dispute, pursuant to Section 5.5 of this Agreement, then either Party may refer the matter to Arbitration, pursuant to Section 12.3 of this Agreement.

12.2 Mediation. If the dispute (other than a dispute regarding the Termination Payment) cannot be so resolved by negotiation as set forth in Section 12.1 above, it shall be resolved at the request of any Party through a two-step dispute resolution process administered by the American Arbitration Association ("AAA"). As the first step the Parties agree to mediate any controversy before a mediator from the AAA panel, pursuant to AAA's commercial mediation rules, in San Francisco, California. Either Party may begin mediation by serving a written demand for mediation. If within 60 days after service of a written demand for mediation, the mediation does not result in resolution of the dispute, then the controversy shall be settled by arbitration conducted by a retired judge or justice from the AAA panel conducted in San Francisco, California, administered by and in accordance with AAA's Commercial Arbitration Rules ("Arbitration"). Any mediator(s) and arbitrator(s) shall have no affiliation with, financial or other interest in, or prior employment with either Party and shall be knowledgeable in the field. Either Party may initiate arbitration by filing with AAA a notice of intent to arbitrate within 60 days of service of the written demand for mediation.

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

(a) To the extent that the dispute concerns the calculation of the Termination Payment (but not whether there has been an Event of Default giving rise to the right to require the payment of such Termination Payment), each of the Parties shall submit to the arbitrator, in accordance with a schedule set by the arbitrator, offers in the form of the award it considers the arbitrator should make. If the arbitrator requires the Parties to submit more than one such offer, the arbitrator shall designate a deadline by which time the Parties shall submit their last and best offer. In such proceedings the arbitrator shall be limited to awarding only one of the two "last and best" offers submitted, and shall not determine an alternative or compromise remedy.

(b) The arbitrator shall have no authority to award punitive or exemplary damages or any other damages other than direct and actual damages pursuant to Section 5.2 of this Agreement.

(c) The arbitrator's award shall be made within nine months of the filing of the notice of intention to arbitrate (demand) and the arbitrator shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the Parties or by the arbitrator, if necessary. The California Superior Court of the City and County of San Francisco may enter judgment upon any award rendered by the arbitrator. The Parties are aware of the decision in *Advanced Micro Devices, Inc. v. Intel Corp.*, 9 Cal. 4th 362 (1994), and, except as

modified by this Agreement, intend to limit the power of the arbitrator to that of a Superior Court judge enforcing California law. The prevailing Party in this dispute resolution process is entitled to recover its costs and reasonable attorneys' fees.

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

OTHER CHANGES

Schedule M is deleted in its entirety.

Schedule P is deleted in its entirety and replaced with the new Schedule P attached hereto.

Exhibit A is deleted in its entirety and replaced with the following:

Exhibit A, Form of Letter of Credit.

The following new Appendices are included as follows:

Appendix I, Initial Testing Requirements, attached hereto and made a part hereof.

Appendix II, Monthly Construction Progress Report, attached hereto and made a part hereof.

Appendix III, Outage Notification Form, attached hereto and made a part hereof.

SCHEDULE P

Product Definitions:

"As Available" means, with respect to a Transaction, a product consisting of the energy and capacity generated from Seller's Unit(s), which Buyer shall be obligated to receive when such product is generated and delivered to the Delivery Point, in accordance with the terms of this Agreement and subject to the excuses for performance specified in this Agreement.

"Unit Firm" means, with respect to a Transaction, that the Product subject to the Transaction is intended to be supplied from a specified generation asset or assets specified in the Transaction. The following Products shall be considered "Unit Firm" products:

"Peaking" means with respect to a Transaction, a Product for which Delivery Periods coincide with Peak Periods, as defined by Buyer.

"Baseload" means with respect to a Transaction, a Product for which Delivery levels are uniform for all Delivery Periods.

"Dispatchable" means with respect to a Transaction, a Product for which Seller makes available unit-contingent capacity for a Buyer to schedule and dispatch up or down at Buyer's option."

EXHIBIT A

IRREVOCABLE AND NON-TRANSFERABLE
STANDBY LETTER OF CREDIT

No. XXX XXX XXX - XXX

[DATE]

[Name of Beneficiary]
[Address]

Ladies and Gentlemen:

At the request and for the account of Buena Vista Energy, LLC, a [_____], (the "Applicant"), we, [Insert name of Issuing Bank], hereby establish this Irrevocable and Non-Transferable Standby Letter of Credit (this "*Letter of Credit*") in the maximum stated amount of _____ (the "*Maximum Stated Amount*") in favor of [Name of Beneficiary] (the "Beneficiary"), as a party under the that certain Master Power Purchase and Sale Agreement, dated _____ by and between Pacific Gas and Electric Company and Buena Vista Energy, LLC, as may be amended from time to time (the "*Agreement*"). Any capitalized term used and not defined in this Letter of Credit shall have its respective meaning as set forth in the Agreement.

On and after the date hereof, drawings hereunder may be made by Beneficiary upon presentation to us, in the manner described below at [Insert bank name and address] of Beneficiary's sight "Draft and Certificate" in the form of Annex A or Annex B, as applicable, completed and purportedly signed by one of Beneficiary's authorized officers. Our only obligation with regard to a drawing under this Letter of Credit shall be to examine the "Draft and Certificate" presented and to pay in accordance therewith, and we shall not be obligated to make any inquiry in connection with the presentation of such "Draft and Certificate."

Drawings hereunder may be made by Beneficiary on or prior to the Expiration Date (as hereinafter defined) at any time during business hours at the aforementioned address, on any Business Day. "*Business Day*" means any day except Saturday, Sunday, a Federal Reserve Bank Holiday and any other holiday recognized by [insert applicable city and state.] If a drawing hereunder is presented by Beneficiary at or prior to 10:00 AM (New York time) on a Business Day, and provided that such drawing and the documents presented in connection therewith conform to the terms and conditions hereof, we hereby agree to honor each such drawing by payment to Beneficiary in the US dollar amount of such drawing, in immediately available funds, not later than 12:00 noon (New York time), on the second succeeding Business Day. If a drawing hereunder is presented by Beneficiary after 10:00 AM (New York time) on a Business Day, and provided that such drawing and the documents presented in connection therewith conform to the terms and conditions hereof, we hereby agree to honor each such drawing by payment to Beneficiary in the US dollar amount of such drawing, in immediately available funds, not later than 12:00 noon (New York time), on the third succeeding Business Day. If a drawing by Beneficiary hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give Beneficiary prompt notice, not to exceed seven (7) New York Banking Days (as defined below) that the drawing was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefore and that we will, upon Beneficiary instructions, hold any documents at Beneficiary disposal or return the same to Beneficiary. Upon being notified that the

drawing was not effected in conformity with this Letter of Credit, Beneficiary may attempt to correct any such non-conforming drawing. "New York Banking Days" means any day except Saturday, Sunday, a Federal Reserve Bank Holiday and any other holiday recognized by the State of New York Banking Department, or its successor agency.

Only Beneficiary may make drawings under this Letter of Credit. Multiple and partial drawings may be made under this Letter of Credit. Upon payment of any such drawing, the Maximum Stated Amount corresponding to that date or any subsequent date shall be reduced by the amount of such drawing. Upon any drawing, accompanied by a "Draft and Certificate" in the form of Annex A purportedly signed by one of Beneficiary's authorized officers, as appropriate, the Maximum Stated Amount shall be reduced by the amount of such drawing and such amount shall not be reinstated. No drawing hereunder shall exceed the then applicable Maximum Stated Amount. The failure to make a drawing for any payment required by the Agreement shall not result in this Letter of Credit ceasing to be available for future such drawings.

Unless extended by us in our sole and absolute discretion, this Letter of Credit shall expire at our close of business on [_____]; provided that in the event of Force Majeure, as defined under Article 17 of the UCP (as defined below), interrupting our business, such expiration date shall be extended by fifteen (15) days after resumption of our business (the "*Expiration Date*") and shall be promptly surrendered to us upon such expiration.

Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at [_____], or, if to Beneficiary, at the address set forth above, and shall, in either case, specifically refer to the number of this Letter of Credit.

This Letter of Credit is non-transferable. All banking charges associated with this Letter of Credit are for the account of Applicant.

This Letter of Credit shall be subject to the provisions (to the extent that such provisions are not inconsistent with this Letter of Credit) of the Uniform Customs and Practice for Documentary Credits, 1993 Revision, International Chamber of Commerce Publication No. 500 ("UCP") except for Articles 13(b) and 17 thereof. To the extent that the provisions of this Letter of Credit are not so covered in the UCP, this Letter of Credit shall be governed by, and enforced and construed in accordance with, the laws of the State of New York.

Very truly yours,

[NAME OF ISSUING BANK]

By: _____

Name:

Title:

Address:

**DRAFT AND CERTIFICATE IN CONNECTION
WITH AN EVENT OF PAYMENT**

[DATE]

[Name/Address of
Issuing Bank]

Irrevocable and Transferable
Standby Letter of Credit, No. XXX XXX XXX - XXX

[Name of Beneficiary] ("**Beneficiary**"), a party under that certain Master Power Purchase and Sale Agreement, dated ____ by and between Buena Vista Energy, LLC and Pacific Gas and Electric Company (the "**Agreement**"), hereby certifies to [Name of Issuing Bank] (the "**Issuing Bank**"), with reference to the Irrevocable and Non-Transferable Standby Letter of Credit No. XXX XXX XXX - XXX (the "**Letter of Credit**"), that:

1. Beneficiary is duly authorized to execute and deliver this Draft and Certificate;
2. The Beneficiary is entitled to draw under the Letter of Credit an amount equal to \$ _____, pursuant to the provisions of the Agreement;
3. Beneficiary has not heretofore pledged, assigned, transferred or disposed of any of its right, title or interest in or to the Agreement and/or the Letter of Credit;
4. Beneficiary is making a drawing under the Letter of Credit in the amount of U.S.\$ _____, which drawing does not exceed the Maximum Stated Amount (as defined in the Letter of Credit); and
5. The Issuing Bank is hereby directed to make payment of the requested drawing to [insert wire instructions].

IN WITNESS WHEREOF, the Agent has executed and delivered this Certificate as of the ____ day of _____, 200____.

[NAME OF BENEFICIARY]

By: _____
Name:
Title:

**DRAFT AND CERTIFICATE IN CONNECTION
WITH AN EVENT OF PAYMENT**

[DATE]

[Name/Address of
Issuing Bank]

**Irrevocable and Transferable
Standby Letter of Credit, No. XXX XXX XXX - XXX**

[Name of Beneficiary] ("*Beneficiary*"), a party under that certain Master Power Purchase and Sale Agreement, dated ____ by and between Buena Vista Energy, LLC and Pacific Gas and Electric Company (the "*Agreement*"), hereby certifies to [Name of Issuing Bank] (the "*Issuing Bank*"), with reference to the Irrevocable and Non-Transferable Standby Letter of Credit No. XXX XXX XXX - XXX (the "*Letter of Credit*"), that:

1. Beneficiary is duly authorized to execute and deliver this Draft and Certificate;
2. The Letter of Credit will expire in thirty (30) calendar days or less and Applicant has not provided a replacement letter of credit on the same terms as the Letter of Credit or other alternate security acceptable to Beneficiary;
3. Beneficiary has not heretofore pledged, assigned, transferred or disposed of any of its right, title or interest in or to the Agreement and/or the Letter of Credit;
4. Beneficiary is making a drawing under the Letter of Credit in the amount of U.S.\$ _____, which drawing does not exceed the Maximum Stated Amount (as defined in the Letter of Credit); and
5. The Issuing Bank is hereby directed to make payment of the requested drawing to [insert wire instructions].

IN WITNESS WHEREOF, the Agent has executed and delivered this Certificate as of the ____ day of _____, 200__.

[NAME OF BENEFICIARY]

By: _____
Name:
Title:

APPENDIX I

Initial Testing Requirements

In accordance with its obligation under the Agreement to declare and recognize the date of Commercial Operation, Seller shall notify Buyer that Commercial Operation has occurred for the Unit(s).

Buyer will accept a statement of certification from a Licensed Professional Engineer with respect to the wind generating facility to delivery as As-Available Product as evidence of Commercial Operation that contains, at a minimum, the requirements indicated below:

Certificate of Commercial Operations shall be submitted by Seller, and supported by the following:

- 1) Statement that the turbines and related civil and electrical infrastructure have been installed substantially in accordance with manufacturers' requirements and with Prudent Electrical Practices.
- 2) Statement that the electrical collection system is complete, functional, and energized for the Unit(s).
- 3) Statement that the project substation and point of interconnection switchyard are complete and capable of unrestricted operations.
- 4) Statement that material requirements of the applicable interconnection agreement have been met.
- 5) Statement that at least 90% of the Unit(s) have passed the applicable commissioning tests and have been accepted by the Seller for warranty purposes.
- 6) Statement that the Unit(s) are capable of delivering Energy to the point of interconnection with the interconnecting transmission utility.

EXHIBIT A-I

Certificate of Commercial Operation

[Project Company Name]

The undersigned, [Project Company Name] (the "Seller"), does hereby deliver this Certificate of Commercial Operation (complete except for counter signature) to [Pacific Gas and Electric Company] (the "Buyer"). All capitalized terms not defined herein shall have the meaning set forth in the Master Power Purchase and Sale Agreement (the "Agreement") between Seller and Buyer and dated [Insert Date].

In accordance with its obligation to declare that Commercial Operation of the Unit(s) has been achieved in accordance with the Agreement, Seller and the Licensed Professional Engineer, hereby certify that Commercial Operation has been achieved and that the following statements are true as of the date set forth herein:

- a. The Unit(s) has achieved the following:
 - 1. Turbine installation and related civil and electrical infrastructure, as specified in Appendix I of the Agreement are complete and functional; and
 - 2. Turbine commissioning for at least 90% of the Unit(s) is complete, as specified in Appendix I of the Agreement.
- b. The wind generating facility, to which the Unit(s) belongs, are complete as follows:
 - 1. The electrical collection system is complete, functional, and energized; and
 - 2. The collector substation and point of interconnection facilities are complete and capable of unrestricted operations.
- c. The Unit(s) is capable of delivering Energy to the point of interconnection in accordance with all requirements of the Agreement.

EXECUTED this _____ day of _____, [2005].

[PROJECT COMPANY NAME]

By: _____

Name: _____

Title: _____

[LICENSED PROFESSIONAL ENGINEER
as the Licensed Professional Engineer

By: _____

Name: _____

Title: _____

BUYER concurs with this certification as set forth herein by **SELLER** and accepts this Certificate of Commercial Operations.

[PACIFIC GAS AND ELECTRIC COMPANY]

By: _____

Name: _____

Title: _____

APPENDIX II

**FORM OF MONTHLY
CONSTRUCTION PROGRESS REPORT**

**Monthly Progress Report
of
[]
("Seller")**

**provided to
Pacific Gas & Electric Company
("Buyer")**

[Date]

1.0 Instructions.

Any capitalized terms used in this report which are not defined herein shall have the means ascribed to them in the Master Power Purchase and Sale Agreement by and between _____ ("Seller") and Pacific Gas & Electric Company dated _____, 2004 (the "Agreement").

Seller shall review the status of each significant Milestone of the construction schedule (the "Schedule") for the Unit(s) and related project and Seller shall identify such matters referenced in clauses (i)-(v) below as known to Seller and which in Seller's reasonable judgment are expected to adversely affect the Schedule, and with respect to any such matters, shall state the actions which Seller intends to take to ensure that the Milestones will be attained by their required dates. Such matters may include, but shall not be limited to:

(i) any material matter or issue arising in connection with a Governmental Approval, or compliance therewith, with respect to which there is an actual or threatened dispute over the interpretation of a law or regulation, actual or threatened opposition to the granting of a necessary Governmental Approval, any organized public opposition, any action or expenditure required for compliance or obtaining approval that Seller is unwilling to take or make, or in each case which could reasonably be expected to materially threaten or prevent financing of the Unit(s) or related project, attaining any Milestone, or obtaining any contemplated agreements with other parties which are necessary for attaining any Milestone or which otherwise reasonably could be expected to materially threaten Seller's ability to attain any Milestone.

(ii) Any development or event in the financial markets or the independent power industry, any change in taxation or accounting standards or practices or in Seller's business or prospects which reasonably could be expected to materially threaten financing of the Unit(s) or related project, attainment of any Milestone or materially threaten any contemplated agreements with other parties which are necessary for attaining any Milestone or could otherwise reasonably be expected to materially threaten Seller's ability to attain any Milestone;

(iii) A change in, or discovery by Seller of, any legal or regulatory requirement which would reasonably be expected to materially threaten Seller's ability to attain any Milestone;

(iv) Any material change in the Seller's schedule for initiating or completing any material aspect of Project;

(v) The status of any matter or issue identified as outstanding in any prior Monthly Construction Progress Report and any material change in the Seller's proposed actions to remedy or overcome such matter or issue.

Seller shall complete, certify, and deliver this form of Monthly Construction Progress Report to [_____], together with all attachments and exhibits, with three (3) copies of this report delivered to [_____] and [_____].

2.0 Executive Summary.

2.1. Major activities to be performed for each aspect of the Project during the current calendar month.

Please provide a brief summary of the Major ¹ activities to be performed for each of the following aspects of the Project during the current calendar month:

- 2.1.1 Design
- 2.1.2 Property Acquisition
- 2.1.3 Engineering
- 2.1.3 Major Equipment procurement
- 2.1.4 Construction and Interconnection
- 2.1.5 Milestone report
- 2.1.6 Permitting (See Section 3.0 below)
- 2.1.7 Startup Testing and Commissioning

2.2. Major activities scheduled to be performed in the previous calendar month but not completed as scheduled.

Please provide a brief summary of the Major activities which were scheduled to be performed in the previous calendar month and their status, including those activities that were not completed as scheduled:

- 2.2.1 Design
- 2.2.2 Property Acquisition
- 2.2.3 Engineering
- 2.2.3 Major Equipment procurement
- 2.2.4 Construction and Interconnection
- 2.2.5 Milestone report
- 2.2.6 Permitting

¹ For Purposes of this report, "Major" shall mean any activity, event, or occurrence which may have a material adverse effect on the construction of the Unit(s) or completion of the Project on a timely basis if such activity, event, or occurrence occurs or if such activity, event, or occurrence fails to occur as anticipated or scheduled, which material adverse effect includes, but is not limited to, Seller's inability to achieve a Milestone date.

2.2.7 Startup Testing and Commissioning

3.0 Permitting.

The following describes each of the Major Governmental Approvals required for the construction of the Unit(s) and the status thereof:

3.1 State and/or Federal Governmental Approvals.

Please describe each of the Major state and/or Federal Governmental Approvals to be obtained by Seller (or Seller's contractor or construction engineer (the "EPC Contractor") (including its subcontractors)) and the status thereof:

<u>DESCRIPTION</u>	<u>STATUS</u>

3.2 Local and/or county Governmental Approvals.

Please describe each of the Major local and/or county Governmental Approvals to be obtained by Seller (or the EPC Contractor (including its subcontractors)) and the status of each.

<u>DESCRIPTION</u>	<u>STATUS</u>

3.3. Permitting activities that occurred during the previous calendar month.

Please list all permitting activities that occurred during the previous calendar month.

3.4 Permitting activities occurring during the current calendar month.

Please list all permitting activities that are expected to occur during the current calendar month.

3.5 Permitting Notices received from EPC Contractor.

Please attach to this Monthly Progress Report copies of any notices related to permitting activities received from EPC Contractor (including its subcontractors) during the previous calendar month.

4.0 Design Activities.

4.1 Table of design schedule to be followed by Seller and its subcontractors.

The following table lists the design schedule to be followed by Seller and the EPC Contractor (including its subcontractors).

ACTIVITY	EPC CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

4.2 Design activities to be performed during the current calendar month.

Please explain in detail the design activities that are expected to be performed during the current calendar month.

4.3 Table of design activities completed during the previous calendar month.

Please explain in detail the design activities that were completed during the previous calendar month.

5.0 Property Acquisition Activities.

5.1 Table of property acquisition schedule to be followed by Seller.

The following table lists the property acquisition schedule to be followed by Seller.

ACTIVITY	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

5.2 Property Acquisition activities to be performed during the current calendar month.

Please explain in detail the property acquisition activities that are expected to be performed during the current calendar month.

5.3 Table of property acquisition activities completed during the previous calendar month.

Please explain in detail the property acquisition activities that were completed during the previous calendar month.

6.0 Engineering Activities.

6.1 Table of engineering schedule to be followed by Seller and the EPC Contractor (including its subcontractors).

The following table lists the engineering schedule to be followed by Seller and its subcontractors:

ACTIVITY	EPC CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

6.2 Engineering activities to be performed during the current calendar month.

Please explain in detail the engineering activities that are expected to be performed during the current calendar month.

6.3. Engineering activities completed during the previous calendar month.

Please explain in detail the engineering activities that were completed during the previous calendar month.

6.4. Three-month look-ahead engineering schedule.

Please provide a three-month look ahead engineering schedule.

7.0 Major Equipment Procurement.

7.1 Table of major equipment to be procured by Seller or the EPC Contractor (including its subcontractors).

The following table lists major equipment to be procured by Seller or EPC Contractor (including its subcontractors):

EQUIPMENT DESCRIPTION	MANUFACTURER	MODEL	CONTRACTED DELIVERY DATE	ACTUAL DELIVERY DATE	PROJECTED INSTALLATION DATE	ACTUAL INSTALLATION DATE

7.2 Major Equipment procurement activities to be performed during the current calendar month.

Please explain in detail the major equipment procurement activities that are expected to be performed during the current calendar month.

7.3 Major Equipment procurement activities completed during the previous calendar month.

Please explain in detail the major equipment procurement activities that were completed during the previous calendar month.

8.0 Construction and Interconnection Activities.

8.1 Table of construction and interconnection activities to be performed by Seller or EPC Contractor (including its subcontractors).

The following tables lists construction and interconnection activities to be performed by Seller and its subcontractors:

ACTIVITY	EPC CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

8.2 Construction interconnection activities to be performed during the current calendar month.

Please explain in detail the construction and interconnection activities that are expected to be performed during the current calendar month.

8.3 Construction and interconnection activities completed during the previous calendar month.

Please explain in detail the construction and interconnection activities that are expected to be performed during the previous calendar month.

8.4 EPC Contractor Monthly Construction Progress Report.

Please attach a copy of the Monthly Construction Progress Reports received during the previous calendar month from the EPC Contractor pursuant to the construction contract between Seller and EPC Contractor, certified by the EPC Contractor as being true and correct as of the date issued.

8.5 Three-month look-ahead construction and interconnection schedule.

Please provide a three-month look-ahead construction schedule.

9.0 Milestones.

9.1 Milestone schedule.

Please state the status and progress of each Milestone and identify any completed Milestone(s) for the previous calendar month.

9.2 Remedial Action Plan (applicable if Seller fails to achieve Milestone by the Milestone Date).

Please explain in detail each of the following aspects of Seller's Remedial Action Plan, as provided in Section 3.8 of the Agreement:

9.2.1 Missed Milestone

9.2.2 Plans to achieve missed Milestone

9.2.3 Plans to achieve subsequent Milestone

9.2.4 Delays in engineering schedule

Please explain in detail any delays beyond the scheduled Milestone Dates stated in Section 5.1, any impact from the delays on the engineering schedule, and Seller's plans to remedy such impact.

9.2.5 Delays in Major Equipment procurement

Please explain in detail any delays beyond the contracted delivery date and/or the projected installation date stated in Section 6.1, any impact from the delays on Major Equipment procurement schedule, and Seller's plans to remedy such impact.

9.2.6 Delays in construction and interconnection schedule

Please explain in detail any delays beyond the scheduled completion dates stated in Section 7.1, any impact from the delays on the construction and interconnection schedule, and Seller's plans to remedy such impact.

10.0 Safety and Health Reports

10.1 Please list all accidents from the previous calendar month:

10.2 Any work stoppage from the previous calendar month:

10.3 Work stoppage impact on construction of the Unit(s):

I, _____, on behalf of and as an authorized representative of, do hereby certify that any and all information contained in this Seller's Monthly Construction Progress Report is true and accurate, and reflects, to the best of my knowledge, the current status of the construction of the Unit(s) as of the date specified below.

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX III



DO NOT ALTER FORM

OUTAGE NOTIFICATION FORM

SEND VIA U.S. MAIL OR FAX

DATE: _____

MAILING ADDRESS:
Pacific Gas & Electric Company
Attention: Marc Renson
Mail Code N12F
P. O. Box 770000
San Francisco, CA 94177

FAX NUMBER: (415) 973-2151

PG&E LOG NUMBER: _____

This Outage Notification Form is being submitted pursuant to the terms of that certain Master Power Purchase Agreement, dated _____, 20[] ("Agreement") entered into by _____ and Pacific Gas and Electric Company. All capitalized terms not defined herein shall have the meaning provided in the Agreement.

Unit Name: _____

Unit Mailing Address: _____

NOTIFICATION OF PLANNED OUTAGE ◊ FORCED OUTAGE ◊ PROLONGED OUTAGE

The Unit will shut down for **PLANNED OUTAGE** from:

_____ to _____
(Date and Time) (Date and Time)

The Unit experienced a **FORCED OUTAGE/PROLONGED OUTAGE** (circle applicable outage) from:

_____ (Date and Time)
to: _____ due to _____
(Date and Time)

The **FORCED OUTAGE** was confirmed via telephone on _____ (Date and Time)

by _____
(Designated Control Center/Switching Center and Operator)

COMMENTS: Description and Cause of Forced Outage/Planned Outage (circle applicable outage)

Outage Notification Form submitted by: _____ **Title:** _____

(Signature) _____
(Date)

Notification Requirements:

This notice shall be delivered in compliance with Section 3.6 of the Agreement, including the timeframes, which shall be the estimated duration of such outage.

The above notification requirements will be strictly enforced by PG&E.

(Rev. 7/04)