

FIRST AMENDMENT
TO THE
INTERIM STANDARD OFFER 4
POWER PURCHASE AGREEMENT

PG&E Log No. 12C008

Bohemia Inc.

This First Amendment is by and between PACIFIC GAS AND ELECTRIC COMPANY ("PG&E"), a California corporation, and SIERRA PACIFIC INDUSTRIES, INC. ("Seller"), a California corporation and successor to BOHEMIA, INC., an Oregon corporation. This First Amendment amends the Interim Standard Offer 4 Power Purchase Agreement (the "Agreement") executed on April 16, 1985, by PG&E and on April 16, 1985 by Bohemia, Inc., for the 7,500 kW biomass-fueled project located in Lincoln, Placer County, California (the "Facility").

WHEREAS, in that Consent to Assignment and Agreement by and among PG&E, Bohemia, Inc., and Sierra Pacific Industries, Inc., executed by PG&E on November 21, 1991, PG&E consented to the assignment of the Agreement from Bohemia, Inc. to Sierra Pacific Industries, Inc.; and

WHEREAS, PG&E and Seller wish to amend the Agreement to complete or change certain provisions.

THEREFORE, in consideration of the mutual promises and covenants contained herein, PG&E and Seller agree as follows:

1. All underlined terms used herein shall have the meanings ascribed to them in APPENDIX A, Section A-1, DEFINITIONS, at pages A-2 through A-7 of the Agreement.
2. The reference to PG&E at page 3, line 11 of the Agreement is amended to read:
"PACIFIC GAS AND ELECTRIC COMPANY ('PGandE' or 'PG&E')".
3. Article 3, PURCHASE OF POWER, Section (a) at page 5, lines 6 through 8 of the Agreement shall read:

"Seller shall sell and deliver and PG&E shall purchase and accept delivery of capacity and energy at the voltage level of 60 kV."

4. Article 3, PURCHASE OF POWER, Section (d) at page 5, lines 20 through 23 of the Agreement shall read:

"To avoid exceeding the physical limitations of the interconnection facilities, Seller shall limit the Facility's actual rate of delivery into the PG&E system to 10,500 kW."

5. Article 3, PURCHASE OF POWER, Section (e) at page 5, lines 25 and 26 of the Agreement shall read:

"The primary energy source for the Facility is biomass."

6. Article 5, CAPACITY ELECTION AND CAPACITY PRICE, at page 10, lines 13 through 20 of the Agreement shall read:

"X Firm Capacity - 4980 kw for thirty (30) years from the Firm Capacity Availability Date, which is January 28, 1987, with payment determined in accordance with Appendix E. Except for hydroelectric facilities, PG&E shall pay Seller for capacity delivered in excess of Firm Capacity on an As-Delivered Capacity basis in accordance with As-Delivered Capacity Payment Option 2 set forth in Appendix D."

7. Article 9, NOTICES, at page 12 line 21 through page 13 line 5 of the Agreement shall read:

All written notices shall be directed as follows:

To PG&E:

Pacific Gas and Electric Company
Attention: Vice President - Power System
Mail Code B23B
P. O. Box 770000
San Francisco, CA 94177

To Seller:

Sierra Pacific Industries, Inc.
Post Office Box 496028
Redding, CA 96049-6028

8. Appendix D, AS-DELIVERED CAPACITY, Table D-1 (a), at page D-4, lines 10 and 11 of the Agreement shall read:

"The Facility is non-remote, and the capacity loss adjustment factor is 0.989."

9. Appendix E, FIRM CAPACITY, Table E-1 at Page E-9, Lines 21 and 22 of the Agreement shall read:

"The Facility is non-remote, and the firm capacity loss adjustment factor is 0.989."

10. Appendix F, Section F-2, at page F-3, POINT OF DELIVERY LOCATION SKETCH, attached hereto and incorporated herein, is hereby appended to the Agreement.

11. Appendix F, Section F-3, at page F-4 INTERCONNECTION FACILITIES FOR WHICH SELLER IS RESPONSIBLE, attached hereto and incorporated herein, is hereby appended to the Agreement.

12. All other provisions of the Agreement remain unchanged.

13. This First Amendment shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to be executed by their duly authorized representatives, and it is effective as of the last date set forth below.

SIERRA PACIFIC INDUSTRIES, INC.,
a California corporation

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

Ray Lowry
By

B.M. Speckman
By

Ray Lowry
Name

B.M. Speckman
Name

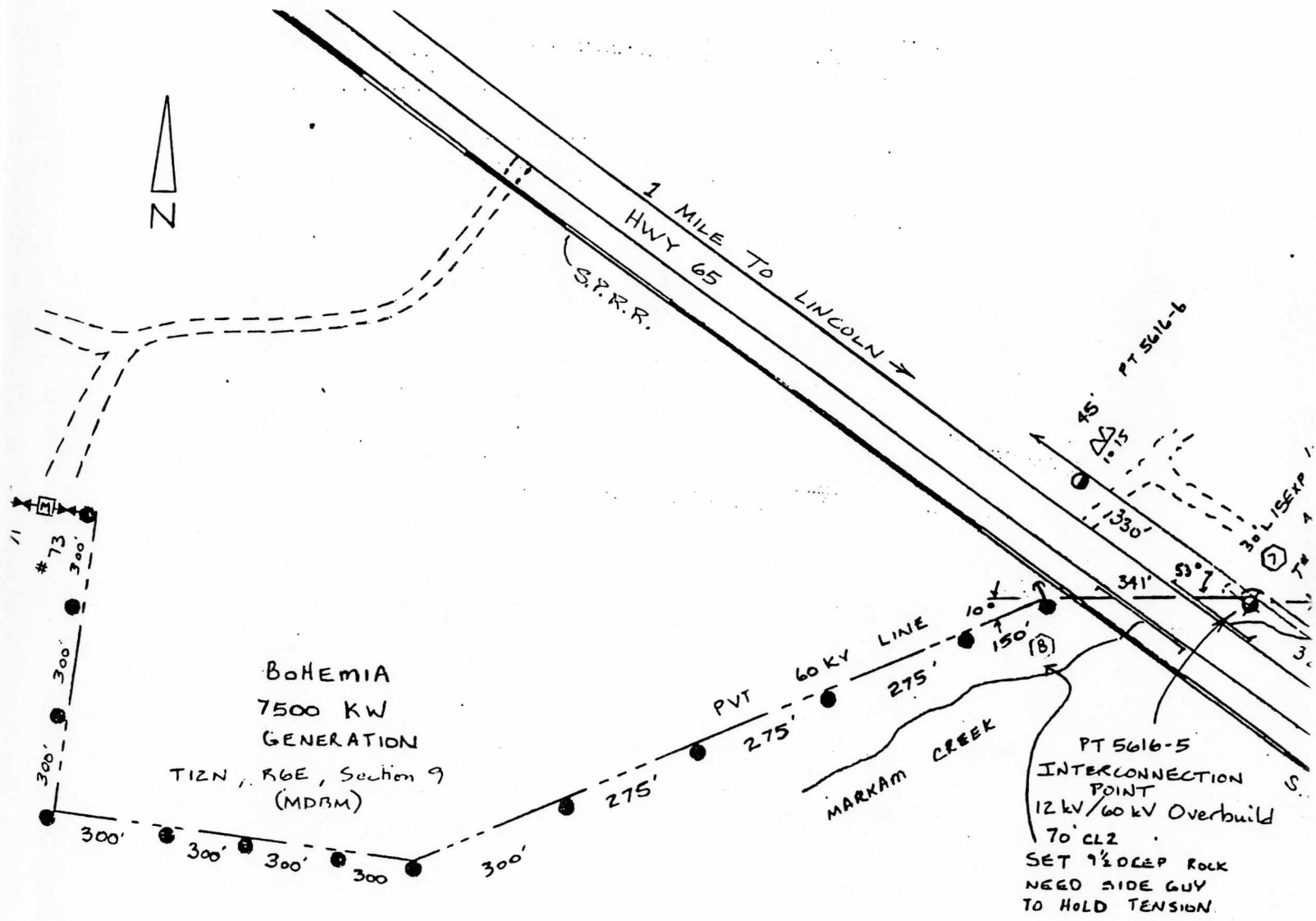
Controller + Energy Development
Title

Manager Power Contracts
Title

July 18, 1995
Date

July 27, 1995
Date

F-2 POINT OF DELIVERY LOCATION SKETCH



F-3 INTERCONNECTION FACILITIES FOR WHICH SELLER IS RESPONSIBLE

Seller is responsible for installing, maintaining, and if necessary, replacing the interconnection facilities as generally described below:

1. 13 - Pole 60 kV transmission line on project property.
2. Line-side of metering (KPF type) 3-phase disconnect switch; PG&E switch number 73.
3. Generator-side of metering (vertical type) 3 phase disconnect switch; PG&E switch number 71.
4. Oil circuit breaker, 60 kV, in switch yard; PG&E switch number 72.
5. Transfer-trip alarm circuits from Smartville substation to project, and from Atlantic substation to project.
6. 125 Vdc battery for transfer-trip receiver at Bohemia.
7. Two step-up transformers in switchyard:
 - a) One from generator voltage to plant distribution voltage (416 V/1200 V).
 - b) One from plant distribution voltage to PG&E transmission voltage (1200 V/ 60000 V).

In addition to the interconnection facilities listed above, and at Seller's request, PG&E will install certain interconnection facilities as Special Facilities. Although responsible for operating and maintaining Special Facilities, PG&E will do so at Seller's expense pursuant to the Special Facilities Agreement between Seller and PG&E.