

**MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION BETWEEN
BUENA VISTA ENERGY, LLC
and
PACIFIC GAS AND ELECTRIC COMPANY**

This confirmation letter dated as of this April 1, 2005 ("Confirmation") confirms the Transaction between Buena Vista Energy, LLC ("Seller") and Pacific Gas and Electric Company ("Buyer" or "PG&E") in accordance with and subject to the terms and provisions of the Master Power Purchase & Sale Agreement ("Master Agreement") dated as of the same date as this Confirmation. This Confirmation shall not be effective until the Initial Energy Delivery Date, as provided in Section 2 below. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement and, to the extent not defined therein, in the ISO tariff and protocol provisions (as amended from time to time, the "Tariff").

1. **Product; Unit(s).** The Parties agree that the energy and capacity being purchased and sold pursuant to this Transaction is an As Available Product. Subject to Section 3.8(c)(v) of the Master Agreement, Seller agrees that the Product shall be provided from the Unit(s) as described in Appendix A.
2. **Delivery Term.** The Parties shall specify the period of Product delivery for the "Delivery Term," as defined herein, by checking one of the following boxes:

- Delivery shall be for a period of ten (10) years.
- Delivery shall be for a period of fifteen (15) years.
- Delivery shall be for a period of twenty (20) years.
- Non-standard Delivery shall be for a period of ____ years.

As used herein, "Delivery Term" shall mean the period of years specified above beginning on the first date Seller delivers the Product from the Unit(s) pursuant to the terms of this Confirmation (the "Initial Energy Delivery Date"). The Initial Energy Delivery Date shall occur on the latest to occur of (i) the Commercial Operation Date; (ii) termination of the Standard Offer #4 for Long-Term Energy and Capacity Power Purchase Agreement, effective July 16, 1998 by and between Pacific Gas and Electric Company and Buena Vista Energy, LLC as successor in interest to Windmaster, Inc.; (iii) the date on which the Unit(s) is certified as a Participating Intermittent Resource, as defined below, by the ISO; (iv) the date on which Buyer shall have received Performance Assurance in accordance with the relevant provisions of Article Eight of the Master Agreement, as applicable; or (v) the date on which all of the applicable Conditions Precedent in Article 11 of the Master Agreement have been satisfied.

3. **Delivery Point.** The Delivery Point shall be NP-15. If the current NP-15 zonal delivery point is materially modified or replaced with an alternate trading hub, or if ISO's tariff is modified such that the costs of transmission, including costs associated with congestion, to the NP-15 zonal delivery point materially increase, then the Delivery Point shall be the high side of the Units' transformer at the ISO revenue meter. Without limiting the foregoing, if at any time (a) the zonal market structure established by the CAISO, which exists as of the date of this Confirmation, is reconfigured to a nodal or alternative structure by the CAISO or a successor organization, and (b) either (i) Seller is exempt from payment of congestion charges for deliveries to or is allocated congestion revenue rights at no cost to Seller, in an amount sufficient to transmit the Contract Quantity under this Transaction to the PG&E load hub, as may

be defined by the ISO, or (ii) Buyer is allocated congestion revenue rights at no cost to Buyer, in an amount sufficient, in Buyer's sole discretion, to transmit the Contract Quantity under this Transaction to the PG&E load hub, as may be defined by the ISO then the Delivery Point shall be the PG&E Load Hub; provided that, (y) in either case, Seller shall be held harmless for any increase in losses between the high side of the Unit's transformer at the ISO revenue meter to the PG&E Load Hub and (z) in the case of (b)(ii) above, if Buyer is the Party allocated congestion revenue rights and Buyer elects to employ such rights, then Buyer shall allocate such rights at no cost to Seller for the purpose of transmitting the Product hereunder to the Delivery Point and Buyer shall hold Seller harmless for any congestion costs incurred in such transmission.

4. Contract Quantity. Seller shall sell and deliver to Buyer and Buyer shall purchase and receive from Seller all of the output of the Unit(s) ("Contract Quantity"). Subject to Section 3.8(c)(v) of the Master Agreement, the quantity of energy to be delivered by Seller during each Contract Year is expected to be at least 108,000 megawatt hours (MWh) ("Estimated Contract Quantity").

5. Net Rated Output Capacity. The Net Rated Output Capacity of the Unit(s) shall be no greater than 43MW. Throughout the Delivery Term, Seller shall sell and, subject to Section 7 below, use commercially reasonable efforts to schedule all energy produced by the Unit(s) solely to Buyer and in no event shall Buyer be obligated to receive or pay for, in any hour, any Delivered Energy, as defined below, or Scheduled Energy, as defined in Section 7 below, that exceeds the Net Rated Output Capacity. In no event shall Seller have the right to procure electric capacity or energy from sources other than the Unit(s) for sale or delivery to Buyer under this Transaction, other than in connection with the provision of Imbalance Energy to account for deviations between the Scheduled Amounts and Delivered Amounts in the ordinary course of business pursuant to the Tariff.

"Delivered Energy" means all energy produced from the Unit(s) as measured in megawatt hours (MWh) at the ISO revenue meter of the Unit(s), based on a power factor of precisely one (1) and net of all applicable losses, including, but not limited to the following: (a) any transmission or transformation losses between the ISO revenue meter and the Delivery Point, (b) the applicable GMM or any successor method to account for losses or congestion established by the ISO (or successor organization), and (c) the applicable Distribution Loss Factor, if applicable.

6. (a) Participating Intermittent Resource. Seller shall cause the Unit(s) to become a Participating Intermittent Resource (as defined in the Tariff) including negotiating and executing an ISO Participating Generator Agreement, Meter Service Agreement for ISO Metered Entities and a Letter of Intent to become a Participating Intermittent Resource (collectively, the "Program Agreements"). Seller and Buyer shall comply with Amendment 42, as defined below in Section 6(b), and all applicable protocols issued by the ISO relating to Participating Intermittent Resources, including the PIRP, as defined below, for the term of the Delivery Period. "PIRP" means the Participating Intermittent Resources Protocol, as in effect on the date of execution of this Confirmation and as may be amended from time to time, which is part of the Tariff.

(b) Amendment 42. As used herein, "Amendment 42" means Amendment 42 to the California ISO Tariff filed in FERC Docket No. ER02-922-000 (Intermittent Resources; CT 487; Intra zonal Congestion; Real Time Pricing) as in effect on the date hereof and as may be amended from time to time.

(i) Modification or Termination of Amendment 42: Notwithstanding Seller's obligation under Section 6(a) above, and without regard to whether any new program benefiting wind resources has been instituted, if Amendment 42 or PIRP as each exists as of the date of execution of this Confirmation

is no longer in effect due to a material modification or termination thereof, which in either case causes Seller to incur, or will result in Seller incurring, a material economic diminution in value then within 120 days of the date on which such modification or termination becomes effective,

(A) Seller may (I) elect to terminate its status as a Participating Intermittent Resource and/or (II) terminate this Agreement; provided that in the case of clause (II) termination shall be effective no earlier than thirty (30) days after the effective date of such notice; provided further that prior to such notice of termination of this Agreement, the Parties will work in good faith for a period of not less than sixty (60) days to (1) petition the ISO to institute a successor arrangement to replace the materially modified or terminated Amendment 42 and (2) amend the Agreement in a manner that in either case restores to each Party the net economic benefits of the Agreement existing immediately prior to such material modification or termination of Amendment 42 or PIRP (as reasonably determined by each Party); or

(B) either Party may request that the Parties work in good faith to amend the Agreement in a manner that restores to each Party the net economic benefits of the Agreement existing immediately prior to such modification or termination of Amendment 42 or PIRP (as reasonably determined by each Party).

(ii) New Program. If at any time during the term of this Agreement a new program for scheduling energy from wind resources is instituted (as a replacement to Amendment 42 or PIRP or otherwise and without regard to whether Amendment 42 or PIRP is then in effect), then by providing notice to the other Party,

(A) Seller may elect to participate in such new program (and in conjunction, Seller may terminate its status as a Participating Intermittent Resource) effective as of a date no earlier than thirty (30) days following the effective date of the notice, provided that Seller's election under this clause (A) does not and will not materially and adversely affect the existing net economic benefits of this Agreement to Buyer, absent Seller's election, as reasonably determined by Buyer; or

(B) either Party may request the other Party to work in good faith to amend the Agreement in a manner that allows Seller to participate in such new program while maintaining or restoring (as applicable) to each Party the net economic benefits of the Agreement existing immediately prior to the implementation of such new program, as reasonably determined by such Party.

Unless and until a mutually agreeable amendment is executed in accordance with (i) or (ii) above and effective or a termination of this Agreement is effective, pursuant to this subsection 6(b), each of the Parties' obligations hereunder shall continue in full force and effect.

7. Scheduling and Scheduling Coordinator. Each of Seller and Buyer shall be its own Scheduling Coordinator ("SC"), as such term is defined in the Master Agreement, with respect to this Transaction, or shall designate a qualified third party to fulfill such role. Throughout the Delivery Term, Seller will designate a SC trade for all Delivered Energy solely to Buyer's SC ("Scheduled Energy"). Conduct of deliveries through SC-to-SC trades shall be in compliance with the Settlement and Billing Protocol of the Tariff, including, but not limited to, Sections SBP2.14, Inter-Scheduling Coordinator Energy Trades. If the ISO designates, under a revised market design, zones or nodes which replace the NP-15 zone and zonal delivery points with a trading hub for SC trades, then deliveries for inter-SC trades shall be at such a hub, or at such other location or deemed location which the then-revised market design and Tariff provide for such SC-to-SC trades for delivery to the Delivery Point specified between Buyer and Seller by further agreement or by this Confirmation. Seller's SC shall be responsible for scheduling the forecast of Delivered Energy to the Delivery Point during the applicable Delivery Period in accordance with Amendment 42 and PIRP, subject to Section 6(b) of this Confirmation. Seller shall submit Schedules,

and any updates to such Schedules, ") to the ISO based on the most current forecast of Delivered Energy consistent with Amendment 42 and PIRP. Buyer's SC shall conduct all scheduling in full compliance with the applicable Tariff, protocols and scheduling practices for day-ahead or hour-ahead energy and shall cooperate reasonably with Seller's SC to effectuate this Agreement. Subject to Section 6(b), in the event that Amendment 42 or the Tariff and/or any protocols relating thereto in the future are changed, amended, modified, replaced or terminated (collectively, the "Program Modifications"), Seller and Buyer hereby agree to comply with such Program Modifications and to implement the necessary Program Modifications.

7.1. Annual Forecast of Delivery Schedules. No later than forty-five (45) days before the beginning of each calendar year, Seller shall provide a non-binding forecast of each month's average-day deliveries of Delivered Energy, by hour, for the following calendar year.

7.2. Monthly Forecast of Delivery Schedules. Ten (10) Business Days before the beginning of each month, Seller shall provide a non-binding forecast of each day's expected deliveries of Delivered Energy, by hour, for the following month ("Monthly Delivery Forecast").

7.3. Daily Delivery Schedules. No later than fourteen (14) hours before the beginning of the Day-Ahead trading day (i.e., 38 hours in advance of the beginning of the trading day) in accordance with ISO scheduling protocols, Seller's SC shall provide Buyer with a copy of a non-binding hourly forecast of deliveries of Delivered Energy for each trading day; provided, however, that a schedule provided on a day before any non-Business Day shall include deliveries planned for each day to and including the next Business Day. Each delivery schedule shall clearly identify, for each hour, Seller's best estimate of all amounts of Product to be delivered and sold to Buyer pursuant to this Confirmation. Seller shall promptly provide Buyer with a copy of any and all updates to such schedule indicating a change in Scheduled Energy from the then-current schedule which is provided to the ISO under Amendment 42 and any and all scheduling protocols issued by the ISO. These notices and schedules shall be sent to:

Day-Ahead Trading Desk
Phone: 415-973-6222
Fax: 415-973-0400
Email: daenergy@pge.com

7.4. Hourly Delivery Schedules. Seller shall use commercially reasonable efforts to deliver Product in accordance with its Hour-Ahead Schedule, subject to Amendment 42 and the applicable Tariff. In the event that Seller makes a change to its schedule on the actual date of delivery for any reason, including Forced Outages affecting 5 or more MW (other than a scheduling change imposed by Buyer or CAISO), which results in a change to its deliveries (whether in part or in whole), Seller shall use commercially reasonable efforts to notify Buyer immediately by calling Buyer's on-duty Scheduling Coordinator to provide any and all changes to the Day-Ahead Schedule and to provide a revised schedule thereto as soon as possible. With respect to any Forced Outage affecting 5 MW or more, Seller shall (i) use commercially reasonable efforts to notify Buyer, orally, of such outage within 10 minutes of the occurrence of such outage, (ii) provide a written estimate of the expected duration of such outage within one hour after submittal of the initial notification pursuant to clause (i) of this Section, and (iii) submit an Outage Notification Form, as provided in Appendix III of the Master Agreement, to Buyer in accordance with the instructions shown on the form. Seller shall keep Buyer informed of any developments that will affect either the duration of such outage or the availability of the Unit during or after the end of such outage. These notices and schedule changes shall be sent to:

Hour-Ahead Trading Desk
Phone: 415-973-7900
Fax: 415-972-5340
Email: rtenergy@pge.com

8. Monthly Payments.

8.1 Contract Price. The Contract Price for each megawatt hour (MWh) of Scheduled Energy in each Contract Year shall be as follows:

Contract Year	Contract Price (\$/MWh)
2005	\$57.15
2006	\$57.15
2007	\$57.15
2008	\$57.15
2009	\$57.15
2010	\$57.15
2011	\$57.15
2012	\$57.15
2013	\$57.15
2014	\$57.15
2015	\$57.15
2016	\$57.15
2017	\$57.15
2018	\$57.15
2019	\$57.15
2020	\$57.15
2021	\$57.15

8.2 TOD Periods. The Time of Delivery Periods ("TOD Periods") specified below shall be referenced by the following designations:

TOD PERIOD

Period	1. Super-Peak	2. Shoulder	3. Night
A. June - September	A1	A2	A3
B. December & January	B1	B2	B3
C. Feb. - May, Oct. & Nov.	C1	C2	C3

Period Definitions. The Periods are defined as follows:

- A. June - September;
- B. December and January; and
- C. February, March, April, May, October and November.

TOD Period Definitions. The TOD Periods are defined as follows:

1. **Super-Peak (5x8)** = HE (Hours Ending) 13 – 20 (Pacific Prevailing Time (PPT)) Monday – Friday (*except* NERC Holidays).
2. **Shoulder** = HE 7 – 12, 21 and 22 PPT Monday – Friday (*except* NERC Holidays); and HE 7 – 22 PPT Saturday, Sunday and all NERC holidays.
3. **Night (7x8)** = HE 1 - 6, 23 and 24 PPT all days (*including* NERC Holidays).

As used herein, "NERC Holidays" include: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Three of these days, Memorial Day, Labor Day, and Thanksgiving Day occur on the same day each year. Memorial Day is the last Monday in May; Labor Day is the first Monday in September; and Thanksgiving Day is the last Thursday in November. New Year's Day, Independence Day, and Christmas Day are predetermined dates each year, but in the event these holidays occur on a Sunday, the "NERC Holiday" is celebrated on the Monday immediately following that Sunday; provided that if any of these days occur on a Saturday, the "NERC Holiday" remains on that Saturday.

8.3 **TOD Factors.** In accordance with all other terms of this Section 8, the Contract Price shall be adjusted by the following Time of Delivery Factors ("TOD Factors") for each of the specified TOD Periods in which Scheduled Energy is delivered:

TOD PERIOD

Period	1. Super-Peak	2. Shoulder	3. Night
A. June – September	1.25	1.06	0.85
B. December & January	1.20	1.07	0.85
C. Feb. - May, Oct. & Nov.	1.11	1.00	0.82

For each month, Buyer shall pay Seller for Scheduled Energy in each TOD Period ("Monthly TOD Payment") the amount resulting from multiplying the Contract Price times the TOD Factor for such TOD Period times Scheduled Energy:

$$\text{Monthly TOD Payment} = \text{Contract Price} \times \text{TOD Factor} \times \text{Scheduled Energy.}$$

8.4 **Excess Delivered Energy.** In any Contract Year, if Seller produces Delivered Energy in excess of 120 percent of the annual Estimated Contract Quantity, the Contract Price for any such Scheduled Energy in excess of such 120 percent shall be 75 percent of the applicable Contract Price.

8.5 **Imbalance Energy.** On or before the tenth (10th) day of each month, or the first following Business Day if such date is not a weekend or holiday, Seller shall provide to Buyer complete records of Delivered Energy and Scheduled Energy for the preceding month, including an invoice for all Scheduled Energy provided pursuant to Section 6.1 of the Master Agreement. Buyer and Seller recognize that from time to time the amount of Delivered Energy will deviate from the amount of Scheduled Energy. "Imbalance Energy" means the amount of energy, in any given hour, by which the amount of Delivered Energy deviates from the amount of Scheduled Energy. Subject to Section 7 above, for each ISO settlement time interval in any month, Buyer shall pay Seller the Contract Price for all Scheduled Energy. Seller shall be responsible for settlement of Imbalance Energy with the ISO. As between Buyer and Seller, Buyer shall receive all Environmental Attributes for all Delivered Energy; regardless of whether

any or all of it was sold into the ISO. Seller makes no representation or warranty regarding Buyer's ability to receive or utilize Environmental Attributes sold into the ISO.

8.6 ISO Charges. Subject to Section 3 above, Seller shall assume all liability and pay for all congestion charges to the Delivery Point. Each Party shall also assume all liability and reimburse the other for any Penalties, as defined below, incurred by such other Party as a result of the first Party's failure to abide by the Tariff and all applicable protocols. Seller and Buyer shall cooperate to minimize imbalances and Penalties to the extent possible. Seller shall promptly notify Buyer as soon as possible after becoming aware of any material imbalance that is occurring or has occurred. Such notification shall not alter either Party's responsibilities for payment for all imbalance and congestion charges and Penalties under this Confirmation. As used herein, "Penalties" means any fees, liabilities, assessments, or similar charges assessed by the ISO.

9. Performance Requirement/Excuses for Failure to Perform.

9.1 Energy Production Guarantees. Buyer shall in its sole discretion have the right to declare an Event of Default if Seller fails to achieve its Performance Requirement after notice of such failure has been given and the applicable cure period has run. The "Performance Requirement" is Seller's obligation to deliver to Buyer no less than the Guaranteed Annual Energy Production, as defined below, in at least one of every two (2) consecutive Contract Years unless such failure is excused by the reasons set forth in Section 9.2(a) of this Confirmation "Seller Excuses." Buyer shall notify Seller that Seller has failed to meet the Performance Requirement and provide Seller with an opportunity to cure, as provided below. If the Seller produces less Delivered Energy than the Guaranteed Annual Energy Production in at least one of every two (2) consecutive Contract Years, then Seller shall nevertheless be deemed to achieve the Performance Requirement if, and only if, at the end of the second such consecutive Contract Year Seller pays to Buyer liquidated damages in an amount equal to the product of (i) the lesser of \$50/MWh or the market price of a Renewable Energy Credit, which could be purchased for the Contract Year immediately following the delivery shortfall, subject to the REC Qualification (as defined below), and (ii) the difference between (A) the Guaranteed Annual Energy Production and (B) the lower of the two (2) total amounts of Delivered Energy delivered to Buyer in the preceding two (2) consecutive Contract Years and such liquidated damages are paid within five (5) Business Days of Seller's receipt of written notice from Buyer regarding Seller's failure to meet the Guaranteed Annual Energy Production requirement and the liquidated damages amount, unless disputed in good faith by Seller (in which case the dispute resolution provisions of the Master Agreement shall apply; provided that Seller shall pay to Buyer the undisputed amount within the deadline provided above). The "REC Qualification" means that the market price for a Renewable Energy Credit shall be deemed to be \$50/MWh until such time as Seller provides to Buyer at least three (3) quotes from Brokers demonstrating that the market price for a Renewable Energy Credit is less than \$50, after that time, the market price of a Renewable Energy Credit shall be the average of the three (3) Broker quotes.

Guaranteed Annual Energy Production = 75,600 MWh (subject to Section 3.8(c)(v) of the Master Agreement)

9.2 Excuses for Performance.

(a) Seller Excuses. Seller shall be excused from the Performance Requirement set forth in Section 9.1 in the event that Seller fails to deliver the Product to Buyer for any of the following reasons:

- (i) Force Majeure;

(ii) Buyer's failure to perform; or

(iii) a reduction in Delivered Energy or Scheduled Energy as ordered during a Dispatch Down Period (including ISO or Buyer's system emergencies); or

(b) Buyer Excuses. The performance of Buyer to receive or pay for the Product may be excused only (i) during periods of Force Majeure, (ii) by Seller's failure to perform or (iii) during Dispatch Down Periods.

10. Dispatch Down/Curtailment. Seller shall reduce deliveries during any "Dispatch Down Period" which is defined as (a) curtailments (including of transmission service) or interruption of interconnection service ordered directly or indirectly from the Buyer or the ISO or (b) scheduled or unscheduled maintenance on Buyer's transmission facilities that prevents Buyer from receiving Delivered Energy at the Delivery Point.

11. Resource Adequacy. Seller grants, pledges, assigns and otherwise commits to Buyer all of the Unit(s)' capacity up to the Net Rated Output Capacity ("Contract Capacity") in order for Buyer to meet its resource adequacy requirements, as prescribed by the CPUC or the ISO ("Resource Adequacy Requirements."). Seller recognizes that the Resource Adequacy Requirements have not been finalized by the CPUC and agrees that Seller shall comply with such requirements once finalized and adopted by the CPUC to ensure that Buyer may include this Transaction in meeting its Resource Adequacy Requirements; provided that Seller shall not be required to comply with such requirements if to do so would result in Seller incurring additional costs or liabilities, or diminution in economic value. The Parties shall take all actions (including, but not limited to, amending the Confirmation) and execute all documents or instruments necessary to enable Buyer to use the Contract Capacity to meet Buyer's resource adequacy requirements as ultimately determined by the CPUC; provided that Seller shall not be required to take any action that would result in Seller incurring additional costs or liabilities, or a diminution in economic value. Seller represents and warrants to Buyer that Seller has not used, granted, pledged, assigned or otherwise committed any portion of the Contract Capacity to satisfy the resource adequacy requirement of any party other than Buyer. Seller shall not use, grant, pledge, assign or otherwise commit any portion of the Contract Capacity to satisfy the resource adequacy requirement of any party other than Buyer.

IN WITNESS WHEREOF, each of the Parties has caused this Confirmation to be duly executed by its authorized representative as of the date first written above.

Seller: Buena Vista Energy, LLC
By: Gilbert Hardie III
Name: George W. Hardie III
Title: Authorized Representative

Buyer: Pacific Gas and Electric Company
By: Gordon R. Smith
Name: GORDON R. SMITH
Title: PRESIDENT & CEO

APRIL 18, 2005

Appendix A

Unit(s). Delivered Energy will be supplied from the following generation Unit(s) only:

Unit Name: Buena Vista Wind Project

Site Name: Buena Vista Wind Project Site

Unit Physical Address: 7601 Byron Hot Springs Road, Byron, CA 94514-0669

Technology Type: Wind

Specific Unit Description: To be provided

Unit Total Net Rated Output Capacity: To be provided

ISO resource ID: To be provided