

**MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER
BETWEEN
PACIFICORP
AND
SOUTHERN CALIFORNIA EDISON COMPANY**

This confirmation letter ("Confirmation") confirms the Transaction between PacifiCorp ("Seller") and Southern California Edison Company ("Buyer" or "SCE") dated as of May 29, 2009 ("Confirmation Effective Date") regarding the sale and purchase of the Product, as such term is defined below in Section 1.1, in accordance with and subject to the terms and provisions of this Confirmation, the EEI Master Power Purchase & Sale Agreement, together with the Cover Sheet, any amendments and annexes thereto between Seller and SCE dated as of May 29, 2009 ("Master Agreement"), and Paragraph 10 of the EEI Collateral Annex to the Master Agreement (Paragraph 10 and the Collateral Annex are both referred to herein as the "Collateral Annex") (the Master Agreement and the Collateral Annex shall be collectively referred to as the "EEI Agreement"). The EEI Agreement and this Confirmation shall be collectively referred to herein as the "Agreement." Capitalized terms used but not defined in this Confirmation shall have the meanings ascribed to them in the EEI Agreement or the Tariff. If any term in this Confirmation conflicts with the Tariff or EEI Agreement, the definitions set forth in this Confirmation shall supersede.

**ARTICLE 1
COMMERCIAL TERMS**

1.1 Product Information

Seller:	PACIFICORP	Buyer:	SOUTHERN CALIFORNIA EDISON COMPANY
Trading:	<u>Seller</u> Day Ahead: 503-813-6168 Real Time: 503-813-5389	<u>Buyer</u> Day Ahead: 626-307-4487 / 626-307-4430 Real Time: 626-307-4453 / 626-307-4416	
Scheduling:	<u>Seller</u> Day Ahead: 503-813-6757 Real Time: 503-813-5389 / 5374	<u>Buyer</u> Day Ahead: 626-307-4425 / 626-307-4413 Real Time: 626-307-4405 / 626-307-4416	
Product:	California RPS-eligible electric energy		
Project:	<p>All Product sold hereunder shall be from one or more of the wind facilities listed below:</p> <p>Wolverine Creek (Bonneville & Bingham Counties, Idaho, WREGIS ID W188, CEC ID 60564A);</p> <p>Leaning Juniper (Gilliam County, Oregon, WREGIS ID W200, CEC ID 60562A);</p> <p>Marengo (Columbia County, Washington, WREGIS ID W185, CEC ID 60729A);</p> <p>Marengo Expansion (Columbia County, Washington, WREGIS ID W772, CEC ID 60730A);</p> <p>Rolling Hills (Converse County, Wyoming, WREGIS ID W928, CEC ID pending);</p> <p>Glenrock I (Converse County, Wyoming, WREGIS ID W964, CEC ID pending).</p> <p>"Project" shall include, and be limited to, the facilities listed above that have received LORS Certification.</p> <p>The Parties acknowledge and agree that the Project constitutes a pool of facilities that Seller is permitted to utilize in order to satisfy its obligations hereunder.</p>		

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	<p>The Parties further acknowledge and agree that, with respect to Section 3.2(a) of this Confirmation, Project shall solely be limited to the actual Product generated and delivered by one of the facilities included in the Project used to satisfy the Total Quantity, and that Buyer is not entitled to any additional Product produced by the facilities in the Project above and beyond the Total Quantity.</p> <p>Seller shall use commercially reasonable efforts to obtain LORS Certification from the CEC.</p>
Quantity	50 MW
Total Quantity:	<p>“Total Quantity” shall be equal to the product of:</p> <p>(i) all hours from October 1, 2009 to December 31, 2012, exclusive of all hours in the months of July through September, and</p> <p>(ii) Quantity.</p>
Delivery Obligation:	<p>The obligation to provide the Total Quantity over the Delivery Term is a firm obligation in that Seller shall delivery the Total Quantity consistent with the terms of this Confirmation without excuse other than Force Majeure; provided that, Seller shall be permitted to fulfill the Total Quantity from any single or combination of facilities that constitute the Project.</p> <p>During the Energy Delivery Period, Seller shall generate, transmit and integrate wind generation from the Project into Seller's electrical system on an hourly basis to be delivered to Buyer as WSPP Schedule C energy.</p> <p>During each applicable month of the Energy Delivery Period, Seller shall schedule and deliver the Quantity amount of WSPP Schedule C energy to the Delivery Point consistent with the Scheduling Interval.</p>
Price:	<p>2009: Index plus \$35.00/MWh</p> <p>2010: Index plus \$39.00/MWh</p> <p>2011: Index plus \$40.00/MWh</p> <p>2012: Index plus \$42.00/MWh</p>
Term:	The Term of this Transaction shall commence upon the Confirmation Effective Date; and shall continue until delivery by Seller to Buyer of the Total Quantity of Product has been completed and all other obligations of the Parties under this Agreement have been satisfied.
Delivery Term:	The Delivery Term of this Transaction shall commence upon October 1, 2009; and shall continue until delivery by Seller to Buyer of the Total Quantity of Product has been completed.
Energy Delivery Period:	The Energy Delivery Period shall be October 1, 2009 to December 31, 2012 (exclusive of the months of July through September).
Termination Rights:	<p>Either Party may terminate this Confirmation on notice (consistent with section 10.7 of the Master Agreement) if (i) the CPUC issues a final and non-appealable order not granting CPUC Approval on or before December 31, 2009; or (ii) Buyer has not obtained or waived CPUC Approval by December 31, 2009, and notice of such termination is given within fifteen (15) days.</p> <p>Any termination made under this section shall be without liability or obligation to the other</p>

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	party except for payment of any WSPP Schedule C energy already delivered and received before notice of such termination.
Delivery Point:	Palo Verde 500kV
Scheduling Obligations:	<p>Seller shall schedule WSPP Schedule C energy consistent with the most recent rules adopted by the Western Electricity Coordinating Council ("WECC").</p> <p>Both Parties shall act as their own scheduling coordinators and shall notify each other of pre-schedules on the business day preceding the scheduled delivery, or as mutually agreed by the Parties, in accordance with WECC guidelines, pursuant to the WECC ISAS daily scheduling calendar and the WECC Business Practices.</p> <p>NERC E-Tags will comply with the delivery requirements as specified by the CEC.</p>
Scheduling Interval:	In accordance with this Confirmation, Seller shall schedule and deliver to Buyer the WSPP Schedule C energy over all hours of every day for each applicable month during the Energy Delivery Period.

**ARTICLE 2
DEFINITIONS**

"CEC" means the California Energy Commission or its regulatory successor.

"CPUC" means the California Public Utilities Commission or its regulatory successor.

"CPUC Approval" means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

- (a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer's administration of the Agreement; and
- (b) finds that any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 *et seq.*), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

"Green Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;¹ (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

"Index" means, for the respective Scheduling Interval, the weighted average (rounded to the nearest hundredth place) of the day-ahead index price as published by the Intercontinental Exchange, Inc. ("ICE") for the "Palo Peak" or "Palo Off-Peak" Hub (whichever is applicable), on its website currently located at <<https://www.theice.com/>>, or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

"LORS Certification" means certification by the CEC of an electric generation facility not located within the state of California that such facility meets California's environmental quality laws, ordinances, regulations, and standards as set forth in the CEC's RPS Eligibility Guidebook.

"RPS" means the California Renewables Portfolio Standard Program as codified at California Public Utilities Code Section 399.11 *et seq.*, and any decisions by the CPUC related thereto.

"WREGIS" means the Western Region Electricity Generation Information System or other process recognized under applicable laws for the registration, transfer or ownership of Green Attributes.

"WREGIS Certificate" means "Certificate" as defined by WREGIS in the WREGIS Operating Rules.

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

ARTICLE 3 CONVEYANCE OF RENEWABLE ENERGY

3.1 Seller's Conveyance Of Electric Energy

Throughout all applicable months of the Energy Delivery Period, Seller shall deliver and convey the portion of the Total Quantity of electric energy associated with the Product by delivering such energy to the Delivery Point consistent with the Delivery Obligation.

3.2 Seller's Conveyance Of Green Attributes

(a) Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.

Subject to Section 3.2(b), the Green Attributes are delivered and conveyed when the electric energy is delivered and conveyed.

(b) For each applicable month of the Delivery Period, Seller shall deliver and convey the Green Attributes associated with the electric energy delivered in Section 3.1 within five (5) Business Days after the end of the month in which the WREGIS Certificates for the Green Attributes are created by properly transferring such WREGIS Certificates, in accordance with the rules and regulations of WREGIS, equivalent to the quantity of Green Attributes to Buyer into Buyer's WREGIS account such that all right, title and interest in

and to the WREGIS Certificates shall transfer from Seller to Buyer; provided that Seller shall not transfer any Green Attributes or WREGIS Certificates to Buyer before CPUC Approval is obtained or waived, and Buyer shall not be required to pay subsection (b) of the Monthly Cash Settlement Amount for any Green Attributes transferred before CPUC Approval is obtained or waived.

3.3 WREGIS Registration

During the Term, Seller, at its own cost and expense, shall maintain its registration with WREGIS and shall use its reasonable efforts to ensure that all Green Attributes transferred to Buyer under this Confirmation count towards Buyer's RPS requirements. Following certification of the Project by the CEC as an RPS-eligible resource, all Green Attributes transferred by Seller hereunder shall be designated California RPS-compliant with WREGIS. Seller shall, at its sole expense, use WREGIS as required pursuant to the WREGIS Operating Rules to effectuate the transfer of Green Attributes to Buyer in accordance with WREGIS reporting protocols and WREGIS Operating Rules.

3.4 Further Assurances

Seller shall take all reasonable actions, including, but not limited to, amending this Confirmation, to ensure that the energy associated with the Green Attributes provided for hereunder qualifies as "delivered" energy into California within the meaning of the RPS; provided that such action does not result in a change in the original allocation of the economic benefits and burdens to Seller under this Confirmation.

**ARTICLE 4
CPUC FILING AND APPROVAL**

Within forty-five (45) days after the execution date of this Confirmation, Buyer shall file with the CPUC the appropriate request for CPUC Approval. Buyer shall expeditiously seek CPUC Approval, including promptly responding to any requests for information related to the request for CPUC Approval. Seller shall use commercially reasonable efforts to support Buyer in obtaining CPUC Approval. Buyer has no obligation to seek rehearing or to appeal a CPUC decision which fails to approve this Agreement or which contains findings required for CPUC Approval with conditions or modifications unacceptable to either Party.

**ARTICLE 5
COMPENSATION**

Calculation Period: Each calendar month during the Delivery Term.

Monthly Cash Settlement Amount: The Monthly Cash Settlement Amount shall be equal to the sum of the following:

- (a) the applicable Index price multiplied by the quantity of WSPP Schedule C energy scheduled, delivered and received by Buyer pursuant to Section 3.1 during the applicable Calculation Period; and
- (b) (i) For Green Attributes pertaining to generation during 2009, \$35.00 multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period;
- (ii) For Green Attributes pertaining to generation during 2010, \$39.00 multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period;
- (iii) For Green Attributes pertaining to generation during 2011, \$40.00 multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period; or

- (iv) For Green Attributes pertaining to generation during 2012, \$42.00 multiplied by the quantity of Green Attributes (in MWhs) delivered to Buyer pursuant to Section 3.2 during the applicable Calculation Period.

Payment Date: Payment of each Monthly Cash Settlement Amount by Buyer to Seller shall be due and payable on or before the later of the twentieth (20th) day of the month in which the Buyer receives the invoice, or within ten (10) Business Days, or, if such day is not a Business Day, then on the next Business Day, following receipt of an invoice issued by Seller for the applicable Calculation Period. The invoice shall include a statement detailing the portion of Product transferred to Buyer during the applicable Calculation Period.

Invoices to Buyer will be sent by hard copy and PDF format to:

Southern California Edison Company
Attn: Michele Walker/Renewable Alternative Power Contract Manager
GO1, Quad 4D, 490N
P.O. Box 800
Rosemead, CA 91770
Email: Michele.Walker@sce.com
Email 2: PPFDPowerSettle@sce.com

For purposes of this Confirmation, Buyer shall be deemed to have received an invoice upon the receipt of either the hard copy or PDF format of the invoice, whichever comes first.

ARTICLE 6 REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1 Seller's Representation, Warranties, and Covenants Related to Green Attributes

Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is 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; and (ii) the Project's output delivered to Buyer qualifies under the California Renewable Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

"Commercially reasonable efforts" shall not require Seller to incur out-of-pocket expenses in excess of \$25,000.00.

In addition to the foregoing, Seller warrants, represents and covenants, as of the Confirmation Effective Date and throughout the Delivery Term, that:

- (a) all necessary steps have been taken to allow the Green Attributes associated with the Product be transferred to Buyer and be tracked in WREGIS;
- (b) Seller has the contractual rights to sell all right, title, and interest in the Product agreed to be delivered hereunder;
- (c) Seller has not sold the Product to be delivered under this Confirmation to any other person or entity;
- (d) at the time of delivery, all rights, title, and interest in the Product to be delivered under this Confirmation are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever; and

- (e) following certification of the facility(s) in the Project by the CEC as an RPS-eligible resource, the facility(s) in the Project and all electrical output from the facility(s) in the Project are registered with WREGIS as California RPS-eligible.

**ARTICLE 7
GENERAL PROVISIONS**

7.1 Facility Identification

Within five (5) Business Days after the end of each month during the Delivery Term, exclusive of the months of July, August, September, November and December, Seller shall identify and provide estimates of the facility(s) included in the Project that the Product was delivered from for that month.

Within five (5) Business Days after the end of each November during the Delivery Term, Seller shall identify and provided estimates of the facility(s) included in the Project that the Product was delivered from for that month and identify the facility(s) in the Project that the Product will be delivered from for the month of December.

7.2 Governing Law

Governing Law. This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

7.3 Obligation To Deliver WREGIS Certificates

Notwithstanding anything to the contrary contained in the Master Agreement, in the event Seller declares an Early Termination Date pursuant to Section 5.2 of the Master Agreement, Seller shall not be permitted to suspend performance with respect to the obligation to transfer WREGIS Certificates associated with Green Attributes that Buyer has already paid for pursuant to Article Five of this Confirmation.

Notwithstanding anything to the contrary contained in the Master Agreement, Seller shall not be permitted to suspend performance under Section 5.7 of the Master Agreement with respect to the obligation to transfer WREGIS Certificates associated with Green Attributes that Buyer has already paid for pursuant to Article Five of this Confirmation.

Notwithstanding anything to the contrary contained in the Master Agreement, the obligation to transfer WREGIS Certificates associated with Green Attributes that Buyer has already paid for pursuant to Article Five of this Confirmation shall survive the termination of this Confirmation.

**ARTICLE 8
CREDIT AND COLLATERAL**

8.1 Seller Collateral Requirements

Notwithstanding anything to the contrary contained in the EEI Agreement, Seller's Collateral Requirement and Exposure for this Transaction is deemed to be zero dollars (\$0.00).

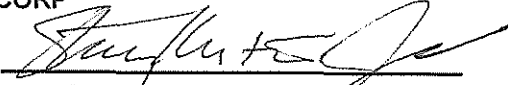
8.2 Buyer Collateral Requirements

Notwithstanding anything to the contrary contained in the EEI Agreement, Buyer's Collateral Requirement and Exposure for this Transaction is deemed to be zero dollars (\$0.00).

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ACKNOWLEDGED AND AGREED TO May 29, 2009:

PACIFICORP

By: 

Name: Stacy Wustors

Title: Director, Origination

Date: May 29, 2009

SOUTHERN CALIFORNIA EDISON COMPANY

By: _____

Name: Stuart R. Hemphill

Title: Vice President, Renewable and
Alternative Power

Date: May __, 2009

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ACKNOWLEDGED AND AGREED TO May 29, 2009:

PACIFICORP

By: _____

Name: _____

Title: _____

Date: May ____, 2009

SOUTHERN CALIFORNIA EDISON COMPANY

By: Stuart R. Hemphill

Name: Stuart R. Hemphill

Title: Vice President, Renewable and
Alternative Power

Date: May 29, 2009

APPROVED
STEPHEN E. PICKETT
Sr. Vice President and
General Counsel
By: W. E. Pickett
May 29, Attorney
2009