DOCKET
08-EPS-2
DATE JUN 2 6 2008
RECD. JUN 2 7 2008

CITY COUNCIL
AND
REDEVELOPMENT AGENCY
AGENDA
TUESDAY, JUNE 17, 2008

ART PICK COUNCIL CHAMBER, CITY HALL
3900 MAIN STREET, RIVERSIDE, CA 92522
CITY CLERK'S OFFICE 951-826-5557

MISSION STATEMENT

The City of Riverside is committed to providing high quality municipal services to ensure a safe, inclusive, and livable community

PLEASE NOTE--The numerical order of items on this agenda is for convenience of reference. Items may be taken out of order upon request of the Mayor or Members of the City Council and Redevelopment Agency.

Pursuant to the City Council Meeting Rules adopted by Resolution No. 21553, the Members of the City Council and the public are reminded that they must preserve order and decorum throughout the Meeting. In that regard, Members of the City Council and the public are advised that any delay or disruption in the proceedings or a refusal to obey the orders of the City Council or the presiding officer constitutes a violation of these rules.

3 P.M.--CITY COUNCIL/REDEVELOPMENT AGENCY

MAYOR CALLS MEETING TO ORDER

PUBLIC HEARINGS/PLANNING REFERRALS AND APPEALS --*Audience participation is encouraged.*

1. Cases P07-1124, P07-1125, P07-1185, and P08-0084 - TR Design Group on behalf of California Square Partners, LLC - Tract Map 35852 - Design review of plot plan and building elevations to renovate and expand Maxi Foods shopping center with mixed use development on approximately 7.55 acres consisting of facade improvements, new in-line retail, and 22 condominium units above expanded retail space - Rezone approximately 6 acres from Zone CR-NC to MU-V - Conditional use permit to construct approximately 17,340-square-foot stand alone drive-thru pharmacy - 8616 California Avenue (Ward 5)

LISTENING ASSISTIVE DEVICES are available for the hearing impaired--please see City Clerk.

The City of Riverside wishes to make all of its public meetings accessible to the public. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting, should direct such request to the City's ADA Coordinator at (951) 826-5427 or TDD at (951) 826-5439 at least 48 hours before the meeting, if possible.

Agenda related writings or documents provided to the City Council are available for public inspection in the Office of the City Clerk, at www.riversideca.gov, and in the binder located at the Concierge desk in the City Hall lobby while the meeting is in session.

CITY COUNCIL/REDEVELOPMENT AGENCY

2. Case P06-0401 - City of Riverside - A Resolution of the City Council of the City of Riverside, California, adopting the University Neighborhood Plan (Appendix C to the General Plan 2025), and amending the Land Use and Urban Design Element of the General Plan 2025 - Waive further reading (Wards 1 and 2)

3. **Public Comment Period - This is the portion of the meeting specifically set aside to invite your comments regarding any items on Redevelopment Agency Consent Calendar or other matters within the jurisdiction of the Redevelopment Agency** - *Individual audience participation is limited to 3 minutes and you will be asked to state your name and city of residence.*

AGENCY CONSENT CALENDAR--*All matters listed under the CONSENT CALENDAR are considered routine by the Agency and may be enacted by one motion in the form listed below. There will be no separate discussion of these items unless, before the Redevelopment Agency votes on the motion to adopt, Members of the Redevelopment Agency or staff request specific items be removed from the Consent Calendar for separate action.*

Removed consent items will be discussed immediately after adoption of the balance of the Consent Calendar.

4. Transfer $60,373 from Un-programmed 2007 Hunter Park Tax-Exempt Bond Funds Account to purchase kitchen equipment for Path of Life Emergency Shelter - 2840 Hulen Place (Ward 1)

5. Riverside Renaissance - First amendment to agreement with RBF Consulting for $175,381 from Fox Plaza Relocation Account to expand and finalize additional analytical services and public hearing meeting attendance for Fox Plaza and Fox Theater Parking Structure Environmental Impact Report - Funds transfer (Ward 1)

6:30 P.M.--CITY COUNCIL

INVOCATION

PLEDGE OF ALLEGIANCE TO THE FLAG

6. Mayor Loveridge to call upon Exchange Club of Riverside President Elect Dr. Dick Gordon to update on their community service activities

7. Mayor Loveridge to acknowledge YWCA of Riverside County Executive Director Samantha Patterson who will announce the YWCA of Riverside Brown Family Scholarship recipients Memorie Samuel, Rebecca Vineyard and Sara Wettergreen

8. Mayor Loveridge to call upon University of California Riverside Athletic Director Stan Morrison to introduce UCR Track Coach Irv Ray who will recognize members of the Women's Track Team

DISCUSSION CALENDAR--*This portion of the City Council's Agenda is for all matters where staff and public participation is anticipated. Audience participation is encouraged.*

PLEASE NOTE--Individual audience participation is limited to 3 minutes.

9. Oral report - Police Department Strategic Plan update (All Wards)

10. Board of Public Utilities recommends Unit Contingent Power Purchase Agreement with Shoshone Renaissance, LLC, for certified renewable energy geothermal power for approximately $19,400,000 for 32 mega watts of power beginning Fiscal Year 2009-10 and $38,800,000 for 64 mega watts of power beginning Fiscal Year 2010-11 (All Wards)

CITY COUNCIL/REDEVELOPMENT AGENCY

11. Waterwise Landscape Program to encourage residential customers to convert grass landscape into waterwise landscape - Update on water conservation programs with Western Municipal Water District and introduction to blueriverside.com (All Wards)

12. **Public Comment Period - This is the portion of the meeting specifically set aside to invite your comments regarding any items on City Council Consent Calendar, joint Consent items with the Redevelopment Agency, or matters within the jurisdiction of the City Council** - *Individual audience participation is limited to 3 minutes, and you will be asked to state your name and city of residence.*

CONSENT CALENDAR--*All matters listed under the CONSENT CALENDAR are considered routine by the City Council and may be enacted by one motion in the form listed below. There will be no separate discussion of these items unless, before the City Council votes on the motion to adopt, Members of the City Council or staff request specific items be removed from the Consent Calendar for separate action.*

Removed consent items will be discussed immediately after adoption of the balance of the Consent Calendar.

Airport

13. Change order for Bid 6543 with Griffith Company, Santa Fe Springs, for $198,280.47 from Federal Aviation Administration Grant funding, California Department of Transportation, and Airport Department budget for change in electrical and materials quantity for reconstruction of Taxiway "A" - 6951 Flight Road - Supplemental appropriations (Ward 3)

City Clerk

14. Joint item with Redevelopment Agency - Minutes of June 10, 2008

City Council

15. Announcement of committee meetings

    a. Public Safety Committee at 10 a.m. on Monday, June 16, 2008, Mayor's Ceremonial Room

    b. Development Committee at 3 p.m. on Thursday, June 19, 2008, Mayor's Ceremonial Room

    c. Finance Committee at 3:30 p.m. on Monday, June 23, 2008, Seventh Floor Conference Room

Community Development

16. Introduce an Ordinance of the City of Riverside, California, amending Title 5 of the Riverside Municipal Code by repealing in its entirety Chapter 5.36, relating to billposting (All Wards)

17. Case P08-0284 - City of Riverside - Amendment to Title 19 to allow Zoning Administrator approval of a permit for relocation of existing billboard subject to certain criteria and conditions of approval - Adopt an Ordinance of the City of Riverside, California, amending Chapter 19.623 of the Riverside Municipal Code to include provisions for relocation of existing billboards - Waive further reading (Intro. on 6-10-08, All Wards)

18. Cases P07-1194 and P07-0751 - Patrick McMahon on behalf of California Auto Dealers Exchange, LLC - Design review and conditional use permit to establish approximately 27,267-square-foot vehicle inspection building on approximately 17.82 acres currently developed with vehicle auction yard - 5894 Payton Avenue (Ward 3)

CITY COUNCIL

19. Case P08-0201 and P08-0202 - William B. Allen - Conditional use permit and design review of plot plan and building elevations for 23-unit senior apartment complex on approximately .77 acre currently developed with single-family residence - 1054 North Orange Street (Ward 1)

20. Case P08-0234 - James H. Shelton, III - Conditional use permit to operate an automotive wholesale business within existing 9,053-square-foot building within 4.16-acre business/industrial park - 6887 Airport Drive (Ward 3)

Development

21. Amend 2007-08 Housing and Urban Development Annual Action Plan to transfer $445,000 from Community Development Block Grant Un-programmed Account, Sponsor Agreement for Use of Community Development Block Grant Funds with County of Riverside of $400,000, and Purchase and Sale Agreement with Tracy A. Stoner, Jr., for $800,000 for acquisition and $45,000 for title, escrow, and related closing costs from Community Development Block Grant funds to relocate Riverside Family Transitional Shelter to 2801 Hulen Place - Supplemental appropriation (Ward 1)

22. Board of Public Utilities recommends Purchase and Sale Agreement with William R. Friis Family Trust for $3,000,000 for acquisition, $630,000 for title, escrow, tenant costs, and building and office space improvements from Public Utilities Electric Fund Balance for Gateway Building consisting of 11,237-square-foot multi-tenant office building on approximately 1.02 acres at 3435 Fourteenth Street and terminate lease of University Place office space at 3560 University Avenue - Supplemental appropriation (Ward 1)

Fire

23. Second extension of Bid 6431 with Merit Oil Company for $160,000 from Fire Department budget for fuel deliveries to fire stations through June 30, 2009 (All Wards)

Parks, Recreation, and Community Services

24. Agreement with Alvord Unified School District for $979,679 from California Department of Education After School Education and Safety Grant and $112,003 of in-kind services from Parks, Recreation, and Community Services Department budget for PRIME-time and HALF-time After-School programs - Supplemental appropriation (Wards 6 and 7)

25. Riverside Renaissance - Change order for Bid 6461 with Meadows Construction Services, Inc., Corona, for $198,930.03 from Bordwell Park Childcare Account for utility service upgrades for Childcare Facility at Bordwell Park - 2008 Martin Luther King Boulevard (Ward 2)

26. Award Bid 6625 to Betance Enterprises, Inc., dba All Cities Fence Co., for $66,705 from Parks, Recreation, and Community Services Department budget for removal and replacement of chain link fence at Nichols Park - 5505 Dewey Avenue (Ward 3)

Police

27. Participation in 2008-09 West County Narcotics Task Force and accept Anti-Drug Abuse Program grant of $66,696 to enhance narcotics enforcement - Supplemental appropriation (All Wards)

Public Utilities

28. Fiber Use License Agreement with California Baptist University for four fiber optic strands approximately .17 mile each for approximately $1,800 annually to provide communication services to campus users (All Wards)

CITY COUNCIL/REDEVELOPMENT AGENCY

29. Board of Public Utilities recommends Utility Services Agreement with City of Corona to provide utility-related services including power supply planning, transaction prescheduling, transaction real-time scheduling, transaction settlement, and billing and payment services (All Wards)

30. Annual Retail Electric Provider's Report to California Energy Commission and Power Content Label - Delegation of authority to Board of Public Utilities to approve and attest future Annual Retail Electric Provider's Reports and Power Content Labels (All Wards)

Public Works

31. Purchase eight 30-inch custom butterfly valves and electric actuators from CS-AMSCO for not-to-exceed $111,712 from Public Works Department budget for tertiary filter basins backwash process at Water Quality Control Plant - 5950 Acorn Street (All Wards)

32. A Resolution of the City Council of the City of Riverside, California, amending Resolution No. 20807 known as the Parking Schedule Resolution to establish a two-hour parking zone between the hours of 7:30 a.m. to 5:30 p.m., Monday thru Friday, on the north side of Arlington Avenue from 300 feet east of Phoenix Avenue to 400 feet easterly thereof - Waive further reading - 5555 Arlington Avenue (Ward 3)

33. Install two-way left turn lane on Brockton Avenue from Arlington Avenue to north of Nelson Street - A Resolution of the City Council of the City of Riverside, California, amending Resolution No. 20807 known as the Parking Schedule Resolution to (a) remove the existing two-hour parking zone between the hours of 9:00 a.m. to 6:00 p.m. of any day except Sunday and holidays on the west side of Brockton Avenue from Nelson Street to Tibbetts Street; (b) remove the existing one-hour parking zone between the hours of 9:00 a.m. to 6:00 p.m. of any day except Sunday and holidays on the west side of Brockton Avenue from Nelson Street to 200 feet north of Nelson Street; (c) remove the existing two-hour parking zone between the hours of 9:00 a.m. to 6:00 p.m. of any day except Sunday and holidays on the east side of Brockton Avenue from Tibbetts Street to 200 feet north of Nelson Street; and (d) establish a no parking zone at any time on both sides of Brockton Avenue from 200 feet north of Nelson Street to Arlington Avenue - Waive further reading (Ward 3)

34. Riverside Renaissance - Joint item with Redevelopment Agency - Trade Corridor Improvement Fund Project Baseline Agreement with California Transportation Commission, California Department of Transportation, and Riverside County Transportation Commission outlining costs, scope, schedule, and benefits and certify funding sources committed and expected to be available for Columbia Avenue Grade Separation Project - Appropriate Burlington Northern Santa Fe Railroad contribution of $2,656,898.90 and transfer $3,000,000 from Hunter Park/Northside 2007 Un-programmed Tax-Exempt Bond Funds to Columbia Overpass Account - A Resolution of the City Council of the City of Riverside, California, adopting findings pursuant to Health & Safety Code Section 33445 and authorizing payment of costs for publicly owned projects within the Hunter Park/Northside Redevelopment Project Area for the Columbia Avenue Grade Separation Project - A Resolution of the Redevelopment Agency of the City of Riverside, California, adopting findings pursuant to Health & Safety Code Section 33445 and authorizing payment of costs for publicly owned projects within the Hunter Park/Northside Redevelopment Project Area for the Columbia Avenue Grade Separation Project - Waive further readings (Ward 1)

35. Riverside Renaissance - Award Bid 6627 to J. Fletcher Creamer & Son, Inc., Sylmar, for $1,367,705 from Sewer Fund and Public Works Department budget to divert sewer flow along Magnolia Avenue to Jurupa Avenue for Magnolia Avenue Underpass at Union Pacific Railroad - Supplemental appropriation (Wards 1 and 3)

36. A Resolution of the City Council of the City of Riverside, California, amending the applicable Transportation Uniform Mitigation Fee (TUMF) applicable to all developments in the City of Riverside for Fiscal Year 2008-2009 - Waive further reading (All Wards)

CITY COUNCIL

MAYOR/COUNCILMEMBER COMMUNICATIONS

37. Legislative report

    a. League of California Cities Priority Focus dated June 6, 2008

38. Brief reports on conferences, seminars, and meetings attended by Mayor and City Council

39. Items for future City Council consideration as requested by Mayor or Members of the City Council - City Manager Reports

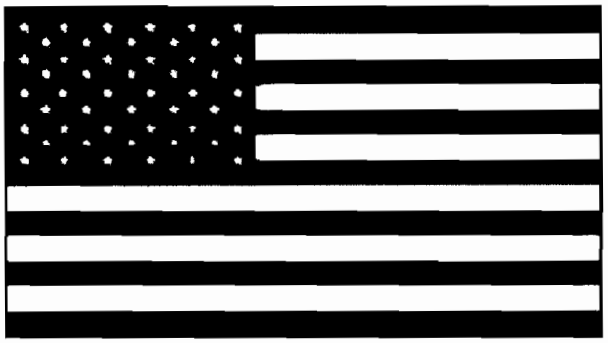
The following meetings are scheduled for Tuesday, June 24, 2008

City Council at 1 p.m. for closed sessions
Redevelopment Agency at 2 p.m.
City Council at 6:30 p.m. for Discussion and Consent Calendars

City Council meetings broadcast on Charter Communications
Channel 3 - Closed captioning available
Rebroadcast Wednesdays at 4 p.m. and Saturdays at 9 a.m.

For live Webcast of the City Council Meeting:
http://209.128.123.170/ppportal/agenda/webcast.aspx

or visit our website at
www.riversideca.gov



FOREVER IN PEACE MAY IT WAVE

City Council Memorandum

TO: **HONORABLE MAYOR AND CITY COUNCIL** **DATE: JUNE 17, 2008**

FROM: **PUBLIC UTILITIES DEPARTMENT** **ITEM NO:** 10

WARD: ALL

SUBJECT: UNIT CONTINGENT POWER PURCHASE AGREEMENT BETWEEN SHOSHONE RENAISSANCE LLC, AND CITY OF RIVERSIDE

ISSUE:

Consideration of a proposed power purchase agreement for geothermal wholesale power recognized as a certified renewable energy resource.

RECOMMENDATIONS:

That the City Council:

1. Approve the proposed Unit Contingent Power Purchase Agreement (Agreement) between Shoshone Renaissance LLC (Renaissance) and the City of Riverside (City) for geothermal power recognized as a certified renewable energy resource;

2. Authorize the City Manager, or his designee, to execute the proposed Agreement;

3. Authorize the City Manager, or his designee, to extend the Start Up Deadline specified in the Agreement, if necessary;

4. Authorize the City Manager, or his designee, to provide notice of termination under the Agreement if Renaissance breaches a material term of the Agreement; and

5. Authorize the Public Utilities General Manager, or his designee, to attest to the California Energy Commission (Commission) compliance filing required pursuant to Chapter 11, Section 2909 of the Commission's Regulations, certifying the Agreement's compliance with California's *Greenhouse Gas Emission Performance Standard*.

BOARD RECOMMENDATIONS:

The Board of Public Utilities recommended that the City Council approve this item at its regularly scheduled meeting on June 6, 2008.

BACKGROUND:

Consistent with the City's established Renewable Portfolio Standard (RPS) goals, Power Resources staff has continually sought out appropriate renewable power opportunities. As a result of these on-going efforts, staff began negotiations with Renaissance regarding a proposed geothermal power plant to be located in Utah. Renaissance is planning to construct up to three geothermal units at this site, with each one producing approximately 32 megawatts (MW) of power. The first unit's commercial operation date is anticipated to be in early 2010, with a second 32 MW unit anticipated approximately one year later. Combined with the City's existing renewable energy resources, the City's renewable energy portfolio will increase from approximately 11 percent in 2007 to over 30 percent of Riverside's projected retail energy requirements for FY 2011-2012.

Key Terms:

Capacity:	64 MW (32 MW phase I, plus 32 MW phase II)
Term:	30 Years
Energy Price:	$77 / MWh, with annual inflationary escalation and possible adjustments following any change in federal tax credit incentives
Delivery Point:	Mona, Utah
Character:	Firm power certified as renewable energy

Risk Review:

The City Council approved a RPS on July 8, 2003 requiring that 20% of the Utility's customer needs be obtained from renewable resources by 2017. The Public Utilities Board revised and accelerated this goal at the department level, establishing new targets of 20% by 2010, 25% by 2015 and 33% by 2020. On February 6, 2007, the City Council approved the *Sustainable Riverside Policy Statement*, from which the *Clean and Green Sustainable Riverside Action Plan* was developed. The Action Plan includes an alignment of the City Council's RPS goal with the RPS goal established for the department by the Public Utilities Board (i.e., 33% by 2020).

Limited liability companies and other entities with limited unencumbered assets generally do not meet the creditworthiness requirements of RPU's Risk Management Policies. Historically, renewable energy suppliers active in the market fall within this category of companies and have not met the credit quality established by the City's Credit Risk Management Policy. Therefore, in previous renewable power contracts, the Public Utilities Board and the City Council have approved an exemption from the credit criteria in order to meet the RPS mandate. In 2001, the goal was 25 MW (approximately 5% of 2001 peak demand). As noted above, that goal has been increased to 33% by 2020. As with all of RPU's renewable contracts, the City has avoided credit exposure by limiting its payment liability only to energy actually delivered. Further, if Renaissance breaches a material term of the Agreement, the City Manager would be immediately authorized to terminate the Agreement, thereby terminating the City's payment obligations. In meeting the City's RPS goal, the Agreement falls within the credit exception previously approved by City Council Resolution 20416, adopted on May 20, 2003.

The negotiated energy price for this contract is dependent upon extension of the Federal Production Tax Credit for renewable resources under Section 45 of the Internal Revenue Code. If this tax credit is not extended, or is substantially reduced, the contract price would increase by up to $6 dollars per MW hour. Although staff believes the tax credit will remain as an incentive for continued investment in renewable resource projects, even if the credit is discontinued, the price is still considered to be economically advantageous, and Resources Division staff would recommend acquiring and

incorporating this resource into Riverside's renewable resource portfolio.

Regulatory Compliance
Recent California legislation affects the types of resources and contracts that the City can negotiate. Senate Bill 1368 (SB 1368) prohibits utilities from entering into contracts with potential baseload fossil fuel electric generation unless that generation meets a set Emission Performance Standard (EPS). This legislation and the implementing regulations prevent the City from renewing or extending its low-cost, baseload coal contracts, one of which expires on December 31, 2009. The proposed power purchase agreement has been determined compliant with the EPS, since it is a renewable resource pursuant to Section 2903(b)(1) of the SB 1368 regulations.

SB 1368 requires that all publicly owned utilities contracting for a covered procurement for renewable energy (of which this Agreement qualifies) make a compliance filing with the California Energy Commission attesting to the City Councils' approval of the covered procurement and compliance with the law.

FISCAL IMPACT:

The annual cost of power under the Agreement is estimated to be approximately $19.4 million for the first unit, beginning in Fiscal Year 2009-10, increasing to approximately $38.8 million for Fiscal Year 2010-11, with annual inflationary-type escalation thereafter. If approved, these costs will be incorporated in the long-term electric financial plan. Funding for this resource is incorporated into the recently approved Electric Reliability Rate Plan.

Prepared by:	David H. Wright, Public Utilities General Manager
Certified as to availability of funds:	Paul C. Sundeen, Assistant City Manager/CFO/Treasurer
Approved by:	Michael J. Beck, Assistant City Manager for Bradley J. Hudson, City Manager
Approved as to form:	Gregory P. Priamos, City Attorney

Attachments:
1) Executed Unit Contingent Power Purchase Agreement between Shoshone Renaissance LLC, and City of Riverside
2) Compliance filing pursuant to California Energy Commission Emission Performance Standard
3) Title 20, Chapter 11 California Energy Commission Regulations
4) Minutes of the Board of Public Utilities meeting of June 6, 2008

California Energy Commission
Emission Performance Standard Compliance Filing

Mail to: California Energy Commission
EPS Compliance
1516 Ninth Street, MS-20
Sacramento, CA 95814-5512
Attention: Compliance Filing

This is to inform you that City of Riverside entered into a contract for renewable energy on June 24, 2008. The contract information is as follows:

Name of Counterparty	Shoshone Renaissance, LLC
Name of Facility	Renaissance Project
Location of Facility	Near Brigham City, Utah
Technology/Fuel	Geothermal
Nameplate Capacity of Facility	2 each 32 MW nominal totaling 64 MW
Product Description (e.g., as-available energy)	Unit Contingent, Base Load
Substitute Energy Allowed:	No
Delivery Start Date – Delivery End Date	Estimated to begin in 2010 for a 30 year term

Further description of technology, if necessary:

____None_____

_____

Further description of facility output profile, if necessary:

____None _____

_____

Description of contract terms related to the provision of substitute energy, if necessary:

____None_____

_____

_____

_____

California Energy Commission
Emission Performance Standard Compliance Filing

We are asking that the Commission find that this contract is compliant with the greenhouse gases emission performance standard set forth in Chapter 11 of Title 20 of the California Code of Regulations.

Specifically, City of Riverside asserts herein that the facility under contract is compliant pursuant to Section §2903(b) of the regulations, and that any substitute energy allowable under the contract meets the requirements of Section §2906.

I, the official named below, certify under penalty of perjury, the following:

1. I am an agent of the City of Riverside authorized by its governing board to sign this attestation on its behalf;

2. City of Riverside has reviewed and approved in a noticed public meeting both the covered procurement described above and this compliance filing;

3. Based on City of Riverside's knowledge, information, or belief, this compliance filing does not contain any material misstatement or omission of fact; and

4. Based on City of Riverside's knowledge, information, or belief, the covered procurement described above complies with Title 20, Division 2, Chapter 11, Article 1 of the California Code of Regulations.

City of Riverside

_____

(Organization submitting compliance filing)

By: _____

(Authorized signature of organization's agent)

_____

(Printed name and title of person signing)

Date: _____

REGULATIONS ESTABLISHING AND IMPLEMENTING A GREENHOUSE GASES EMISSION PERFORMANCE STANDARD FOR LOCAL PUBLICLY OWNED ELECTRIC UTILITIES

Chapter 11. Greenhouse Gases Emission Performance Standard

Article 1. Provisions Applicable to Powerplants 10 MW and Larger
§ 2900 Scope
§ 2901 Definitions
§ 2902 Greenhouse Gases Emission Performance Standard
§ 2903 Compliance with the Emission Performance Standard
§ 2904 Annual Average Carbon Dioxide Emissions
§ 2905 Annual Average Electricity Production
§ 2906 Substitute Energy
§ 2907 Request for Commission Evaluation of a Prospective Procurement
§ 2908 Public Notice
§ 2909 Compliance Filings
§ 2910 Compliance Review
§ 2911 Compliance Investigation
§ 2912 Case-by-Case Review for Reliability or Financial Exemptions
§ 2913 Case-by-Case Review for Pre-existing Multi-Party Commitments

Article 2. Provisions Applicable to Powerplants Under 10 MW (Reserved)

Article 1. Provisions Applicable to Powerplants 10 MW and Larger

§ 2900 Scope

This Article applies to covered procurements entered into by local publicly owned electric utilities. The greenhouse gases emission performance standard established in section 2902(a) applies to any baseload generation, regardless of capacity, supplied under a covered procurement. The provisions requiring local publicly owned electric utilities to report covered procurements, including Sections 2908, 2909, and 2910, apply only to covered procurements involving powerplants 10MW and larger.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Sections 8340 and 8341 Public Utilities Code.

§ 2901 Definitions

(a) "Annualized plant capacity factor" means the ratio of the annual amount of electricity produced, measured in kilowatt hours, divided by the annual amount of electricity the powerplant could have produced if it had been operated at its maximum permitted capacity during all hours of the year, expressed in kilowatt hours.

(b) "Baseload generation" means electricity generation from a powerplant that is designed and intended to provide electricity at an annualized plant capacity factor of at least 60 percent.

(c) "Combined-cycle natural gas" means a powerplant that employs a combination of one or more natural gas turbines and one or more steam turbines in which electricity is produced in the steam turbine from otherwise lost waste heat exiting from one or more of the gas turbines.

(d) "Covered procurement" means:

(1) A new ownership investment in a baseload generation powerplant, or

(2) A new or renewed contract commitment, including a lease, for the procurement of electricity with a term of five years or greater by a local publicly owned electric utility with:

(A) a baseload generation powerplant, unless the powerplant is deemed compliant, or

(B) any generating units added to a deemed-compliant baseload generation powerplant that combined result in an increase of 50 MW or more to the powerplant's rated capacity.

(e) "Deemed-compliant powerplant" means any combined cycle natural gas powerplant that was in operation, or for which the Commission had granted a certificate pursuant to Chapter 6 of the Warren-Alquist State Energy Resources Conservation and Development Act on or before June 30, 2007.

(f) "Dispatchable renewable resource" means any renewable resource that is not an intermittent renewable resource.

(g) "Generating unit" means any combination of physically connected generator(s), reactor(s), boiler(s), combustion turbine(s), or other prime mover(s) operated together to produce electric power.

(h) "Intermittent renewable resource" means a solar, wind, or run-of-river hydroelectricity powerplant.

(i) "Local publicly owned electric utility" means a "local publicly owned electric utility" as defined in Public Utilities Code Section 9604.

(j) "New ownership investment" means:

(1) Any investments in construction of a new powerplant;

(2) The acquisition of a new or additional ownership interest in an existing non-deemed compliant powerplant previously owned by others;

(3) Any investment in generating units added to a deemed-compliant powerplant, if such generating units result in an increase of 50 MW or more to the powerplant's rated capacity; or

(4) Any investment in an existing, non-deemed compliant powerplant owned in whole or part by a local publicly owned electric utility that:

(A) is designed and intended to extend the life of one or more generating units by five years or more, not including routine maintenance;

(B) results in an increase in the rated capacity of the powerplant, not including routine maintenance; or

(C) is designed and intended to convert a non-baseload generation powerplant to a baseload generation powerplant.

(k) "Permitted capacity" means the rated capacity of the powerplant unless the maximum output allowed under the operating permit is the effective constraint on the maximum output of the powerplant.

(l) "Powerplant" means a facility for the generation of electricity, and is:
  (1) a single generating unit; or
  (2) multiple generating units that meet the following conditions:
    (A) the generating units are co-located;
    (B) each generating unit utilizes the same fuel and generation technology; and
    (C) one or more of the generating units are operationally dependent on another.

(m) "Rated capacity" means the powerplant's maximum rated output. For combustion or steam generating units, rated capacity means generating capacity and shall be calculated pursuant to Section 2003.

(n) "Specified contract" means a contract that only provides for electricity from one or more identified powerplant(s).

(o) "Unspecified energy" means energy purchased from unspecified resources.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Sections 8340 and 8341, Public Utilities Code.

§ 2902 Greenhouse Gases Emission Performance Standard

(a) The greenhouse gases emission performance standard (EPS) applicable to this chapter is 1100 pounds (0.5 metric tons) of carbon dioxide (CO_2) per megawatt hour (MWh) of electricity.

(b) Unless otherwise specified in this Article, no local publicly owned electric utility shall enter into a covered procurement if greenhouse gases emissions from the powerplant(s) subject to the covered procurement exceed the EPS.

(c) For purposes of applying the EPS to contracts with multiple powerplants, each specified powerplant must be treated individually for the purpose of determining the annualized plant capacity factor and net emissions, and each powerplant must comply with the EPS.

(d) The term of a contract shall be determined by including the length of time from the date of first delivery through the date of last delivery, even if there are intervening periods during which there are no deliveries.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Section 8341, Public Utilities Code.

§ 2903 Compliance with the Emission Performance Standard

(a) Except as provided in Subsection (b), a powerplant's compliance with the EPS shall be determined by dividing the powerplant's annual average carbon dioxide emissions in pounds by the powerplant's annual average net electricity production in MWh. This determination shall be based on capacity factors, heat rates, and corresponding emissions rates that reflect the expected operations of the powerplant and not on full load heat rates.

(b) The following types of powerplants are determined to be compliant with the EPS:
  (1) Any in-state or out-of-state powerplant that meets the criteria of a renewable electricity generation facility as defined in Chapter 8.6 of Division 15 of the Public Resources Code and as specified by guidelines adopted thereunder, except for hybrid systems;
  (2) Powerplants using only biomass fuels that would otherwise be disposed of utilizing open burning, forest accumulation, spreading, composting, uncontrolled landfill, or landfill

utilizing gas collection with flare or engine. Biomass includes but is not limited to agricultural waste, wood waste, and landfill gas;

(3) Hydroelectric powerplants; or

(4) Nuclear powerplants.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Sections 25741 and 25747, Public Resources Code; Section 8341, Public Utilities Code.

§ 2904 Annual average carbon dioxide emissions

(a) Except as provided in Subsections (b) and (c), a powerplant's annual average carbon dioxide emissions are the amount of carbon dioxide produced on an annual average basis by each fuel used in any component directly involved in electricity production, including, but not limited to, the boiler, combustion turbine, reciprocating or other engine, and fuel cell. The fuels used in this calculation shall include, but are not limited to, primary and secondary fuels, backup fuels, and pilot fuels, and the calculation shall assume that all carbon in the fuels is converted to carbon dioxide. Fuels used in ancillary equipment, including, but not limited to, fire pumps, emergency generators, and vehicles shall not be included.

(b) For powerplants not eligible for renewable portfolio standard certification that use biomass fuels in combination with other fuel(s), the powerplant's annual average carbon dioxide emissions are the amount of carbon dioxide produced on an annual average basis by all fuels used other than biomass, biogas or landfill gas.

(c) For covered procurements that employ geological formation injection for CO_2 sequestration, the annual average carbon dioxide emissions shall not include the carbon dioxide emissions that are projected to be successfully sequestered. The EPS for such powerplants shall be determined based on projections of net emissions over the life of the powerplant. Carbon dioxide emissions shall be considered successfully sequestered if the sequestration project meets the following requirements:

    (1) Includes the capture, transportation, and geologic formation injection of CO_2 emissions;

    (2) Complies with all applicable laws and regulations; and

    (3) Has an economically and technically feasible plan that will result in the permanent sequestration of CO_2 once the sequestration project is operational.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Section 8341, Public Utilities Code.

§ 2905 Annual average electricity production

(a) Except as provided in Subsection (b), a powerplant's annual average electricity production in MWh shall be the sum of the net electricity available for all of the following: use onsite or at a host site in a commercial or industrial process or for sale or transmission from the powerplant.

(b) For the purposes of calculating compliance with the EPS, a cogeneration powerplant's annual average electricity production is the sum of the MWh of electricity produced and the useful thermal energy output expressed in MWh.

(1) Useful thermal energy output means:

(A) For a topping cycle cogeneration powerplant, the thermal energy that:

(i) is made available to an industrial or commercial process, including, but not limited to, the net of any heat contained in condensate return or makeup water;

(ii) is used in a heating application, including, but not limited to, space or domestic hot water heating; or

(iii) is used in a space cooling application, including, but not limited to, thermal energy used by an absorption chiller.

(B) For a bottoming cycle cogeneration powerplant, including, but not limited to, industrial waste-heat powered generators, the thermal energy used by an industrial process and any fuel used for supplemental firing.

(2) The useful thermal energy output shall be converted into a MWh equivalent using the standard engineering conversion factor of 3.413 MMBtu per MWh (or 3413 Btu per kWh).

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Section 8341, Public Utilities Code.

§ 2906 Substitute Energy

(a) Except as provided for below, a contract with a term of five years or more that includes the purchase of unspecified energy is not compliant with the EPS.

(b) A new contract for covered procurement from identified powerplants may contain provisions for the seller to substitute deliveries of energy under any of the following circumstances:

(1) The substitute energy only comes from one or more identified powerplants, each of which is EPS-compliant.

(2) For specified contracts with non-renewable resources or dispatchable renewable resources, or a combination of each, unspecified energy purchases for each identified powerplant are permitted up to 15% of forecast energy production of the identified powerplant over the term of the contract, provided that the contract only permits the seller to purchase unspecified energy under either of the following conditions:

(A) The identified powerplant is unavailable due to a forced outage, scheduled maintenance or other temporary unavailability for operational or efficiency reasons; or

(B) To meet operating conditions required under the contract, including, but not limited to, provisions for the number of start-ups, ramp rates, or minimum number of operating hours.

(3) For specified contracts with intermittent renewable resources, the amount of substitute energy purchases from unspecified resources is limited such that total purchases under the contract, whether from the intermittent renewable resource or from substitute unspecified resources, do not exceed the total reasonably expected output of the identified renewable powerplant over the term of the contract.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Section 8341, Public Utilities Code.

§2907 Request for Commission Evaluation of a Prospective Procurement

(a) A local publicly owned electric utility may request that the Commission evaluate a prospective procurement for any of the following:
   (1) a determination as to whether a prospective procurement would extend the life of a power plant by 5 years;
   (2) a determination as to whether a prospective procurement would constitute routine maintenance; or
   (3) a determination as to whether a prospective procurement would be in compliance with the EPS.
(b) A request for evaluation under this section shall be treated by the Commission as a request for investigation under Chapter 2, Article 4 of the Commission's regulations.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Section 8341, Public Utilities Code.

§ 2908 Public Notice

Each local publicly owned electric utility shall post notice in accordance with Government Code Section 54950 et seq. whenever its governing body will deliberate in public on a covered procurement.

(a) At the posting of the notice of a public meeting to consider a covered procurement, the local publicly owned electric utility shall notify the Commission of the date, time and location of the meeting so the Commission may post the information on its website. This requirement is satisfied if the local publicly owned electric utility provides the Commission with the uniform resource locator (URL) that links to this information.
(b) Upon distribution to its governing body of information related to a covered procurement's compliance with the EPS, for its consideration at a noticed public meeting, the local publicly owned electric utility shall make such information available to the public and shall provide the Commission with an electronic copy of the document for posting on the Commission's website. This requirement is satisfied if the local publicly owned electric utility provides the Commission with the URL that links to the documents or information regarding other manners of access to the documents.
(c) For a covered procurement involving a new or renewed contract with a term of five years or more, the documentation made publicly available at the time of posting pursuant to Subsections (a) and (b) shall include at a minimum:
   (1) A description of the terms of the contract and option(s) to extend the contract;
   (2) A description and identification of the powerplant(s) providing energy under the contract, including, but not limited to, power generation equipment and fuel type;
   (3) A description of the design or operation of the powerplant(s) so as to indicate whether or not the powerplant(s) operates to supply baseload generation;
   (4) An explanation as to how the contract is compliant with the EPS; and
   (5) Supporting documents or information that allow for assessment of compliance with the standard, including, but not limited to, staff assessments and reports to the local publicly owned electric utility's governing body, planned or historical production and fuel use data, and applicable historical continuous emissions monitoring data.

(d) For a covered procurement involving a new ownership investment, the documentation made available at the time of posting pursuant to Subsections (a) and (b) shall include at a minimum:
   (1) For new construction or purchase of an existing generating unit or powerplant, a description and identification of the planned powerplant or the purchased asset specifying the power generating equipment, power source, such as fuel type, wind, or biomass, all supplemental fuel sources, and all available historical production and fuel use data;
   (2) For an incremental investment that is a covered procurement as defined in Section 2901(d), a description of the modifications to the unit(s) and their impact on generation capacity, carbon dioxide emissions, and planned operation.
   (3) For non-renewable resources, the heat rate or carbon dioxide emissions profile of the powerplant and the source of this information.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Section 8341, Public Utilities Code; Section 54950, Government Code.

§ 2909 Compliance Filings

Within ten (10) business days after a local publicly owned electric utility enters into a covered procurement, the local publicly owned electric utility shall submit a compliance filing to the Commission regarding the covered procurement. The compliance filing shall contain one paper copy with original signature and one electronic copy of the following:

(a) An attestation, signed under penalty of perjury by an agent of the local publicly owned electric utility authorized by its governing body to sign on its behalf, that:
   (1) the governing body has reviewed and approved in a noticed public meeting both the covered procurement and the compliance filing;
   (2) based on the governing body's knowledge, information or belief, the compliance filing does not contain a material misstatement or omission of fact;
   (3) based on the governing body's knowledge, information or belief, the covered procurement complies with this Article; and
   (4) the covered procurement contains contractual terms or conditions specifying that the contract or commitment is void and all energy deliveries shall be terminated no later than the effective date of any Commission decision pursuant to Section 2910 that the covered procurement fails to comply with this Article.
(b) The documentation for the covered procurement as listed in Section 2908(c) if the covered procurement is a new or renewed contract or 2908(d) if the covered procurement is a new ownership investment.
(c) For any covered procurement utilizing carbon sequestration pursuant to Section 2904(e), documentation demonstrating that Subsections 2904(e)(1)-(3) have been met.
(d) For any covered procurement that permits unspecified energy purchases, the source data and methodology the local publicly owned electric utility used in developing the level of expected output from the identified powerplants, in order to demonstrate that the limits for unspecified energy purchases were properly established.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Section 8341, Public Utilities Code.

§ 2910 Compliance Review

The executive director shall review each compliance filing and make a recommendation to the full Commission on whether the covered procurement complies with this Article. The executive director may, within 14 days after receipt of a compliance filing, notify the local publicly owned electric utility in writing that the compliance filing was not complete, and shall specify what information is missing from the filing. The Commission shall consider the executive director's recommendation and shall, within 30 days after receipt of a complete compliance filing, issue a decision on whether the covered procurement described in the compliance filing complies with this Article. The Commission decision shall become effective 30 days after the date of the decision.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Section 8341, Public Utilities Code.

§ 2911 Compliance Investigation

The Commission may on its own motion, or as a result of a request from any person, including, but not limited to, a member of the public, staff, or other agency, conduct a complaint or investigation proceeding, or both, pursuant to Chapter 2, Article 4, to determine a local publicly owned electric utility's compliance with this chapter. In conducting such a proceeding, the Commission may require the production of information and documents beyond those made available to the public during consideration of the covered procurement or submitted with the compliance filing, including, but not limited to, contracts, staff assessments and reports to the utility's governing board, land use and air quality permits, continuous emissions monitoring data, and other information or documents that may aid in assessing compliance with this chapter.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Section 8341, Public Utilities Code.

§ 2912 Case-by-Case Review for Reliability or Financial Exemptions

(a) A local publicly owned electric utility may petition the Commission for an exemption from application of this chapter to a covered procurement that would not comply with the EPS. The Commission may grant an exemption for covered procurements under this section if the local publicly owned electric utility demonstrates that:
   (1) the covered procurement is necessary to address system reliability concerns; or
   (2) extraordinary circumstances, catastrophic events, or threat of significant financial harm will arise from implementation of this chapter.

(b) Upon receipt of a petition, the executive director shall review and make a recommendation to the full Commission on whether to grant the petition. The executive director may, within 14 days after receipt of a petition, notify the local publicly owned electric utility in writing of any additional information needed to review the petition. The Commission shall consider the executive director's recommendation and shall issue a decision on whether to grant the petition within 30 days after receipt of the complete petition.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Section 8341, Public Utilities Code.

§ 2913 Case-by-Case Review for Pre-existing Multi-Party Commitments

(a) A local publicly owned electric utility may petition the Commission for an exemption from application of this chapter for covered procurements required under the terms of a contract or ownership agreement that was in place January 1, 2007. The Commission may exempt covered procurements from application of this chapter if the local publicly owned electric utility demonstrates that:

(1) the covered procurements are required under the terms of the contract or ownership agreement; and

(2) the contract or ownership agreement does not afford the local publicly owned electric utility applying for the exemption the opportunity to avoid making such covered procurements.

(b) Upon receipt of a petition under this section, the executive director shall review and make a recommendation to the full Commission on whether to grant the petition. The executive director may, within 14 days after receipt of a petition, notify the local publicly owned electric utility in writing of any additional information needed to review the petition. The Commission shall consider the executive director's recommendation and shall issue a decision on whether to grant the petition within 30 days after receipt of the complete petition.

NOTE: Authority cited: Sections 25213 and 25218(e), Public Resources Code; Section 8341, Public Utilities Code. Reference: Section 8341, Public Utilities Code.

Article 2. Provisions Applicable to Powerplants Under 10 MW (Reserved)

DISCUSSION CALENDAR

10. UNIT CONTINGENT POWER PURCHASE AGREEMENT BETWEEN SHOSHONE RENAISSANCE LLC, AND CITY OF RIVERSIDE

Following discussion, the Board of Public Utilities recommended that the City Council:

1. Approve the proposed Agreement between Renaissance LLC and the City of Riverside for geothermal power recognized as a certified renewable energy resource; and

2. Authorize the City Manager, or his designee, to provide notice of termination under the terms of the Agreement if Renaissance breaches a material term of the Agreement.

Motion – Stockton. Second – Elliott.

Ayes: Barnhart, Stockton, Sutter, Titus, Elliott, Davidson, Sanchez, and Tavaglione.

Noes: None

Abstain: None.

Absent: Mary Curtin (absence due to business)

UNIT CONTINGENT
POWER PURCHASE AGREEMENT

Executed by the

CITY OF RIVERSIDE, CALIFORNIA
acting by and through the
CITY OF RIVERSIDE DEPARTMENT
OF PUBLIC UTILITIES

and

SHOSHONE RENAISSANCE LLC

Execution Copy

UNIT CONTINGENT

POWER PURCHASE AGREEMENT

TABLE OF CONTENTS

SECTION	PAGE
1. PARTIES	1
2. RECITALS	1
3. AGREEMENT	1
4. DEFINITIONS	1
5. TERM AND TERMINATION	10
6. FACILITY DESCRIPTION	14
7. INTERCONNECTION FACILITIES AND METERING	14
8. OBLIGATION TO SELL AND PURCHASE ENERGY OUTPUT	16
9. PRICE FOR ENERGY OUTPUT	20
10. BILLING AND PAYMENT	25
11. OPERATIONS AND MAINTENANCE	28
12. DEFAULT AND TERMINATION	30
13. CONTRACT ADMINISTRATION AND NOTICES	35
14. INDEMNIFICATION: LIABILITY	37
15. DISPUTE RESOLUTION	37
16. FORCE MAJEURE	38
17. REPRESENTATIONS AND WARRANTIES	41
18. REGULATORY JURISDICTION AND COMPLIANCE	43
19. ASSIGNMENT AND OTHER TRANSFER RESTRICTIONS	44
20. CONFIDENTIAL INFORMATION	45
21. MISCELLANEOUS	47

22. SIGNATURE CLAUSE 52

EXHIBIT A: MILESTONE SCHEDULE

SHOSHONE RENAISSANCE LLC – RIVERSIDE

UNIT CONTINGENT

POWER PURCHASE AGREEMENT

1. PARTIES: This UNIT CONTINGENT POWER PURCHASE AGREEMENT ("Agreement") is executed by and between the CITY OF RIVERSIDE, CALIFORNIA, a California municipal corporation acting by and through its Department of Public Utilities ("Buyer"), and Shoshone Renaissance LLC, a Tribal Chartered limited liability company ("Seller"), on this _____ day of _____, 2008 (the "Effective Date"). Both Seller and Buyer are sometimes referred to herein individually as "Party" and collectively as "Parties."

2. RECITALS:

2.1 Buyer procures capacity and energy from power production facilities, including geothermal powered production facilities, to meet the electric power requirements placed on Buyer by its customers.

2.2 Seller is in the business of constructing and installing geothermal powered production facilities for the generation and sale of the energy output from such facilities.

2.3 The Parties now desire to enter into this Agreement under which Seller agrees to sell and Buyer agrees to purchase electric energy together with Environmental Attributes and Capacity Attributes delivered by Seller to Buyer from the Facility, pursuant to the terms, rates and conditions stated herein.

3. AGREEMENT: NOW, THEREFORE, in consideration of the mutual covenants and promises herein set forth, the Parties agree as follows:

4. DEFINITIONS: Terms used herein with initial capitalization, whether in singular or plural and initially capitalized, shall have the following meanings:

//

4.1 Additional Site Project: Additional Site Project shall have the meaning specified in Section 5.5.2.

4.2 Affiliate: As to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with such Person or is a director or officer of such Person or of an Affiliate of such Person. As used in this Agreement, "control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise.

4.3 Agreement: This Unit Contingent Power Purchase Agreement, including any Schedules or Exhibit(s) attached hereto, as it may be amended from time to time.

4.4 Authorized Representative: The person designated by each Party, in accordance with Section 13.1, to act on such Party's behalf with respect to those matters specified herein to be the functions of such Authorized Representative.

4.5 Balancing Authority: An entity operating a transmission control area, responsible for matching generation, loads, and net interchange and maintaining frequency within limits.

4.6 Business Day(s): Any day other than a Saturday, Sunday or a holiday observed by either Party or their respective financial institutions.

4.7 Buyer Adverse Economic Consequences: A circumstance whereby the Buyer's acceptance of the delivery of Energy under this Agreement would result in substantial unanticipated costs that the Buyer could not reasonably avoid, such as congestion management costs, or other costs, and that when combined with the then effective Energy Payment Rate, would result in a substantially higher delivered price of Energy hereunder.

4.8 Calendar Day(s): Any day, including Saturday, Sunday and any holiday observed by either Party.

4.9 CAISO: California Independent System Operator, or its successor.

//

4.10 Capacity Attributes: The rights to capacity, resource adequacy, associated attributes and/or reserves or any of the foregoing associated with electric generating capability of the Facility, including the right to resell such rights.

4.11 CEC: California Energy Commission, or its successor.

4.12 Change-in-Law: After the Effective Date, the adoption, imposition, promulgation, modification, or change in interpretation or application of any law to which this Agreement, a Party or the Facility, is subject.

4.13 Commercial Operation Date: With respect to each Unit, the date on which Seller shall have notified Buyer that all of the following have occurred:

(a) Construction of such Unit has been substantially completed;

(b) The Unit has successfully completed all testing required by Prudent Utility Practices or any requirements of applicable law to be completed prior to commercial operations;

(c) Seller has obtained all Governmental Approvals required for the construction, operation and maintenance of the Unit;

(d) The Unit shall be operating in parallel with the Transmission Provider's Transmission System; and

(e) The date a Unit is otherwise capable of performing as described in this Agreement.

4.14 Contract Year: A twelve (12) month period beginning on the Initial Delivery Date and ending on the day before the anniversary of the Initial Delivery Date and each twelve (12) month period thereafter during which the Energy Payment Rate remains constant.

4.15 Curtailment Notice: Curtailment Notice shall have the meaning specified in Section 8.1.2.

4.16 Curtailment Period: Curtailment Period shall have the meaning specified in Section 8.1.2.

//

4.17 Delivered Energy: Delivered Energy shall have the meaning specified in Section 9.1.6.

4.18 Effective Date: Effective Date shall have the meaning specified in Section 1 of this Agreement.

4.19 Energy Output or Energy: All CEC certified renewable electrical energy (as such term is defined by the CEC as of the date of this Agreement) generated by the Facility, inclusive of Environmental Attributes and Capacity Attributes, delivered at the Point of Delivery. The Energy Output or Energy shall exclude energy used for station power for the Facility, and transmission losses to the Point of Delivery.

4.20 Energy Payment Rate: The price in U.S. Dollars per megawatt hour which is charged by the Seller to the Buyer for Energy.

4.21 Enhanced Generation: Enhanced Generation shall have the meaning specified in Section 5.5.

4.22 Event of Default: Event of Default shall have the meanings specified in Section 12.1 and Section 12.2 of the Agreement.

4.23 Environmental Attributes: Environmental Attributes shall have the meaning specified in Section 8.2.

4.24 Facility: Facility shall have the meaning specified in Section 6.

4.25 Facility Metered Energy: Facility Metered Energy shall have the meaning specified in Section 9.1.6.

4.26 Federal Production Tax Credit Legislation: Validly enacted Federal legislation extending the applicability and rate of the renewable energy production tax credit (26 U.S.C. § 45) to owners of generating facilities which use geothermal energy to produce electric energy.

4.27 FERC: The Federal Energy Regulatory Commission or its regulatory successor.

4.28 Financing Documents: The loan agreements (including agreements for any subordinated debt), deeds of trust, mortgages, lease agreements, notes, bonds, indentures,

security agreements, interest rate swap agreements and any other interest rate hedging agreements and any other documents relating to the financing or refinancing of the acquisition, construction, ownership, operation, maintenance or leasing of the Facility.

4.29 Financing Parties: Institutions (including any trustee or agent on behalf of such institutions) providing financing or refinancing or any other credit enhancement to Seller for the acquisition, construction, ownership, operation, maintenance or leasing of the Facility.

4.30 Firm Transmission: Transmission that cannot be curtailed for economic reasons or for higher priority transmission service.

4.31 Force Majeure: Force Majeure shall have the meaning specified in Section 16.

4.32 Forecasting and Scheduling Procedures: Shall have the meaning specified in Section 9.5.

4.33 Forced Outage: Forced Outage shall mean any commercially reasonable reduction or outage of the Facility, or a material component thereof, which is necessary, as determined by Seller, to (i) maintain or repair the Facility in accordance with Prudent Utility Practices and which was not reasonably foreseeable by Seller in time to perform as Scheduled Maintenance in accordance with Section 11, (ii) prevent significant harm or damage to the Facility, or (iii) prevent harm or damage to life or significant harm or damage to the property of others.

4.34 Governmental Approval: Any authorization, consent, approval, license, lease, ruling, permit, exemption, filing, variance, order, judgment, decree, publication, notice to, declaration of, or regulation by any Governmental Authority relating to the acquisition, ownership, occupation, construction, start-up, testing, operation or maintenance of the Facility or to the execution, delivery or performance of this Agreement.

4.35 Governmental Authority: The federal government of the United States, and any state, county, municipal or local government or regulatory department, body, political subdivision, commission, agency, instrumentality, ministry, court, judicial or administrative body, taxing authority, or other authority thereof (including any corporation or other entity

owned or controlled by any of the foregoing) having jurisdiction of any Party, the Facility, the site of the Facility, or the rights or obligations of any Party under this Agreement, whether acting under actual or assumed authority, including without limitation the CAISO; provided, however, that Buyer shall not be considered a Governmental Authority hereunder.

4.36 Green Tags: Green Tags shall have the meaning described in Section 8.2 and shall be considered equivalent to Renewable Energy Credits (RECs).

4.37 Green Tag Reporting Rights: Green Tag Reporting Rights shall mean the right to report to any Governmental Authority, agency, authority or other party, including without limitation under the Energy Policy Act of 2005, or under any present or future domestic, international or foreign emissions trading program, that the Buyer owns Renewable Energy Credits and Environmental Attributes associated with the Energy Output from the Facility under this Agreement.

4.38 Implicit Price Deflator for Gross Domestic Product (IPDGDP): Implicit Price Deflator for Gross Domestic Product shall mean, for any calendar year, Line 1 labeled "Gross Domestic Product" for such year on "National Income and Product Accounts Table – Table 1.1.9 Implicit Price Deflators for Gross Domestic Product – Index numbers, 2000 = 100 (Annual)" published by the U.S. Department of Commerce, Bureau of Economic Analysis. The Parties acknowledge that this figure can be adjusted from time to time by the federal government, and therefore the intention herein is to agree to base rate calculations on the number published and publicly available as of the Initial Delivery Date and each anniversary of the Initial Delivery Date of each Contract Year of this Agreement. If such line item is not reported for a given calendar year, then the line item shall equal the average of the last three reported calendar years. If such line item is no longer published by the U.S. Department of Commerce, Bureau of Economic Analysis (or any successor entity), then the Authorized Representatives shall negotiate for, and attempt in good faith to agree upon, the use of another nationally recognized publication reporting similar information for the relevant period(s).

4.39 Initial Delivery Date: The date upon which the Commercial Operation Date of Unit 1 (the first Unit to achieve Commercial Operations) has occurred and Seller commences delivering Energy Output, other than Test Energy, to Buyer pursuant to this Agreement.

4.40 Maintenance Schedule: Maintenance Schedule shall have the meaning specified in Section 11.4.

4.41 Manufacturers' Maintenance Requirements: Manufacturers' Maintenance Requirements shall mean the actual maintenance to be performed on the Facility as required or recommended as appropriate to the mode of service at the Facility by each of the suppliers and manufacturers of the various material components of the Facility, including the time periods and intervals required or recommended for such maintenance of the Facility.

4.42 Milestone Schedule: Shall have the meaning specified in Section 5.1.1.

4.43 NERC: The North American Electric Reliability Corporation, or its successor.

4.44 Offer: Offer shall have the meaning specified in Section 5.5.1.

4.45 Offer Notice: Offer Notice shall have the meaning specified in Section 5.5.1.

4.46 PPT: Pacific Prevailing Time

4.47 Person: Any individual, corporation, partnership, joint venture, limited liability company, association, joint stock company, trust, unincorporated organization, entity, or Governmental Authority.

4.48 Point of Delivery: The Point of Delivery shall be the 345-kilovolt bus at Mona substation located near the City of Mona, Utah, or such other point(s) as the Authorized Representatives may agree upon in writing from time to time. Any such change to the Point of Delivery shall be without additional cost to Buyer, unless Buyer's Authorized Representative consents to such cost as appropriate.

4.49 Production Tax Credits or PTCs: The Production Tax Credit under Section 45 of the Internal Revenue Code, and including all successor enactments or legislation relating thereto.

//

4.50 Prudent Utility Practice: Any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts (including but not limited to the practices, methods, and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) known at the time the decision was made, which would have been expected to accomplish the desired result consistent with good business practices, reliability, safety, and expedition, taking into account the fact that Prudent Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods, or acts which could have been expected to accomplish the desired result consistent with reliability, safety, and expedition. Prudent Utility Practice includes due regard for Manufacturers' Maintenance Requirements, and requirements of Governmental Authorities.

4.51 Renewable Energy Credit or REC: Renewable Energy Credit or REC means portfolio energy credit as defined in California Public Utilities Code Section 399.12(g), as may be amended from time to time or as further defined or supplemented by applicable law.

4.52 Renewables Portfolio Standard or RPS: Renewables Portfolio Standard or RPS means the State of California Renewables Portfolio Standard Program, as codified at California Public Utilities Code Section 399.11, et seq.

4.53 Revised Offer: Revised Offer shall have the meaning specified in Section 5.5.1.

4.54 Right of First Offer: Right of First Offer shall have the meaning specified in Section 5.5.

4.55 Scheduled Maintenance: Scheduled Maintenance shall mean maintenance which is performed, or scheduled to be performed, on the Facility or any major component thereof, that is necessary to carry out maintenance of the Facility consistent with Prudent Utility Practices, which results in a partial de-rate or full outage of the Facility, and which has been scheduled in accordance with Section 11.4. A Scheduled Maintenance is not a Forced Outage.

//

4.56 Scheduling Coordinator: The Persons conducting scheduling for each Party, in accordance with the Forecasting and Scheduling Procedures described in Section 9.5.

4.57 Start Up Deadline: Unless otherwise agreed to by the Parties, the deadline for the Initial Delivery Date, which shall be May 1, 2011.

4.58 Term: The Term of this Agreement shall commence on the Effective Date, and shall end on the date thirty (30) years from the Initial Delivery Date.

4.59 Test Energy: Energy produced by a Unit prior to its Commercial Operation Date.

4.60 Third Party Purchaser: A Person, not a Party to this Agreement, purchasing the Energy Output, less any associated Environmental Attributes or Capacity Attributes.

4.61 Transmission Provider: The Person(s) operating the Transmission System(s) providing Transmission Services to or from the Point of Delivery.

4.62 Transmission Services: The transmission and other services required to transmit Energy to or from the Point of Delivery.

4.63 Transmission System: The facilities utilized to provide Transmission Services.

4.64 Unbundled Facility RECs: Unbundled Facility RECs shall have the meaning specified in Section 8.4.

4.65 Units: Unit 1 and Unit 2, and each a Unit

4.66 Unit 1: The first geothermal generating unit of the Facility to achieve Commercial Operations.

4.67 Unit 2: The second geothermal generating unit of the Facility to achieve Commercial Operations.

4.68 WECC: The Western Electricity Coordinating Council, or its successor.

4.69 WREGIS: The Western Renewable Energy Generating Information System or any successor renewable energy tracking program and/or any Environmental Attribute tracking program applicable to California, pursuant to which the Environmental Attributes attributable to the Facility Units may be tracked.

5. TERM AND TERMINATION

5.1 The Effective Date of this Agreement shall be the date signed by both Parties as set forth in Section 1. This Agreement shall terminate upon the earlier of the hour ending at midnight PPT (i) thirty (30) years from the Initial Delivery Date, or (ii) on the day the respective obligations of Buyer and Seller to purchase and sell Energy pursuant to this Agreement are terminated pursuant to Section 12 (the "Termination Date").

5.1.1 Commercial Operation Date

(i) Progress Updates. Seller's projected schedule to develop the Facility (the "Milestone Schedule") is set forth on Exhibit A. Seller presently expects the Commercial Operation Date of Unit 1 and Unit 2 to be May 1, 2010. Throughout construction, start-up, and testing, Seller shall keep Buyer informed of any changes to the Milestone Schedule and projected Initial Delivery Date. Seller shall also give monthly progress status reports to the Buyer beginning the first month after the Effective Date in a format agreed to by the Authorized Representatives, until Unit 2 has achieved Commercial Operations.

(ii) Start-Up and Testing. Not less than 15 days prior to the commencement of system testing and start-up, Seller shall provide to Buyer a plan for the start-up and testing of each Unit, which shall describe the estimated timing and duration of any tests or operations of each Unit that will require cooperation by or coordination with Buyer, and Buyer shall reasonably cooperate and coordinate with Seller and Seller's start up and testing of each Unit. Seller shall update such plan to reflect any changes in any dates reflected on the plan.

(iii) Notice of Initial Delivery Date. Seller shall provide a written notice of the Initial Delivery Date to Buyer, which notice shall (1) specify the date on which the Initial Delivery Date will occur, which shall not be less than 96 hours following Buyer's receipt of the notice, and (2) notify Buyer that Seller is prepared to commence production and delivery of Energy Output from Unit 1 to Buyer as of that date.

//

(iv) Separate Units. The Parties acknowledge that (i) the Facility will consist of two (2) geothermal generating Units and that the Facility may be capable of generating Energy from only one Unit prior to the date that the second Unit is brought online and (ii) the Seller shall declare the Initial Delivery Date at such time as the Facility, when operating only on the first Unit, has achieved Commercial Operations.

(v) Notice of Commercial Operation Date. Seller shall provide a written notice of the Commercial Operation Date of Unit 2 to Buyer, which notice shall (1) specify the date on which the Commercial Operation Date will occur, which shall not be less than 96 hours following Buyer's receipt of the notice, and (2) notify Buyer that Seller is prepared to commence production and delivery of Energy Output from Unit 2 to Buyer as of that date.

Seller's obligation to sell and deliver Energy and Buyer's obligation to purchase and receive Energy shall commence on the hour beginning at 00:00 PPT on the Initial Delivery Date.

5.2 With the exception of a termination of this Agreement under Section 12.3 resulting from an Event of Default pursuant to Section 12.1 or Section 12.2, as of the effective date of any termination, the terminating Party shall, subject to the provisions of Section 12, have no further rights or obligations under this Agreement except; the right to collect money or receive services owed to it for transactions under this Agreement, the obligation to pay such amounts due to the other Party, to complete any transactions agreed to under this Agreement as of said date, the obligations of confidentiality set forth in Section 20, and any other provisions of this Agreement that survive the termination of this Agreement.

5.3 Except as provided for in Section 5.2, after termination, all rights to services provided under this Agreement or any tariff or rate schedule which results from or incorporates this Agreement shall cease, and no Party shall claim or assert any continuing right to such services under this Agreement.

//

//

5.4 Except as provided for in Section 5.2, no Party shall be required to provide services based in whole or in part on the existence of this Agreement or on the provision of services under this Agreement beyond the date of termination of this Agreement.

5.5 Buyer's Right of First Offer. As of the Effective Date, the Seller estimates and intends that the Facility will consist of two (2) generating Units, and will have an estimated potential net capacity of a nominal 64 MW The Buyer has requested that, subject to the terms and conditions set forth in this Section 5.5, Seller grant to it a right of first offer to contract for and purchase the energy output arising from the addition by the Seller of geothermal generating units on the Facility's site, in addition to the Units ("Enhanced Generation"). Seller hereby grants to Buyer a Right of First Offer (the "Right of First Offer"), to acquire the energy output arising from Enhanced Generation, as follows:

5.5.1 If Seller proposes to offer to enter into an agreement for the sale of the energy output from Enhanced Generation (the "Offer") then Seller shall first give Buyer written notice of such Offer (the "Offer Notice") setting forth in the Offer Notice the general description of the Enhanced Generation, including the estimated nominal net capacity of the Enhanced Generation, the estimated commercial operation date or dates of the unit or units comprising the Enhanced Generation, and the material terms and conditions of the purchase of energy, environmental attributes, capacity, or other generation or attributes of the Enhanced Generation, including the energy payment rate and other economical and financial terms relating to the Enhanced Generation, the length of term, and other material terms and conditions of the Offer. Buyer shall have forty-five (45) days from the date of receipt of the Offer Notice, in which to accept the Offer. If Buyer does not accept the Offer within such time period, or makes a counteroffer unacceptable to Seller, then Seller shall, within the one hundred eighty (180) day period thereafter, have the right to enter into an agreement or agreements with one or more third parties, on substantially the same terms and conditions as contained in the Offer or for a higher price or upon other terms advantageous to the Seller.

If Seller, after Buyer declines an Offer, or makes a counteroffer, offers to a third party terms or conditions materially more advantageous to the purchaser than those contained in the Offer, then Seller shall provide Buyer with an Offer Notice, setting forth in the Offer Notice the terms and conditions upon which the Offer has been modified (the "Revised Offer"), and Buyer shall have a Right of First Offer, exercisable at any time within forty-five (45) days after receipt of the Offer Notice, in which to accept the Revised Offer. If Buyer does not accept the Revised Offer within the forty-five (45) days following receipt of the Offer Notice, or Buyer makes a counteroffer unacceptable to Seller, Seller shall, within the one hundred eighty (180) day period thereafter, have the right to enter into an agreement with one or more third parties, on the same terms and conditions as contained in the Revised Offer or for a higher price payable by the third party, or on other terms and conditions advantageous to the Seller, and otherwise on the same terms and conditions as contained in the Revised Offer.

The Parties expressly understand and agree that, except as provided in Section 5.5.2 below, the Right of First Offer set forth in this Section 5.5 shall be applicable to any agreement with respect to the sale of energy output from any Enhanced Generation.

5.5.2 Buyer acknowledges that Seller is currently negotiating with one or more Persons for the purchase of energy from an additional facility to be constructed on the Facility site, which facility is presently anticipated to have a net capacity of a nominal 32 MW (the "Additional Site Project"). Buyer acknowledges and agrees that the Additional Site Project, shall not be subject to Buyer's Right of First Offer, and that Seller may enter into arrangements with respect to the Additional Site Project on such terms and conditions as Seller deems appropriate, in its sole discretion. Buyer further acknowledges that the Additional Site Project may or will share various common equipment, facilities and services with the Facility, including but not limited to access to and utilization of the same geothermal well field, operation and maintenance services and shared transmission facilities.

//

6. FACILITY DESCRIPTION

Seller's electric generating Facility comprised of two individual 32 MW nominal geothermal generating Units located in proximity to Brigham City, Utah, together with all materials, equipment, systems, structures, features and improvements necessary to produce electric energy at the Facility, some of which may be shared with other generating facilities, excluding the site, land rights and interests in land upon which the generating Facility is located.

7. INTERCONNECTION FACILITIES AND METERING

7.1 Interconnection

7.1.1 Facility interconnection to the Transmission System of the Transmission Provider, which initially shall be PacifiCorp, shall be governed by a generator interconnection agreement, and/or other applicable agreements, between the Transmission Provider and Seller. Copies of such agreements shall be made available to the Buyer upon request. During the term of this Agreement, Seller shall have sole responsibility for negotiating, arranging, monitoring and paying all costs related to the Firm Transmission of Project Energy Output from the Facility to the Point of Delivery.

7.1.2 Buyer shall have sole responsibility for negotiating, arranging, and paying all costs associated with the transmission of Energy beyond the Point of Delivery.

7.2 Access to Facility

7.2.1 Representatives of Buyer shall at all reasonable times, including weekends and nights, and with reasonable prior notice to Seller, have access to the Facility and appurtenant facilities under Seller's control to perform inspections and operational reviews of the Facility as may be appropriate to facilitate the performance of this Agreement. While at the Facility, such representatives shall observe such reasonable safety precautions as may be required by Seller and shall conduct themselves in a manner that will not interfere with the construction, operation, or maintenance of the Facility.

//

7.2.2 If either Party prepares a written report or other documentation of observations made during a Facility site visit, it shall promptly make the report or other documentation available to the other Party. In no event, however, shall the failure by either Party to issue a report or other documentation or to comment with respect to the Facility be construed to warrant or imply that the Facility is properly constructed, operated, or maintained.

7.3 Buyer may elect to install and maintain, at its own expense, metering, data gathering, and communication equipment used to monitor, record, or transmit data relating to the Facility. Seller shall arrange for a location within the Facility accessible to representatives of Buyer for such equipment as may be installed, and Seller shall provide representative of Buyer with such assistance as may reasonably be required to effectuate the installation, operation, and maintenance of such equipment.

7.4 Seller shall provide each month, at Seller's expense, metering data to Buyer from Seller's meters located at the Facility for all Energy during the preceding month generated by the Facility. The output of Seller's meters shall be recorded in electronic format and stored on-site at the Facility.

7.5 Energy Output delivered to and purchased by Buyer at the Point of Delivery shall be deemed to be equal to the amount of Energy scheduled by Seller and received by Buyer at the Point of Delivery, as determined by the Balancing Authority at the Point of Delivery, which, as of the Effective Date, is the Transmission Provider, PacifiCorp.

7.6 All metering devices used to measure the Energy under this Agreement at the Facility shall be purchased and owned by Seller, and shall be installed, operated, calibrated and maintained consistent with the requirements of WREGIS, and at Seller's sole expense. The number, type, and location of Seller's metering devices shall also be consistent with the requirements of WREGIS. Seller's metering devices shall be maintained directly by Seller or by agents or contractors directly under Seller's control. All of Seller's metering devices shall be

//

sealed and the seal may be broken only when such metering devices are to be inspected, tested, adjusted, repaired, replaced or removed.

8. OBLIGATION TO SELL AND PURCHASE ENERGY OUTPUT

8.1 Sale and Purchase

8.1.1 Seller shall use all commercially reasonable efforts, consistent with Prudent Utility Practice to convey the Energy Output of the Facility, inclusive of electric Energy, Environmental Attributes and Capacity Attributes during the Term to Buyer and to deliver the Energy Output to, and make such Energy Output available to Buyer at the Point of Delivery. Seller shall not curtail or interrupt delivery of Energy Output for economic reasons. Except to the extent production of Energy at the Facility and/or deliveries of Energy to or from the Point of Delivery hereunder are curtailed in accordance with Section 16, Buyer shall purchase and receive from Seller, the entire Energy Output produced by the Facility and transmitted to the Point of Delivery, 24 hours per day for each day of the Term of this Agreement as described in Section 5. Notwithstanding the foregoing, and except as provided in Section 8.1.2, Seller shall not sell Energy Output from the Facility to any Person other than Buyer, except as a result of a Buyer Event of Default pursuant to Section 12.2 or a Buyer Force Majeure event. Seller may, but shall not be obligated to, sell the Energy Output produced by the Facility, and associated Environmental Attributes to a Third Party Purchaser during the occurrence of such events.

8.1.2 If Buyer's Authorized Representative determines in its reasonable judgment that its receipt of the Energy Output will result in Buyer's Adverse Economic Consequences, then the Authorized Representative of the Buyer may elect to curtail or suspend Energy Output deliveries hereunder. Buyer shall give Seller as much notice, either written or telephonic, as reasonably possible (the "Curtailment Notice") of its election to curtail or suspend Energy Output deliveries because of Buyer's Adverse Economic Consequences, and shall include in the Curtailment Notice, in reasonable detail, the basis for the curtailment or suspension, the estimated duration of the curtailment or suspension (the "Curtailment Period"), and any other

relevant information regarding the curtailment or suspension. In order to mitigate any negative material financial impacts on Buyer arising from any such curtailment or suspension, Seller shall use commercially reasonable efforts to sell the Energy Output, exclusive of Environmental Attributes and/or Capacity Attributes, on a wholly interruptible basis, to a Third Party Purchaser, and Buyer agrees to make Seller whole and to hold Seller harmless from any adverse financial impact arising from any curtailment or suspension pursuant to this Section 8.1.2, as follows:

8.1.2.1 If Seller is able to sell to a Third Party Purchaser all or part of the curtailed or suspended Energy Output, Buyer agrees to hold Seller harmless from any adverse financial impact to the Seller, on an hourly basis, for each megawatt hour of Energy Output sold to any such Third Party Purchaser. In this respect, if the Third Party Purchaser pays an amount greater than the then current Energy Payment Rate, Seller shall retain all of the revenue derived therefrom and Buyer shall be relieved of any payment obligation in connection therewith. If the Third Party Purchaser pays a price less than the then current Energy Payment Rate, Buyer shall pay Seller an amount equal to the difference between the amount paid by such Third Party Purchaser to Seller for such Energy, and the then current Energy Payment Rate for the Energy. Buyer retains all rights to the associated Environmental Attributes.

8.1.2.2 If Seller is unable to sell to a Third Party Purchaser all or part of the curtailed or suspended Energy Output, Seller agrees, subject to Prudent Utility Practice, to curtail the Units, and Buyer agrees to pay the Seller the then current Energy Payment Rate for the amount of Energy capable of being generated by the Units as specified by the Seller. Seller shall provide evidence of the Units' capability upon request of the Buyer's Authorized Representative.

8.2 Environmental Attributes

Environmental Attributes means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled attributable to the generation from the Facility, and its displacement of conventional energy generation. Environmental Attributes include but are not

limited to: 1) any avoided emissions 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), and 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; and 3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights and Renewable Energy Credits.

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 another party at the Green Tag purchaser's discretion, and include without 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 Environmental Attributes associated with one (1) MWh of energy.

Environmental Attributes do *not* include 1) any energy, capacity, reliability or other power attributes from the Facility; 2) Production Tax Credits associated with the construction or operation of the Facility and other financial incentives in the form of credits, reductions, or allowances associated with the Facility that are applicable to a state or federal income taxation obligation; 3) local subsidies received by Seller for the promotion of local environmental benefits; and 4) emission reduction credits encumbered or used by the Facility for compliance with local, state, or federal operating and/or air quality permits.

The Parties agree that any and all such Environmental Attributes associated with the Energy Output contracted for hereunder shall be the property of Buyer. In furtherance of the foregoing, Seller hereby transfers to Buyer all right, title and interest Seller has or will have in,

to, and under such Environmental Attributes. Seller agrees to provide such further evidence of the right, title and interest of Buyer in such Environmental Attributes, and such information with respect to such Environmental Attributes, as Buyer shall request.

At its sole expense, Seller shall certify the Facility as a renewable resource eligible for the Renewables Portfolio Standard, in accordance with applicable CEC regulations. Unless otherwise agreed by the Authorized Representatives, Seller shall register, at its sole expense, the Facility in WREGIS, and shall take all other actions necessary to ensure that the Environmental Attributes are issued and tracked for purposes of satisfying the requirements of the RPS according to CEC regulations and transferred to Buyer. Notwithstanding the foregoing, in the event of a Change-in-Law relating to Environmental Attributes that requires action on the part of Seller to permit Buyer to retain the substantial benefit of the Environmental Attributes, Seller agrees that it will take such actions as may reasonably be requested by Buyer and required of it, provided that Seller or the Facility shall not be adversely affected, economically or otherwise, as a result of taking such actions.

8.3 Tax Credits and Other Benefits

The Seller shall retain and be entitled to the sole ownership and benefit of Production Tax Credits, and other tax benefits and tax credits, or any reimbursement thereof.

8.4 Additional RECs

From time to time, Seller may possess additional RECs, arising from the operation of the Units, and which are unbundled from the Energy (the "Unbundled Facility RECs"), which may lawfully be sold by Seller. Buyer shall have a first right of refusal, exercisable by written notice on an annual basis, as set forth below, to purchase the Unbundled Facility RECs, at a price equal to twenty five percent (25%) of the then current Energy Payment Rate, or as may otherwise be agreed to by the Authorized Representatives. Seller shall, within thirty (30) days after the last day of each calendar year, provide Buyer with written notice of the Unbundled Facility RECs available for sale to Buyer as of the date of such notice, and the aggregate purchase price of the

Unbundled Facility RECs, determined as set forth above. Buyer's Authorized Representative shall have thirty (30) days from the date of such notice in which to exercise its option to acquire all or any part of the Unbundled Facility RECs, by providing written notice of such election to Seller, and by paying to Seller the full purchase price of the Unbundled Facility RECs elected to be acquired by Buyer, in immediately available funds, within such thirty (30) day period. If Buyer's Authorized Representative does not elect to purchase Unbundled Facility RECs in the manner and within the thirty (30) day time period set forth above, then any Unbundled Facility RECs not elected to be acquired by Buyer shall no longer be subject to Buyer's right of first refusal, and Seller may sell, transfer or otherwise deal with such un-purchased Unbundled Facility RECs in such manner as it deems desirable or appropriate, in its sole discretion.

9. PRICE FOR ENERGY OUTPUT

9.1 Pursuant to the invoicing and payment provisions of Section 10, for each billing period Buyer shall pay to Seller an amount equal to the product of (i) the amount of Energy delivered to the Point of Delivery in such billing period, if any, multiplied by (ii) the applicable Energy Payment Rate. The Energy Payment Rate for Energy Output produced by Seller and delivered to Buyer at the Point of Delivery shall be $77 per megawatt hour, as of the Effective Date and the Initial Delivery Date, and shall be escalated as set forth in Section 9.1.1 below:

9.1.1 The Energy Payment Rate for each Contract Year, after the first Contract Year shall be calculated as follows:

$$\text{Energy Payment Rate} = P1 * D1$$

Where:

P1 = the Energy Payment Rate for the immediately preceding Contract Year.

D1 = the ratio of (i) the IPDGDP for the calendar year immediately preceding the commencement of such Contract Year over (ii) the IPDGDP for the calendar year two (2) years preceding the commencement of such Contract Year.

//

Example:

Assume that (1) the IPDGDP for the calendar year 2010 equals 108.237; (2) the IPDGDP for the calendar year 2009 equals 105.998; and (3) the Energy Payment Rate for the immediately preceding Contract Year equals $77, therefore, the Energy Payment Rate for a Contract Year commencing on July 1, 2011 is calculated as follows:

Energy Payment Rate = $77 / MWh * (108.237/105.998)

= $ 78.63 / MWh

Notwithstanding the foregoing, the increase in the Energy Payment Rate shall be no less than 1.5% for any Contract Year, beginning with the second Contract Year; provided, however, that if the Energy Payment Rate is increased pursuant to Section 9.1.3 below, then the increase in the Energy Payment Rate shall be no less than 1.4% for any Contract Year.

9.1.2 For either Unit, if Seller achieves the Commercial Operation Date and the Federal Production Tax Credit Legislation is in effect and if the Federal Production Tax Credit base rate and the inflation adjustment factor relative to Internal Revenue Code Section 45 are equal to or greater than the $0.02 per kilowatt hour in effect on December 31, 2008 for owners of geothermal generating facilities, the Energy Payment Rate shall be $77 per megawatt hour, as of the Effective Date and the Initial Delivery Date, and shall escalate as set forth in Section 9.1.1.

9.1.3 For either Unit, if Seller achieves the Commercial Operation Date and the Federal Production Tax Credit Legislation is not in effect, the Energy Payment Rate shall increase by $6 per megawatt hour, for a maximum Energy Payment Rate of $83 as of the Commercial Operation Date. If the Federal Production Tax Credit Legislation is in effect but the base rate and inflation adjustment factor relative to Internal Revenue Code Section 45 is less than the $0.02 per kilowatt hour in effect on December 31, 2008 for owners of geothermal generating facilities, then the Energy Payment Rate shall increase by a proportional amount per megawatt hour, as of the Commercial Operation Date of such Unit(s), and shall escalate as provided in Section 9.1.1.

Example: Assume Commercial Operation Date for a Unit is 5/1/2010 and the Federal Production Tax Credit in effect for 2010 is $0.015 per kilowatt hour generated (e.g., 25 percent less than the $0.02 per kilowatt hour in effect as of December 31, 2008). The incremental increase in the Energy Payment Rate would be 25% times $6 per megawatt hour or $1.50, for a maximum Energy Payment Rate of $78.50 per megawatt hour, as of the Commercial Operation Date.

9.1.4 Test Energy. Prior to the Commercial Operation Date, Buyer shall purchase from Seller all Test Energy produced by the Facility in accordance with this Section:

(i) The price for Test Energy from either Unit shall be 90% of the then current Energy Payment Rate, as determined in accordance with Section 9.1.

(ii) Any sale of Test Energy to Buyer hereunder shall be on an interruptible basis. Notwithstanding anything contained herein to the contrary, Seller may, without incurring any liability whatsoever, cease, interrupt, reduce or otherwise change the delivery of Test Energy to Buyer at any time and for any reason associated with work to ready the Facility for commercial operation, but not for economic purposes or to engage in a sale to a Third Party Purchaser.

9.1.5 One Price for Energy, Regardless of Unit. All Energy produced by the Seller from Unit 2 shall be sold to the Buyer at a price equal to the then current Energy Payment Rate applicable to Unit 1, unless the Energy Payment Rate applicable to the two Units is different as a result of the increase in the Energy Payment Rate of only one Unit pursuant to Section 9.1.3. If, because of the applicability of Section 9.1.3 the two Units have different Energy Payment Rates, then the settlements and invoices for each Unit shall be calculated separately for the term of the Agreement, unless otherwise agreed to by the Authorized Representatives.

9.1.6 Annual True-ups of Certified Renewable Power. On the invoice for the billing period immediately following the end of each calendar year, the Seller shall include an

annual true-up for the recently ended calendar year demonstrating the difference between the quantity of Energy metered at the Facility ("Facility Metered Energy") and the quantity of Energy scheduled by Seller and received by Buyer at the Point of Delivery, as determined by the Balancing Authority at the Point of Delivery "Delivered Energy". If the Facility Metered Energy is less than Delivered Energy, then Seller shall compensate Buyer for the megawatt hour difference with equivalent RECs or payment equal to twenty five (25%) of the then current Energy Payment Rate, which shall be netted on the invoice according to Section 10 below.

9.2 Commercial Operation Incentive. For any Energy produced by the Facility from either Unit after that Unit's Commercial Operation Date and sold to the Buyer during calendar year 2010, Buyer will pay to the Seller $5 per megawatt hour in addition to the then current Energy Payment Rate as an incentive to achieve Commercial Operation prior to 2011. This incentive will terminate on December 31, 2010 and will not be included in any future rate calculations pursuant to Section 9.1.

9.3 No Petitioning for a Change. The Parties hereby stipulate and agree that this Agreement was entered into as a result of arms'-length negotiations between the Parties. Further, the Parties believe that the rates, terms and conditions of this Agreement are just and reasonable within the meaning of Sections 205 and 206 of the Federal Power Act, 16 U.S.C. Sections 824d or 824e, and that the rates, terms and conditions of this Agreement will remain so over the life of the Agreement. The Parties waive all rights to challenge the validity of this Agreement or whether it is just and reasonable for and with respect to the entire term thereof, under Sections 205 and 206 of the Federal Power Act and to request the FERC to revise the terms and conditions and the rates or services specified in this Agreement, and hereby agree to make no filings at the FERC or with any other state or federal agency, board, court or tribunal challenging the rates, terms and conditions of this Agreement as to whether they are just and reasonable or in the public interest under the Federal Power Act. The Parties hereby further stipulate and agree that neither Party may bring any action, proceeding or complaint under

Section 205 or 206 of the Federal Power Act, 16 U.S.C. 824d or 824e, seeking to modify, cancel, suspend, or abrogate the rates, terms and conditions of this Agreement, or to prevent this Agreement from taking effect. It is further agreed that, in the event either Party challenges this Agreement for any other reason, they will not dispute the applicability of the public interest standard as that term has been defined and interpreted under the Federal Power Act and the cases of United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and FPC v. Sierra Pacific Power Co., 350 U.S. 348 (1956), and subsequent cases.

9.4 In the event that (i) the Facility loses any State of California or federal regulatory certifications, approvals, or authorizations which are necessary in order for Buyer to appropriately claim that all Energy purchased by Buyer from the Facility hereunder represents Energy purchased from a renewable energy source and (ii) Seller appeals such a decision, then Buyer shall, from the date of such loss through the earlier of (a) the date of termination of this Agreement, or (b) the date when the appeal process has concluded, pay as the Energy Payment Rate for Energy delivered from the Facility the lesser of (1) the daily rate currently published in California as the SP15 Index or under the CAISO's Market Redesign and Technology Upgrade (MRTU), if implemented, the marginal cost of power at the SCE EZ-GEN Hub, or its successor (energy portion only, not including congestion and losses) or (2) the Energy Payment Rate. In the event that Seller is successful in its appeal and/or such regulatory certifications, approvals or authorizations are reinstated, Buyer shall pay Seller the Energy Payment Rate for such Energy, commencing with the date upon which Buyer is entitled to project or otherwise claim the delivery of Energy from the Facility as originating from a renewable energy source, as defined by the CEC. It is the intention of the Parties, in this respect, that Buyer shall pay Seller for such Energy at the Energy Payment Rate provided in Section 9.1 hereof, including the making of retroactive payments, for any period during or with respect to which a decision is being appealed, to the extent that Buyer is entitled to project or otherwise claim the delivery of Energy from the Facility as originating from a renewable energy source, as defined by the CEC.

9.5 Scheduling and Forecasting

The Authorized Representatives of the Buyer and Seller shall mutually develop forecasting and scheduling procedures which may be modified, from time to time, by written agreement of the Authorized Representatives in order to comply with applicable requirements of the Transmission Provider, the CAISO, a Balancing Authority, WECC, and otherwise as appropriate. The Authorized Representatives shall cooperate with respect to any reasonably necessary and appropriate modifications of such procedures.

10. BILLING AND PAYMENT

10.1 Billing Statement and Invoices

The accounting and billing period for transactions under this Agreement shall be one (1) calendar month. No later than ten (10) Calendar Days after the end of each calendar month, Seller shall prepare, and provide to Buyer, a statement showing Energy Output and an invoice for any amounts due from Buyer to Seller under the terms of this Agreement, for the previous calendar month billing period. If Buyer and Seller are required to pay an amount on the payment due date in the same billing month for transactions under this Agreement, then such amounts with respect to such Party will be aggregated and the Parties will discharge their obligations to pay through netting, in which case the Party owing the greater aggregate amount will pay to the other Party the difference between the amounts owed, consistent with the payment terms of Section 10.3. Each Party reserves to itself all rights, set offs, counterclaims and other remedies and/or defenses to which it is or may be entitled, arising from or out of this Agreement. All outstanding payments between the Parties which are to be netted pursuant to this Section 10.1 shall be offset against each other or set off or recouped therefrom.

10.2 Billing Addresses

Any statement or invoice shall be sent to the Buyer at the following address, unless otherwise specified in writing by Buyer:

//

Power Resources - Settlements
City of Riverside Public Utilities
Customer Resource Center
3025 Madison St
Riverside, CA 92504

Any statement or invoice shall be sent to the Seller at the following address, unless otherwise specified in writing by Seller:

Shoshone Renaissance LLC
770 E. South Temple
Salt Lake City, Utah 84102
Attention: President
Chief Operating Officer

10.3 Settlements

10.3.1 Payments due Seller or Buyer, as the case may be, shall be due and payable by electronic funds transfer, or by wire transfer, as designated by the owed Party, no later than the tenth (10th) Business Day following the owing Party's receipt of the owed Party's proper billing invoice. For purposes of clarification, each Party shall, in advance of the Initial Delivery Date, provide in writing a list of their observed holidays. Each Party shall provide to the other Party an updated holiday list from time to time when appropriate, as changes may occur throughout the term of the Agreement. Payment shall be considered received when received by the Party to which payment is due at the location designated by that Party.

10.3.2 Payments, both principal and any applicable interest, not received by the due date, shall be deemed delinquent and shall accrue interest at the rate of one percent (1%) per month, or the maximum interest rate permitted by law, if any, whichever is less, prorated by days from the due date of payment but excluding the date the unpaid amount is paid in full or netted against a current amount due.

10.3.3 The Parties acknowledge that CAISO or a Balancing Authority may submit true-up settlement statements a significant time period after an invoice has been paid by Buyer. Either the Buyer or the Seller may net any amount owed to them pursuant to this Agreement as a result of such true-up against the amount of any subsequent invoice from the

other Party or any amount owed to the other Party. If a true-up settlement statement is submitted by CAISO, the receiving Party shall promptly make available such statement for review by the other Party. The Parties further acknowledge that the settlements process may be subject to change if and when the CAISO implements its planned Market Redesign and Technology Upgrade (MRTU). In the event Seller receives payment from anyone other than the Buyer for Energy sold to Buyer, for example, from the CAISO, Seller shall, unless Buyer is in default hereunder, pay such revenues to the Buyer.

10.4 Billing Disputes

A Party may, in good faith, dispute the correctness of any invoice or adjustment to an invoice rendered under this Agreement or adjust any invoice for any arithmetic or computational error, so long as the dispute or adjustment is provided to the other Party in writing within six (6) months of the issue of the original invoice or adjustment to an invoice. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the Party issuing such invoice. Any billing dispute or billing adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved.

10.4.1 If it is determined that the original invoice was accurate, then payment in full shall be required to be made within ten (10) Business Days of such determination together with interest as provided in Section 10.3.2.

10.4.2 If the result of the dispute is an adjusted invoice amount, then that new amount shall be required to be paid within twenty (20) Business Days of such determination, with interest calculated in accordance with Section 10.3.2 for the adjusted amounts based on the original due date.

//

//

10.4.3 Overpayments by a Party shall, at the option of the Party making such overpayment, be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued in accordance with Section 10.3.2.

11. OPERATIONS AND MAINTENANCE

11.1 Facility Operations. Seller shall operate the Facility in all material respects consistent with all applicable transmission interconnection requirements, as well as the requirements of the WECC and NERC, and in accordance with Prudent Utility Practices.

11.1.1 Time. References to time including, but not limited to, scheduling, maintenance, and curtailments, shall be expressed or written by both Parties in terms of PPT.

11.2 Delivery; Title. Title to Energy purchased under this Agreement shall pass from Seller to Buyer at the Point of Delivery. Quantities of Energy delivered and sold hereunder by Seller to Buyer shall be as scheduled by Seller and confirmed by the Balancing Authority responsible for reconciling Energy schedules and deliveries at the Point of Delivery, which shall initially be PacifiCorp, in its capacity as Transmission Provider. As between the Parties, Seller shall be deemed to have exclusive title, control of and responsibility for any Energy sold and delivered under this Agreement prior to its delivery to the Point of Delivery. Likewise, as between the Parties, Buyer shall be deemed to have exclusive title, control of and responsibility for Energy sold and delivered under this Agreement at and after the time Buyer receives such Energy at the Point of Delivery.

11.3 In general, Seller covenants to Buyer that Seller shall maintain the Facility in accordance with Prudent Utility Practices. Seller shall, in accordance with Prudent Utility Practices, exercise commercially reasonable efforts to minimize the performance of Scheduled Maintenance during the period of May 1st to October 31st of each year of this Agreement. Seller shall also exercise commercially reasonable efforts, in accordance with Prudent Utility Practices, to perform any Scheduled Maintenance at the Facility between the hours of 10 PM PPT on any

//

day to 6 AM PPT on the following day, or on a Sunday, when economically and technologically feasible, or as otherwise agreed to by the Authorized Representatives.

11.4 Scheduled Maintenance

11.4.1 Unless otherwise agreed to by the Authorized Representatives, Seller shall provide to Buyer in writing no later than six (6) months prior to the Initial Delivery Date a three (3) year schedule of planned Scheduled Maintenance (the "Maintenance Schedule"). Seller shall also provide to Buyer on or before May 1st of each subsequent year during the term of this Agreement, an updated Maintenance Schedule, including, but not limited to, construction of capital additions, betterments and replacements; it being understood, however, that the Maintenance Schedule may be changed or updated from that submitted to Buyer and/or additional Scheduled Maintenance outage hours may be scheduled as reasonably necessary and consistent with Prudent Utility Practices. Such Maintenance Schedule shall indicate, for the three (3) calendar years following the Initial Delivery Date and/or May 1st of each year, (i) the work expected to be performed, (ii) the estimated dates when such work shall commence and be completed, (iii) the estimated date when the affected Unit shall be returned to service, and (iv) the resultant planned capacity factor capability for each such year. Seller shall further provide Buyer with written notice of any change to the Maintenance Schedule promptly following the time that such determination has been made.

11.4.2 Unless otherwise agreed to by the Authorized Representatives, in the event Seller or any third party performs any Scheduled Maintenance of the Facility in addition to that set forth in the Maintenance Schedule provided to Buyer, Seller's Authorized Representative shall provide written advance notice to Buyer's Authorized Representative of all such additional Scheduled Maintenance in accordance with the following notice provisions: (i) for any full or partial outage of less than two (2) Calendar Days expected duration, at least five (5) Calendar Days notice to Buyer; (ii) for any full or partial outage of two (2) to five (5) Calendar Days expected duration, at least seven (7) Calendar Days notice to Buyer; and (iii) for any full or

partial outage of five (5) Calendar Days or more expected duration, at least ninety (90) Calendar Days notice to Buyer; unless, in each case, Buyer's Authorized Representative has given its prior written consent for shorter notice, which consent shall not be unreasonably withheld or delayed.

11.4.3 Seller or any third party, shall have the right, but not the obligation, to perform any additional maintenance of all or any portion of the Facility during any time in which a Forced Outage has occurred with respect to all of the Facility, or that portion of the Facility to which additional maintenance is performed, provided, that Seller's Authorized Representative shall notify Buyer's Authorized Representative that such maintenance has been or will be performed.

12. DEFAULT AND TERMINATION

12.1 Events of Default of Seller

12.1.1 The occurrence of any of the following shall constitute an immediate Event of Default without the opportunity to cure, and Seller shall have an affirmative obligation to notify Buyer in the event any of the following has occurred:

12.1.1.1 Seller's dissolution or liquidation;

12.1.1.2 Seller's abandonment of construction and/or operation of the Facility;

12.1.1.3 Seller's filing of a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or Seller voluntarily taking advantage of any such law or act by answer or otherwise;

12.1.2 The occurrence of any of the following shall constitute an Event of Default of Seller unless Seller shall have cured the same within ninety (90) days (or within such longer cure period that is specified below) from the date of the Event of Default. Seller shall have an affirmative obligation to notify Buyer that one of the following Events of Default has occurred and the date of such Event of Default, unless otherwise specified below:

12.1.2.1 Seller's assignment of this Agreement or any of Seller's rights or obligations under this Agreement or Seller's sale or other transfer of any material portion of its interest in the Facility, other than in compliance with the provisions of Section 19;

12.1.2.2 The filing of a case in bankruptcy or any proceeding under any other insolvency law against Seller as debtor, provided, however, that Seller does not cure by obtaining a stay or dismissal of the filing within ninety (90) days of the date of such filing;

12.1.2.3 Seller tampering with or adjusting of the metering devices for the Units in ways not expressly permitted by Section 7.

12.1.2.4 The sale by Seller to a third party, or diversion by Seller for any use, of the Energy Output committed to Buyer by Seller, in a manner that is not permitted by this Agreement, absent Buyer's Authorized Representative's prior written consent to such sale, diversion or use;

12.1.2.5 Seller's failure to maintain in effect any material agreements required to be maintained by Seller to deliver the Energy Output to the Point of Delivery, if such failure renders Seller unable to deliver the Energy Output to the Point of Delivery, and an alternative delivery arrangement providing Firm Transmission to the Point of Delivery is not implemented by Seller within one hundred eighty (180) days after the termination of any such material agreement;

12.1.2.6 Seller fails to achieve the Initial Delivery Date by the Start-Up Deadline and such failure is not cured within three hundred sixty-five (365) days;

12.1.2.7 Seller's failure to comply with any other material obligation under this Agreement, other than a payment obligation, and such failure is not cured within ninety (90) days after receipt by Seller of written notice thereof from Buyer; provided, however, that if such failure cannot be fully remedied through the exercise of commercially reasonable efforts during such ninety (90) day period, and if Seller shall commence within such ninety (90) day period and shall thereafter proceed with due diligence to cure such failure, the period in

which Seller may cure such failure shall be extended to one hundred eighty (180) days from date of notice, as shall be necessary for Seller to cure the same with all due diligence.

12.1.3 Seller's failure to make any payment when required under this Agreement shall constitute an Event of Default of Seller unless:

12.1.3.1 Seller shall have cured the same within thirty (30) days after receipt by Seller of written notice thereof from Buyer; or

12.1.3.2 Seller has filed in good faith a billing dispute with respect to such unpaid amounts and complied in all material respects with Section 10.

12.2 Events of Default of Buyer

12.2.1 The following shall constitute an immediate Event of Default without the opportunity to cure, and Buyer shall have an affirmative obligation to notify Seller in the event any of the following has occurred:

12.2.1.1 Buyer's dissolution or liquidation; or

12.2.1.2 Buyer's general assignment of this Agreement or any of its rights hereunder for the benefit of creditors.

12.2.2 The occurrence of any of the following shall constitute an Event of Default of Buyer unless Buyer shall have cured the same within ninety (90) days (or within such longer cure period that is specified below) from the date of the Event of Default. Buyer shall have an affirmative obligation to notify Seller that one of the following Events of Default has occurred and the date of such Event of Default, unless otherwise specified below:

12.2.2.1 Except as a result of a billing dispute as provided in Section 10, Buyer fails to purchase the entire Energy Output of the Facility in accordance with Section 8; provided, that such failure is not the result of Force Majeure;

12.2.2.2 Buyer's assignment of this Agreement or any of Buyer's rights or obligations under this Agreement without obtaining Seller's prior written consent pursuant to Section 19; or

12.2.2.3 Buyer's failure to comply with any other material obligation under this Agreement, other than a payment obligation, and such failure is not cured within ninety (90) days after receipt by Buyer of written notice thereof from Seller; provided, however, that if such failure cannot be fully remedied through the exercise of commercially reasonable efforts during such ninety (90) day period, and if Buyer shall commence within such ninety (90) day period and shall thereafter proceed with due diligence to cure such failure, the period in which Buyer may cure such failure shall be extended to one hundred eighty (180) days from date of notice, as shall be necessary for Buyer to cure the same with all due diligence.

12.2.3 Buyer's failure to make any payment when required under this Agreement shall constitute an Event of Default unless:

12.2.3.1 Buyer shall have cured the same within thirty (30) days of the Event of Default after receipt by Buyer of written notice thereof; or

12.2.3.2 Buyer has filed in good faith a billing dispute with respect to such unpaid amounts and complied in all material respects with Section 10.

12.3 Termination for Cause

In addition to any other right or remedy available at law or in equity or pursuant to this Agreement, including the right to seek damages for breach of this Agreement, the non-defaulting Party may, upon written notice to the defaulting Party, terminate this Agreement if any one or more of the Events of Default described in Section 12.1 and Section 12.2 occur and are not cured within the time periods set forth therein, if any. Neither Party shall have the right to terminate this Agreement except as provided for upon the occurrence of an Event of Default as described above or as otherwise may be explicitly provided for in this Agreement. All remedies in this Agreement shall survive termination or cancellation of this Agreement and are cumulative.

//

//

//

12.4 Termination by Seller Prior to Commercial Operation Date

Notwithstanding any provision in this Agreement to the contrary, if Seller determines, within nine (9) months after the Effective Date, or as otherwise provided in Section 12.4(c) below, that:

(a) the Facility cannot be financed on a non-recourse or other basis on terms and conditions acceptable to the Seller; or

(b) any governmental tax or economic credits or incentives material to Seller or the Facility are not available, or any material permits, leases, easements, land rights agreements or material project documents required to construct or operate the Facility have not been obtained, or Seller determines that the development of the Facility by Seller is not commercially viable or not feasible; or

(c) Upon notification to Seller (which notification may be received subsequent to nine (9) months after the Effective Date) by PacifiCorp, pursuant to Seller's generator interconnection request and/or Seller's transmission service request, that transmission capacity or service is not available or sufficient, on terms and conditions acceptable to Seller; then

Seller may, without default, or liability to Buyer hereunder, terminate this Agreement by giving written notice to Buyer. If Seller exercises the foregoing right to terminate, such notice to terminate shall be given as promptly as possible after recognition of the circumstances or event upon which such termination is based.

12.5 Termination Due to CEC Regulations

This Agreement and all Energy deliveries shall terminate no later than the effective date of any final, non-appealable CEC decision pursuant to Title 20, California Code of Regulations, Section 2910 that the Facility fails to comply with Title 20, Division 2, Chapter 11, Article 1, of the California Code of Regulations. The Buyer shall timely complete and submit all forms and filings, and shall otherwise expeditiously and with due diligence pursue the obtaining of a favorable decision from the CEC as soon as reasonably possible after the Effective Date.

13. CONTRACT ADMINISTRATION AND NOTICES

13.1 Authorized Representatives

Each Party shall designate by written notice to the other Party a representative who is authorized to act on its behalf in the implementation of this Agreement and with respect to those matters contained herein which are the functions and responsibilities of the Authorized Representatives. Each Authorized Representative may delegate actual performance of such functions and responsibilities; provided, that any agreement of the Authorized Representatives required to be in writing shall be signed by the Authorized Representatives. Each Authorized Representative may at any time change the designation of its Authorized Representatives by written notice to the other Authorized Representative.

The Parties' Authorized Representatives shall have authority to act for their respective principals in all technical matters relating to performance of this Agreement and matters related to the resolution of disputes or potential disputes. However, they shall not have the authority to amend or modify any provision of this Agreement.

13.2 Notices

All notices, demands or other communications required from or given by a Party pursuant to this Agreement shall be provided to the other Party in accordance with the requirements set forth in this Section 13. All notices, demands or other communications required hereunder shall be given or made in writing and shall be delivered personally, sent by facsimile (fax), sent by a courier service, or mailed by registered or certified mail, postage prepaid to the Parties at the following addresses, or at such other address as may be designated by notice given pursuant hereto:

//

//

//

//

If to Seller:
Shoshone Renaissance LLC
770 E. South Temple
Salt Lake City, Utah 84102
Attention: President
Chief Operating Officer

Telephone: 801.355.1914
Facsimile: 801.363.7513

If to Buyer:
City of Riverside
Public Utilities Department
3900 Main Street
Riverside, CA 92522
Attention: Public Utilities General Manager

Telephone: 951.826.5784
Facsimile: 951.826.2450

Notices given personally or sent by facsimile shall be deemed given the day so given, transmitted or sent. Notices mailed or sent by a courier service as provided herein shall be deemed given on the third Business Day following the date so mailed or on the date of actual receipt, whichever is earlier.

Either Authorized Representative may, by written notice to the other, pursuant to Section 13, change the representative or the address to which such notices and communications are to be sent.

13.3 Operating Records

Seller and Buyer shall each keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this Agreement, including such records as may be required by State or Federal regulatory authorities.

13.4 Billing and Payment Records

To facilitate payment and verification, Seller shall keep all books and records necessary for billing and payments in accordance with the provisions of Section 10 and grant the Buyer reasonable access to those records.

13.5 Examination of Records

Seller and Buyer may examine the billing and operating records and data kept by the other relating to transactions under, and administration of, this Agreement at any time during the period the records are required to be maintained, but in no event less than three (3) years, upon request with reasonable advance notice and during normal business hours.

14. INDEMNIFICATION: LIABILITY

14.1 Except as to sole negligence or willful misconduct of the other Party, each Party shall defend, indemnify and hold the other Party, its officers and employees, harmless from any and all loss, damage, claim for damage, liability, expense or cost, including attorney's fees, which arises out of or is in any way connected with the performance of work under this Agreement by the other Party, its officers, employees or agents. The Parties expressly agree that any payment, attorney's fee, costs or expense a Party incurs or makes to or on behalf of an injured employee under such Party's self-administered workers' compensation program is included as a loss, expense or cost for purposes of this Section, and that this Section shall survive the expiration or early termination of the Agreement.

14.2 In no event shall either Party be liable, whether in contract, tort (including negligence), strict liability, warranty, or otherwise, for any punitive, exemplary, special, indirect, incidental or consequential loss or damage, including but not limited to cost of capital, cost of replacement power, loss of profits or revenues or the loss of the use thereof.

15. DISPUTE RESOLUTION

15.1 Good Faith Effort to Resolve; Continued Performance

At their option and by their mutual agreement, the Parties may submit any contract dispute or contract issue between the Parties arising out of this Agreement to arbitration, either binding or non-binding, or mediation. Prior to initiating arbitration or mediation, the Parties shall make a good faith effort to negotiate the resolution of disputes before initiating arbitration or mediation. During a contract dispute or contract issue between the Parties arising out of this

Agreement, including during litigation, arbitration or mediation, the Parties shall continue performance under this Agreement pending resolution of the dispute, unless to do so would be impossible or impracticable.

15.2 Remedy for Arbitration Proceedings

Except for arbitration awards which declare the rights and duties of the Parties under this Agreement, the payment of monies shall be the exclusive remedy available in any arbitration proceeding. The arbitrator(s) may not modify the terms and conditions of this Agreement.

15.3 Costs of Arbitration

Each Party shall be responsible for its own costs of arbitration, including legal fees. The arbitrators may apportion all costs of arbitration, including legal fees, between the Parties in such manner as they deem reasonable taking into account the circumstances of the case, the conduct of the Parties during the proceeding, and the result of the arbitration.

16. FORCE MAJEURE

16.1 Definition of Force Majeure

The term "Force Majeure," as used in this Agreement, means causes or events, beyond the reasonable control of, and without the fault or negligence of the Party claiming Force Majeure, which prevent, delay or cause a Party to be unable to perform its obligations hereunder including, by way of example, and without limitation, acts of God, sudden actions of the elements such as floods, earthquakes, hurricanes, or tornadoes; sabotage; vandalism; terrorism; war; riots or public disorders; fire; explosion; severe cold or hot weather or snow or other extreme or severe weather conditions; blockage, insurrection, strike, slow down, or labor disruptions (even if such difficulties could be resolved by conceding to the demands of a labor group); and requirements, actions or failures to act by any Governmental Authority; inability, despite due diligence, to obtain required equipment, materials, licenses, land rights, permits, or approvals for the construction, ownership and operation of the Facility under the terms of this

//

Agreement; and mechanical or equipment breakdown of equipment including the Transmission System to the extent not caused by the Party claiming the Force Majeure.

The term "Force Majeure" does not include (i) changes in costs or market conditions, including such market conditions that affect the price of energy or capacity or fuel; or (ii) any requirement to meet a renewable portfolio standard or any change in any renewable portfolio standard that may affect the value of the Energy purchased hereunder. In addition, neither Party may raise a claim of Force Majeure based in whole or in part on curtailment or other interruption of transmission services unless (i) such Party has contracted for Firm Transmission to be provided for the Energy on the specified transmission path at the time and (ii) the curtailment or interruption is due to "Force Majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided however that for purposes of this Agreement, a Force Majeure shall be deemed to prevent and excuse Buyer from receiving Energy at the Point of Delivery only if, as a result of a mechanical breakdown of or physical damage to the Transmission System, and which event otherwise meets the requirements of Force Majeure as defined above, Buyer's Transmission Provider is prevented from receiving Energy at the Point of Delivery or Buyer is prevented from receiving Energy at the point of interconnection of the Transmission System with Buyer's system.

16.2 Applicability of Force Majeure

Neither Party shall be responsible or liable for any delay or failure in its performance under this Agreement due to conditions or events of Force Majeure (except that any and all obligations to pay money shall not be delayed or excused by conditions or events of Force Majeure), provided that the Force Majeure event prevents that Party from performing under the terms of this Agreement and provided that:

16.2.1 The non-performing Party gives the other Party prompt written notice describing the particulars of the occurrence of the Force Majeure;

//

16.2.2 The suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;

16.2.3 The non-performing Party proceeds with reasonable diligence to remedy its inability to perform and provides weekly progress reports to the other Party describing actions taken to end the Force Majeure; and

16.2.4 The non-performing Party shall provide written notice of its ability to resume performance of its obligations under this Agreement.

16.3 Limitations on Effect of Force Majeure

In no event will any delay or failure of performance caused by any conditions or events of Force Majeure extend this Agreement beyond its stated term. In the event of any delay or failure of performance caused by conditions or events of Force Majeure, the affected Party's performance obligations under this Agreement shall be extended day-for-day by the event of Force Majeure; provided that if such delay or failure extends beyond one (1) year, then the other Party may, at any time following the end of such one-year period, terminate this Agreement upon written notice to the affected Party, without further obligation by either Party except as to costs and unpaid balances incurred prior to the effective date of such termination. The other Party may, but shall not be obligated to, extend such one year period, for such additional time as it, at its sole discretion, deems appropriate, if the affected Party is exercising due diligence in its efforts to cure the conditions or events of Force Majeure.

16.4 Delays Attributable to Buyer

Seller shall be excused from delays in meeting performance deadlines under this Agreement, on a day-for-day basis, for any delays attributable to Buyer, including, without limitation, delays in Buyer obtaining any required permits, consents, or approvals and agreements, including, without limitation, from Governmental Authorities or third parties required for Buyer to perform its obligations under this Agreement. Seller shall provide Buyer with timely written notice that a delay allegedly attributable to Buyer has occurred or is expected

to occur. The notice shall specify the length of any extension to a performance deadline to which Seller feels entitled. In no event shall Seller be responsible or liable for or deemed in breach of this Agreement for any delay or failure of performance of its obligations under this Agreement to the extent such delay or failure of performance is caused by any of the events described immediately above in this Section 16.4, or by the delay or failure by Buyer in performing a material obligation under this Agreement.

17. REPRESENTATIONS AND WARRANTIES

17.1 Seller's Representations and Warranties

Seller hereby represents and warrants that as of the date hereof:

17.1.1 Seller is a Tribal Chartered limited liability company, duly organized, validly existing and in good standing under the laws of the Northwestern Band of the Shoshone Nation, and is qualified to perform its obligations under this Agreement in the states of Utah and California and in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of Seller; and Seller has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this Agreement.

17.1.2 The execution, delivery, and performance of its obligations under this Agreement by Seller have been duly authorized by all necessary action, and do not and will not:

17.1.2.1 require any consent or approval of Seller's members, other than that which has been obtained and is in full force and effect;

17.1.2.2 violate any provision of law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having applicability to Seller, the violation of which could have a material adverse effect on the ability of Seller to perform its obligations under this Agreement;

17.1.2.3 result in a breach or constitute a default under Seller's charter documents, or under any agreement relating to the management or affairs of Seller or any

indenture or loan or credit agreement, or any other agreement, lease, or instrument to which Seller is a party or by which Seller or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this Agreement; or

17.1.2.4 result in, or require the creation or imposition of, any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this Agreement) upon or with respect to any of the assets or properties of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this Agreement.

17.1.3 This Agreement is a valid and binding obligation of Seller.

17.1.4 The execution and performance of this Agreement will not conflict with or constitute a breach or default under any contract or agreement of any kind to which Seller is a party or any judgment, order, statute, or regulation that is applicable to Seller or Facility.

17.1.5 All Governmental Approvals, or other action required by any Governmental Authority to authorize Seller's execution, delivery, and performance under this Agreement have been duly obtained and are in full force and effect.

17.2 Buyer's Representations and Warranties

Buyer hereby represents and warrants the following:

17.2.1 Buyer is authorized by California law, and other applicable laws, to purchase electric power generated by generating facilities or otherwise acquired from other resources, including geothermal energy facilities.

17.2.2 The execution and performance of Buyer's obligations under this Agreement has been duly authorized by all necessary action, and does not and will not:

17.2.2.1 require any further consent or approval; or

//

17.2.2.2 violate any provision of California or Federal law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having applicability to Buyer, or conflict with or constitute a breach or default under any contract or agreement of any kind to which Buyer is a party, the violation, conflict, or breach or default of which could have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement.

17.2.3 This Agreement is a valid and binding obligation of Buyer.

17.3 NO IMPLIED WARRANTIES

Except as set forth herein, the express representations and warranties of the Parties contained in this Agreement are exclusive and are in lieu of all other representations and warranties, express and implied or statutory, and except as set forth herein, there are no warranties by either Party under this Agreement, including any warranty of merchantability or fitness for a particular purpose, and all implied warranties are expressly disclaimed.

18. REGULATORY JURISDICTION AND COMPLIANCE

18.1 Governmental Jurisdiction and Regulatory Compliance

Each Party shall at all times comply with all laws applicable to it. As applicable, each Party shall give all required notices, shall procure and maintain all necessary Governmental Approvals, and inspections necessary for performance of this Agreement, and shall pay its respective charges and fees in connection therewith.

18.2 Provision of Support

Either Party may request that the other Party cooperate with the requesting Party in connection with regulatory proceedings or regulatory reporting requirements related to this Agreement, or in connection with litigation related to this Agreement in which the requesting Party is or may be involved. Each Party shall be the sole judge as to the extent of its cooperation.

//

19. ASSIGNMENT AND OTHER TRANSFER RESTRICTIONS

19.1 Binding on Successors

This Agreement shall be binding upon and inure to the benefit of, the permitted successors and assigns of the Parties.

19.2 No Assignment Without Consent

Except as provided elsewhere herein, no Party may assign or otherwise transfer its rights or obligations under this Agreement unless it has obtained the prior written consent of the other Party. Seller may assign and/or delegate, or transfer or permit the transfer of all or any portion of its interests in the Facility or this Agreement, as described below or to any Person after obtaining the prior written consent of Buyer, which shall not be unreasonably withheld, delayed or conditioned; provided that such other Person assumes, or is otherwise bound to perform, all of Seller's obligations under this Agreement. No assignment, delegation, pledge, or transfer shall relieve or release Seller to any extent of any of its pre-transfer obligations under this Agreement, unless Buyer otherwise expressly consents in writing. No assignment, pledge, or other transfer of this Agreement by any Party shall operate to release the assignor, pledgor, or transferor from any of its obligations under this Agreement unless consent to the release, which shall not be unreasonably withheld, delayed or conditioned, is given in writing by the other Party. Buyer agrees that Seller may assign, mortgage, hypothecate, pledge or otherwise encumber all or any portion of Seller's interest in and to this Agreement and in the membership interests of Seller in favor of any Financing Party and its successors and assigns. Each of the Parties agrees to execute such documents as reasonably may be requested by any such Financing Party to evidence and acknowledge its consent to and the effectiveness of any such assignment or lien.

19.3 No Limitation on Sale of Interests

Nothing in this Agreement shall prohibit the Seller, or any member or equity owner of Seller, or any company or partnership or other Person to which this Agreement is assigned with

//

Buyer's consent, from selling or assigning equity interests in the Company, whether shares, membership, partnership interests, or other interests in the Seller, to third parties.

19.4 Resale of Energy Output

Buyer will have the right, without consent of Seller, to sell all or part of the Energy Output to be purchased pursuant to this Agreement to other utilities or other third parties in any lawful fashion. Regardless of any such sale, Buyer shall at all times remain liable for all obligations undertaken to Seller under the terms of this Agreement including without limitation the purchase of the Energy Output.

20. CONFIDENTIAL INFORMATION

20.1 Availability

The Parties have and will develop certain information, processes, know-how, techniques and procedures concerning the Facility (collectively, "Information"), which they consider confidential and proprietary. Notwithstanding the confidential and proprietary nature of such Information, Buyer and Seller (each, the "Disclosing Party") may make this Information available to the other (each, a "Receiving Party") subject to the provisions of this Section.

20.2 Designation

At the time of furnishing or making available for inspection such confidential or proprietary Information, the Disclosing Party shall expressly designate by label, stamp, or oral communication (to be confirmed in writing) the Information which it considers to be confidential and/or proprietary.

20.3 Obligations

The Receiving Party's obligations with respect to the use or disclosure of such Information thereafter will be as set forth in this Section.

20.4 Conditions and Restrictions

Upon receiving or learning of Information designated as confidential and/or proprietary by the Disclosing Party, the Receiving Party shall:

20.4.1 Treat such Information as confidential and use reasonable care not to divulge such Information to any third party except as required by law, subject to the restrictions set forth below;

20.4.2 Restrict access to such Information to employees (and others who agree to be bound by this Agreement) whose access is reasonably necessary with respect to such Party or the Facility, and for the purposes of this Agreement;

20.4.3 Use such Information solely for the purpose of the Facility and for the purposes of this Agreement; and

20.4.4 Upon the termination of this Agreement, destroy or return any such Information in written or other tangible form and any copies thereof, if asked to do so in writing by the Disclosing Party.

20.5 Exceptions

The restrictions in this Section do not apply to:

20.5.1 The contents of this Agreement, which becomes a public document upon its finalization;

20.5.2 Information which is, or becomes, publicly known or available otherwise than through the action of the Receiving Party in violation of this Agreement;

20.5.3 Information which is in the possession of the Receiving Party prior to receipt from the Disclosing Party or is independently developed by the Receiving Party; provided that the Person or Persons developing same have not had access to such information; or

20.5.4 Information which is, in the reasonable written opinion of counsel to the Receiving Party, required to be disclosed pursuant to applicable law or regulation (including any Freedom of Information Act or Public Records Act request); provided, however, that the Receiving Party, prior to such disclosure, shall provide reasonable advance notice, consistent with applicable law, to the Disclosing Party of the time and scope of the intended disclosure in

//

order to permit the Disclosing Party opportunity to obtain a protective order or otherwise seek to prevent or limit the scope or otherwise impose conditions upon such disclosure.

20.6 Term of Obligations

The obligations of the Parties under this section shall remain in full force and effect for two (2) years following the termination of this Agreement.

21. MISCELLANEOUS

21.1 Waiver

The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions of this Agreement, or to take advantage of any of its rights shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect. Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such a right.

21.2 Taxes

Seller shall be responsible for any and all present or future Federal, state, municipal, or other lawful taxes applicable by reason of the ownership and operation of the Facility and all ad valorem taxes relating to the Facility and any interconnection facilities owned by Seller. All sales, use, and other taxes imposed on the purchase, sale, delivery or receipt of Energy to Buyer under this Agreement shall be payable by Buyer in the manner required by applicable law. Either Party, upon written request of the other Party, shall provide a certificate of exemption or other reasonably satisfactory evidence of exemption if either Party is exempt from taxes, and shall use commercially reasonable efforts to obtain and cooperate with obtaining any exemption from or reduction of tax.

21.3 Disclaimer of Third Party Beneficiary Rights

In executing this Agreement, Buyer does not, nor should it be construed to, extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with Seller. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any Person not a Party to this Agreement.

21.4 Relationship of the Parties

This Agreement shall not be interpreted to create an association, joint venture, or partnership between the Parties nor to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

Seller shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons to perform such services, including all Federal, state, and local income, social security, payroll, and employment taxes and statutorily mandated workers' compensation coverage. None of the persons employed by Seller shall be considered employees of Buyer for any purpose; nor shall Seller represent to any person that he or she is or shall become a Buyer employee.

21.5 Survival of Obligations

Cancellation, expiration, or earlier termination of this Agreement shall not relieve the Parties of obligations that by their nature or expressly stated should survive such cancellation, expiration, or termination, including, without limitation, warranties, remedies, or indemnities.

21.6 Severability

In the event any of the terms, covenants, or conditions of this Agreement or the application of any such terms, covenants, or conditions, shall be held invalid, illegal, or unenforceable by any court having jurisdiction, all other terms, covenants, and conditions of the Agreement and their application not adversely affected thereby shall remain in force and effect,

//

provided that the remaining valid and enforceable provisions materially retain the essence of the Parties' original bargain.

21.7 Interpretation

Unless the context of this Agreement otherwise requires, (a) words of any gender include each other gender; (b) words using the singular or plural number also include the plural or singular number, respectively; (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement ; (d) the terms "Section" refer to the specified Section of this Agreement; (e) any reference to the entirety or any part of this Agreement shall refer to any amendment, supplement or replacement of the same; (f) whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified; (g) "including" (and with correlative meaning " include") means including without limiting the generality of any description preceding such term; (h) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof; and (i) with respect to any payment to be made hereunder, such payment shall be made in the legal tender of the United States and the method for payment shall be of transfer of immediately available funds.

21.8 Complete Agreement; Amendments

The terms and provisions contained in this Agreement and referenced documents constitute the entire Agreement between Buyer and Seller and shall supersede all previous communications, representations, or agreements, either verbal or written, between Buyer and Seller with respect to the sale of electric capacity and energy from Facility and the subject matter of this Agreement. This Agreement may be amended, changed, modified, or altered; provided that such amendment, change, modification, or alteration shall be in writing and signed by both Parties hereto.

//

//

21.9 Binding Effect

This Agreement, as it may be amended from time to time pursuant to this Section, shall be binding upon and inure to the benefit of the Parties' respective successors-in-interest, legal representatives, and assigns.

21.10 Headings

Captions and headings used in the Agreement are for ease of reference only and do not constitute a part of this Agreement.

21.11 Counterparts

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

21.12 Choice of Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California (without reference to choice of law doctrine).

21.13 Nondiscrimination

During Seller's performance of this Agreement, Seller shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex or sexual orientation, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Seller agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

21.14 No Dedication of Facilities

Any undertaking by either Party to the other Party under this Agreement shall not constitute the dedication of the facilities or systems, or any portion thereof, of that Party to the

//

public or to the other Party, nor affect the status of that Party as an independent system or facility.

21.15 Construction of Agreement

Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against either Party as the principal draftsperson, but shall be construed in a manner that most accurately reflects the intent of the Parties when this Agreement was executed and is consistent with the nature of the rights and obligations of the Parties under this Agreement with respect to the matter being construed.

21.16 Insurance

(a) Throughout the Term, Seller shall obtain and maintain in force as hereinafter provided commercial general liability insurance, including contractual liability coverage, with a combined single limit of not less than one million dollars ($1,000,000) for each occurrence written on an occurrence form.

The insurance carrier or carriers and form of policy shall be placed with carriers admitted to write insurance in Utah and have an AM Bests' rating of A VII or higher.

(b) Throughout the Term, Seller shall maintain as applicable, Workers' Compensation Insurance as required by Utah law and Employers Liability Insurance in an amount not less than $1,000,000 per occurrence and with an insurer with a minimum "A" rating.

(c) Upon Buyer's request, Seller shall:

(i) Furnish a certificate of insurance to Buyer, which certificate shall provide that such insurance shall not be terminated nor expire except on thirty (30) calendar days' prior written notice to Buyer; and

(ii) Furnish to Buyer an additional insured endorsement with respect to such insurance.

//

//

22. SIGNATURE CLAUSE

IN WITNESS WHEREOF, the Parties have executed this Agreement.

SHOSHONE RENAISSANCE LLC

By: Bruce B Gary

Title: Chairman/CEO

Date: June 5, 2000

By: Michael W. Deine

Title: COO

Date: June 5, 2000

CITY OF RIVERSIDE

By: _____

Title: _____

Date: _____

Approved as to form

Mark Parsons

Mark L. Parsons
Deputy City Attorney

Attest:

_____

City Clerk

SHOSHONE RENAISSANCE LLC – RIVERSIDE

UNIT CONTINGENT

POWER PURCHASE AGREEMENT

EXHIBIT A: MILESTONE SCHEDULE

Seller's Milestone Schedule

Date	Milestone:
31-Oct-08	Submission of PacifiCorp Large Generator Interconnection Application.
31-Oct-08	Receives all material pre-construction permits.
31-Oct-08	Executes Engineering, Procurement and Construction contract(s).
31-Oct-08	Completes Project Financing required for Unit 1 and Unit 2.
31-Oct-08	Receives all material pre-construction permits.
1-Nov-08	Commence Construction of Unit 1 and Unit 2.
1-May-09	Receive completed PacifiCorp System Impact Study.
1-Nov-09	Execute PacifiCorp Transmission Service Agreement.
1-Mar-10	Commence Testing of Unit 1 and Unit 2.
1-May-10	Receives CEC Certification and Verification.
1-May-10	Commercial Operation achieved for Unit 1 and Unit 2.

Monthly Progress Status Report

Seller shall prepare a written report each month in a format agreed to by the Authorized Representatives until Unit 2 has achieved Commercial Operation. Seller's Monthly Progress Status Reports shall commence the first month after the Effective Date. Each Report shall include the following items:

1. Brief description of the Facility.
2. Description of any planned changes to the Facility and the Site.
3. Summary of what went on during the past month.
4. Forecast of activities scheduled for the upcoming month.
5. Description of the progress made with respect to the Milestone Schedule.
6. List of issues that could potentially impact the Milestone Schedule.
7. Progress and schedule of all agreements, contracts, permits, approvals, technical studies, financing agreements and major equipment purchase orders showing the start dates, completion dates, and completion percentages.
8. A status report of start-up activities including a forecast of activities ongoing after start-up, a report on the Facility performance. This will be done for both Unit 1 and Unit 2.