POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT, entered into this 2 day of January, 2007, is between **Evergreen BioPower, LLC**, "**Seller**" and PacifiCorp, an Oregon corporation acting in its regulated utility capacity, "**PacifiCorp**." (Seller and PacifiCorp are referred to individually as a "**Party**" or collectively as the "**Parties**").

RECITALS

A. Seller intends to construct, own, operate and maintain a biomass facility for the generation of electric power, including interconnection facilities, located in Lyons, Linn County, Oregon with a Facility Capacity Rating of 10,000-kilowatts (kW) as further described in **Exhibit A** and **Exhibit B ("Facility")**; and

B. Seller intends to commence delivery of Net Output under this Agreement, for the purpose of Start-up Testing, on November 15th, 2007 ("**Scheduled Initial Delivery Date**"); and

C. Seller intends to operate the Facility as a Qualifying Facility, commencing commercial operations on December 1st, 2007 ("**Scheduled Commercial Operation Date**"); and

D. Seller estimates that the average annual Net Energy to be delivered by the Facility to PacifiCorp is 62,556,600 kilowatt-hours (kWh), which amount of energy PacifiCorp will include in its resource planning; and

E. Seller shall sell and PacifiCorp shall purchase all Net Output from the Facility in accordance with the terms and conditions of this Agreement; and

F. This Agreement is a "New QF Contract" under the PacifiCorp Inter-Jurisdictional Cost Allocation Revised Protocol.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

When used in this Agreement, the following terms shall have the following meanings:

1.1 **"As-built Supplement"** shall be a supplement to **Exhibit A**, provided by Seller following completion of construction of the Facility, describing the Facility as actually built.

1.2 "**Average Annual Generation"** shall have the meaning set forth in Section 4.2.

1.3 **"Billing Period"** means the time period between PacifiCorp's consecutive readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and may not coincide with calendar months.

1.4 **"Commercial Operation Date"** means the date that the Facility is deemed by PacifiCorp to be fully operational and reliable, which shall require, among other things, that all of the following events have occurred:

1.4.1 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating (a) the Facility Capacity Rating of the Facility at the anticipated Commercial Operation Date; and (b) that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement;

1.4.2 The Facility has completed Start-Up Testing;

1.4.3 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating that, (a), in accordance with the Generation Interconnection Agreement, all required interconnection facilities have been constructed, all required interconnection tests have been completed and the Facility is physically interconnected with PacifiCorp's electric system;

1.4.4 PacifiCorp has received a certificate addressed to PacifiCorp from an attorney in good standing in the State of Oregon stating that Seller has obtained all Required Facility Documents and if requested by PacifiCorp, in writing, has provided copies of any or all such requested Required Facility Documents. (Facilities over 200 kW only).

1.4.5 Seller has complied with the security requirements of Section 10.

1.5 **"Commission"** means the Oregon Public Utilities Commission.

1.6 **"Contract Price"** means the applicable price for capacity or energy, or both capacity and energy, stated in Sections 5.1 and 5.2.

1.7 **"Contract Year** means a twelve (12) month period commencing at 00:00 hours Pacific Prevailing Time ("PPT") on January 1 and ending on 24:00 hours PPT on December 31; *provided, however,* that the first Contract Year shall commence on the Commercial Operation Date and end on the next succeeding December 31, and the last Contract Year shall end on the Termination Date.

1.8 "**Credit Requirements**" means a long-term credit rating (corporate or long-term senior unsecured debt) of (1) "Baa3" or greater by Moody's, or (2) "BBB-" or greater by S&P, or such other indicia of creditworthiness acceptable to PacifiCorp in its reasonable judgment.

1.9 "**Default Security**", unless otherwise agreed to by the Parties in writing, means the amount of either a Letter of Credit or cash placed in an escrow account sufficient to replacetwelve (12) average months of replacement power costs over the term of this Agreement, and shall be calculated by taking the average, over the term of this Agreement, of the positive difference between (a) the monthly forward power prices at the Mid-Columbia market index as published by Dow Jones (determined by PacifiCorp in good faith using information from a commercially reasonable independent source), multiplied by 110%, minus (b) the average of the Fixed Avoided Cost Prices specified in Schedule 37, and multiplying such difference by (c) the Minimum Annual Delivery; provided, however, the amount of Default Security shall in no event be less than the amount equal to the payments PacifiCorp would make for three (3) average months based on Seller's average monthly volume over the term of this Agreement and utilizing the average Fixed Avoided Cost Prices specified in Schedule 37. Such amount shall be fixed at the Effective Date of this Agreement.

1.10 "**Effective Date**" shall have the meaning set forth in Section 2.1.

1.11 "**Energy Delivery Schedule**" shall have the meaning set forth in Section 4.5.

1.12 "**Excess Output**" shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Capacity Rating.

1.13 **"Facility"** shall have the meaning set forth in Recital A.

1.14 **"Facility Capacity Rating"** means the sum of the Nameplate Capacity Ratings for all generators comprising the Facility.

1.15 "**FERC**" means the Federal Energy Regulatory Commission, or its successor.

1.16 **"Generation Interconnection Agreement"** means the generation interconnection agreement to be entered into separately between Seller and PacifiCorp's transmission or distribution department, as applicable, providing for the construction, operation, and maintenance of PacifiCorp's interconnection facilities required to accommodate deliveries of Seller's Net Output if the Facility is to be interconnected directly with PacifiCorp rather than another electric utility.

1.17 **"Letter of Credit"** means an irrevocable standby letter of credit, from an institution that has a long-term senior unsecured debt rating of "A" or greater from S&P or "A2" or greater from Moody's, in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder.

1.18 **"Licensed Professional Engineer"** means a person acceptable to PacifiCorp in its reasonable judgment who is licensed to practice engineering in the state of Oregon who has no economic relationship, association, or nexus with the Seller, and who is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility. Such Licensed Professional Engineer shall be licensed in an appropriate engineering discipline for the required certification being made.

1.19 "**Material Adverse Change**" means the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller's ability to develop, construct, operate, maintain or own the Facility as provided in this Agreement

1.20 "**Maximum Annual Delivery"** shall have the meaning set forth in Section 4.3.

1.21 "**Minimum Annual Delivery**" shall have the meaning set forth in Section 4.3.

1.22 **"Nameplate Capacity Rating"** means the maximum generating capacity, as provided by the manufacturer, in kW, of any qualifying small power or cogeneration unit supplying all or part of the Facility's Net Output. Voluntary curtailment by Seller of a generating unit cannot reduce the Nameplate Capacity Rating of that unit.

1.23 "**Net Energy"** means the energy component, in kWh, of Net Output.

1.24 **"Net Output"** means all energy and capacity produced by the Facility, less station use and less transformation and transmission losses and other adjustments (e.g., Seller's load other than station use), if any. For purposes of calculating payment under this Agreement, Net Output of energy shall be the amount of energy flowing through the Point of Delivery.

1.25 "**Net Replacement Power Costs"** shall have the meaning set forth in Section 11.4.1.

1.26 **"Off-Peak Hours"** means all hours of the week that are not On-Peak Hours.

1.27 **"On-Peak Hours"** means the hours between 6 a.m. Pacific Prevailing Time ("**PPT**") and 10 p.m. PPT, Mondays through Saturdays, excluding all hours occurring on holidays as provided in Schedule 37.

1.28 **"Point of Delivery"** means the high side of the Seller's step-up transformer(s) located at the point of interconnection between the Facility and PacifiCorp's distribution/ transmission system, as specified in the Generation Interconnection Agreement, or, if the Facility is not interconnected directly with PacifiCorp, the point at which another utility will deliver the Net Output to PacifiCorp as specified in **Exhibit B**.

1.29 **"Prime Rate"** means the publicly announced prime rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime rate for commercial loans in effect from time to time quoted by a bank with $10 billion or more in assets in New York City, New York, selected by the Party to whom interest based on the Prime Rate is being paid.

1.30 **"Prudent Electrical Practices"** means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices 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.

1.31 **"QF"** means "**Qualifying Facility,**" as that term is defined in the FERC regulations (codified at 18 CFR Part 292) in effect on the Effective Date.

1.32 "**Replacement Price"** means the price at which PacifiCorp, acting in a commercially reasonable manner, purchases for delivery at the Point of Delivery a replacement for any Net Output that Seller is required to deliver under this Agreement plus (i) costs reasonably incurred by PacifiCorp in purchasing such replacement Net Output, and (ii) additional transmission charges, if any, reasonably incurred by PacifiCorp in causing replacement energy to be delivered to the Point of Delivery. If PacifiCorp elects not to make such a purchase, the Replacement Price shall be the market price at the Mid-Columbia trading hub for such energy not delivered, plus any additional cost or expense incurred as a result of Seller's failure to deliver, as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

1.33 **"Required Facility Documents"** means all licenses, permits, authorizations, and agreements, including a Generation Interconnection Agreement or equivalent, necessary for construction, operation, and maintenance of the Facility consistent with the terms of this Agreement, including without limitation those set forth in **Exhibit C.**

1.34 "**Schedule 37**" means the Schedule 37 of Pacific Power & Light Company's Commission-approved tariffs, providing pricing options for Qualifying Facilities of 10,000 kW or less, which is in effect on the Effective Date of this Agreement. A copy of that Schedule 37 is attached as **Exhibit F**.

1.35 **"Scheduled Commercial Operation Date"** shall have the meaning set forth in Recital C.

1.36 "**Scheduled Initial Delivery Date**" shall have the meaning set forth in Recital B.

1.37 **"Start-Up Testing"** means the completion of required factory and start-up tests as set forth in **Exhibit E** hereto.

1.38 "**Termination Date**" shall have the meaning set forth in Section 2.4.

SECTION 2: TERM; COMMERCIAL OPERATION DATE

2.1 This Agreement shall become effective after execution by both Parties ("**Effective Date**").

2.2 **Time is of the essence for this Agreement,** and Seller's ability to meet certain requirements prior to the Commercial Operation Date and to deliver Net Output by the Scheduled Commercial Operation Date is critically important. Therefore,

2.2.1 By January 1st, 2007, Seller shall provide PacifiCorp with a copy of an executed Generation Interconnection Agreement, or wheeling agreement, as applicable, which shall be consistent with all material terms and requirements of this Agreement.

2.2.2 Upon completion of construction, Seller, in accordance with Section 6.1, shall provide PacifiCorp with an As-built Supplement acceptable to PacifiCorp;

2.2.3 By the date thirty (30) days after the Effective Date, Seller shall provide Default Security required under Sections 10.1 or 10.2, as applicable.

2.3 Seller shall cause the Facility to achieve Commercial Operation on or before the Scheduled Commercial Operation Date. If Commercial Operation occurs after the Scheduled Commercial Operation Date, Seller shall be in default, and liable for delay damages specified in Section 11.

2.4 Except as otherwise provided herein, this Agreement shall terminate on December 31, 2017 ("**Termination Date**").

SECTION 3: REPRESENTATIONS AND WARRANTIES

3.1 PacifiCorp represents, covenants, and warrants to Seller that:

3.1.1 PacifiCorp is duly organized and validly existing under the laws of the State of Oregon.

3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 PacifiCorp has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.1.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order of any court, or any regulatory agency or other body having authority to which PacifiCorp is subject.

3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2 Seller represents, covenants, and warrants to PacifiCorp that:

3.2.1 Seller is a limited liability company duly organized and validly existing under the laws of Oregon.

3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof, including all required regulatory authority to make wholesale sales from the Facility.

3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.2.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.

3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2.6 The Facility is and shall for the term of this Agreement continue to be a QF, and Seller will operate the Facility in a manner consistent with its FERC QF certification. Seller has provided to PacifiCorp the appropriate QF certification (which may include a FERC self-certification) prior to PacifiCorp's execution of this Agreement. At any time during the term of this Agreement, PacifiCorp may require Seller to provide PacifiCorp with evidence satisfactory to PacifiCorp in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements and, if PacifiCorp is not satisfied that the Facility qualifies for such status, a written legal opinion from an attorney who is (a) in good standing in the state of Oregon, and (b) who has no economic relationship, association or nexus with the Seller or the Facility, stating that the Facility is a QF and providing sufficient proof (including copies of all documents and data as PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF.

3.2.7 Additional Seller Creditworthiness Warranties. Seller need not post security under Section 10 for PacifiCorp's benefit in the event of Seller default, provided that Seller warrants all of the following:

(a) Neither the Seller nor any of its principal equity owners is or has within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.

(b) Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp.

(c) Seller is not in default under any of its other agreements and is current on all of its financial obligations.

(d) Seller owns, and will continue to own for the term of this Agreement, all right, title and interest in and to the Facility, free and clear of all liens and encumbrances other than liens and encumbrances related to third-party financing of the Facility.

(e) **[Applicable only to Seller's with a Facility having a Facility Capacity Rating greater than 3 MW]** Seller meets the Credit Requirements.

Seller hereby declares (Seller initial one only):

________ Seller affirms and adopts all warranties of this Section 3.2.7, and therefore is not required to post security under Section 10; or

___TKF_ Seller does not affirm and adopt all warranties of this Section 3.2.7, and therefore Seller elects to post the security specified in Section 10 .

3.3 Notice. If at any time during this Agreement, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties in this Section 3 to have been materially untrue or misleading when made, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

SECTION 4: DELIVERY OF POWER

4.1 Commencing on the Commercial Operation Date, unless otherwise provided herein, Seller will sell and PacifiCorp will purchase all Net Output from the Facility.

4.2 Average Annual Generation. Seller estimates that the Facility will generate, on average, 62,556,600 kWh per Contract Year ("**Average Annual Generation**"). Seller may, upon at least six months prior written notice, modify the Average Annual Generation every other Contract Year.

4.3 Minimum and Maximum Delivery. Seller shall make available from the Facility a minimum of 38,763,570 kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced pro rata to reflect the Commercial Operation Date, and further provided that such minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure ("**Minimum Annual Delivery**"). Seller estimates, for informational purposes, that it will make available from the Facility a maximum of 80,044,800 kWh of Net Output during each Contract Year ("**Maximum Annual Delivery**"). Seller's basis for determining the Minimum and Maximum Annual Delivery amounts is set forth in **Exhibit D.**

4.4 Deliveries in Deficit of Delivery Obligation. Seller's failure to deliver the Minimum Annual Delivery in any Contract Year (prorated if necessary) shall be a default, and Seller shall be liable for damages in accordance with Section 11.

4.5 Energy Delivery Schedule Seller has provided a monthly schedule of Net Energy expected to be delivered by the Facility ("**Energy Delivery Schedule**"), incorporated into **Exhibit D**.

SECTION 5: PURCHASE PRICES

5.1 Seller shall have the option to select one of three pricing options: Fixed Avoided Cost Prices ("Fixed Price"), Gas Market Indexed Avoided Cost Prices ("Gas Market"), or Banded Gas Market Indexed Avoided Cost Prices ("Banded Gas Market"), as published in Schedule 37. Once an option is selected the option will remain in effect for the duration of the Facility's contract. Seller has selected the following (Seller to initial one):

__TKF__ Fixed Price

_______ Gas Market

_______ Banded Gas Market

A copy of Schedule 37, and a table summarizing the purchase prices under the pricing option selected by Seller, is attached as **Exhibit F.**

5.2 (Fixed Price Sellers Only). In the event Seller elects the Fixed Price payment method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in **Schedule 37** during the first fifteen (15) years after the Scheduled Initial Delivery Date. Thereafter, PacifiCorp shall pay Seller market-based rates, using the following pricing option (Seller to initial one):

__N/A__ Gas Market

__N/A__ Banded Gas Market

5.3 If the Seller elects a gas market indexed price option, the index shall be the Opal Gas Market Index as provided in Schedule 37. In the event that Platt ceases to publish the Opal Gas Market Index, the Company shall replace the index with a similar gas index.

5.4 PacifiCorp shall pay Seller the Off-peak Price for all Excess Output and for all Net Output delivered prior to the Commercial Operation Date. Such payment will be accomplished by adjustments pursuant to Section 9.2.

SECTION 6: OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of construction of the Facility, Seller shall provide PacifiCorp an As-built Supplement to specify the actual Facility as built. The As-built Supplement must be reviewed and approved by PacifiCorp, which approval shall not unreasonably be withheld, conditioned or delayed. Seller shall not increase the Facility Capacity Rating above that specified in **Exhibit A** or increase the ability of the Facility to deliver Net Output in quantities in excess of the Facility Capacity Rating through any means including, but not limited to, replacement of, modification of, or addition of existing equipment, except with the written consent of PacifiCorp.

6.2 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement (if applicable), Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the Facility and PacifiCorp's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement, or to the extent generation curtailment is required as a result of Seller's non-compliance with the Generation Interconnection Agreement. PacifiCorp shall have the right to inspect the Facility to confirm that Seller is operating the Facility in accordance with the provisions of this Section 6.2 upon reasonable notice to Seller. Seller is solely responsible for the operation and maintenance of the Facility. PacifiCorp shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

6.3 Scheduled Outages. Seller may cease operation of the entire Facility or individual units, if applicable, for maintenance or other purposes. Seller shall exercise its best efforts to notify PacifiCorp of planned outages at least ninety (90) days prior, and shall reasonably accommodate PacifiCorp's request, if any, to reschedule such planned outage in order to accommodate PacifiCorp's need for Facility operation.

6.4 Unplanned Outages. In the event of an unscheduled outage or curtailment exceeding twenty-five (25) percent of the daily scheduled delivery (other than curtailments due to lack of motive force), Seller immediately shall notify PacifiCorp of the necessity of such unscheduled outage or curtailment, the time when such has occurred or will occur and the anticipated duration. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled outage or curtailment, to limit the duration of such, and to perform unscheduled maintenance during Off-Peak hours.

SECTION 7: FUEL/MOTIVE FORCE

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a fuel or motive force plan acceptable to PacifiCorp in its reasonable discretion and attached hereto as **Exhibit D-1,** together with a certification from a Licensed Professional Engineer to PacifiCorp attached hereto as **Exhibit D-2**, certifying that the implementation of the fuel or motive force plan can reasonably be expected to provide fuel or motive force to the Facility for the duration of this Agreement adequate to generate power and energy in quantities necessary to deliver the Minimum Annual Delivery set forth by Seller in Section 4.

SECTION 8: METERING

8.1 PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment required pursuant to the Generation Interconnection Agreement, if applicable.

8.2 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement. All quantities of energy purchased hereunder shall be adjusted to account for electrical losses, if any between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of energy flowing into PacifiCorp's system at the Point of Delivery.

8.3 PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement, if applicable. If any of the inspections or tests disclose an error exceeding two percent (2%), either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered following the repair of the meter.

SECTION 9: BILLINGS, COMPUTATIONS, AND PAYMENTS

9.1 On or before the thirtieth (30th) day following the end of each Billing Period, PacifiCorp shall send to Seller payment for Seller's deliveries of Net Output to PacifiCorp, together with computations supporting such payment PacifiCorp may offset any such payment to reflect amounts owing from Seller to PacifiCorp pursuant to this Agreement, the Generation Interconnection Agreement, or any other agreement between the Parties.

9.2 Corrections. PacifiCorp shall have up to eighteen months to adjust any payment made pursuant to Section 9.1. In the event PacifiCorp determines it has overpaid Seller (for Excess Output or otherwise), PacifiCorp may adjust Seller's future payment accordingly in order to recapture any overpayment in a reasonable time.

9.3 Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; *provided*, *however*, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

SECTION 10: SECURITY

Unless Seller has adopted the creditworthiness warranties contained in Section 3.2.7, Seller must provide security (if requested by PacifiCorp) in the form of a cash escrow, letter of credit, senior lien, or step-in rights. Seller hereby elects to provide, in accordance with the applicable terms of this Section 10, the following security (Seller to initial one selection only):

____ Cash Escrow

_____ Letter of Credit

TKF Senior Lien

_____ Step-in Rights

_____ Seller has adopted the Creditworthiness Warranties of Section 3.2.7.

[SKIP THIS SECTION 10.1 UNLESS SELLER SELECTED CASH ESCROW ALTERNATIVE]

10.1 Cash Escrow Security. Seller shall deposit in an escrow account established by PacifiCorp in a banking institution acceptable to both Parties, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.2 UNLESS SELLER SELECTED LETTER OF CREDIT ALTERNATIVE]

10.2 Letter of Credit Security. Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to PacifiCorp in its discretion, or (b) a Letter of Credit in favor of PacifiCorp. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.3 UNLESS SELLER SELECTED SENIOR LIEN ALTERNATIVE]

10.3 Senior Lien. Before the Scheduled Commercial Operation Date, Seller shall grant PacifiCorp a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to PacifiCorp in the reasonable exercise of its discretion). Pending delivery of the senior lien to PacifiCorp, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to PacifiCorp's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

[SKIP THIS SECTION 10.4 UNLESS SELLER SELECTED STEP-IN RIGHTS ALTERNATIVE]

10.4 Step-in Rights (Operation by PacifiCorp Following Event of Default of Seller).

10.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in Section 11, PacifiCorp shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to PacifiCorp's right under this Section 10.4.

10.4.2 PacifiCorp shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of PacifiCorp's rights under this Section 10.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, PacifiCorp, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints PacifiCorp as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as PacifiCorp may reasonably deem necessary or appropriate to exercise PacifiCorp's step-in rights under this Section 10.4.

10.4.3 During any period that PacifiCorp is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

10.4.4 During any period that PacifiCorp is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and PacifiCorp shall assume possession, operation, and control solely as agent for Seller.

(a) In the event PacifiCorp is in possession and control of the Facility for an interim period, Seller shall resume operation and PacifiCorp shall relinquish its right to operate when Seller demonstrates to PacifiCorp's reasonable satisfaction that it will remove those grounds that originally gave rise to PacifiCorp's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed PacifiCorp to exercise its rights under this Section 10.4.

(b) In the event that PacifiCorp is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and PacifiCorp shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

10.4.5 PacifiCorp's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by PacifiCorp of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility PacifiCorp elects to return such possession and operation to Seller, PacifiCorp shall provide Seller with at least fifteen (15) calendar days advance notice of the date PacifiCorp intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

10.5 As a condition to providing a Senior Lien or Step-in Rights, Seller shall, before the Scheduled Commercial Operation Date, post and maintain, in an amount reasonably determined by PacifiCorp, a Letter of Credit in favor of PacifiCorp, which PacifiCorp, during the term of this Agreement, can draw upon to satisfy amounts PacifiCorp might reasonably incur in order to satisfy environmental remediation requirements.

SECTION 11: DEFAULTS AND REMEDIES

11.1 Events of Default. The following events shall constitute defaults under this Agreement:

11.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement (including but not limited to failure by Seller to meet any deadline set forth in Section 2) or breach by a Party of a representation or warranty set forth in this Agreement.

11.1.2 Default on Other Agreements. Seller's failure to cure any default under any commercial or financing agreements or instrument (including the Generation Interconnection Agreement) within the time allowed for a cure under such agreement or instrument.

11.1.3 Insolvency. A Party (a) makes an assignment for the benefit of its creditors; (b) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (c) becomes insolvent; or (d) is unable to pay its debts when due.

11.1.4 Material Adverse Change. A Material Adverse Change has occurred with respect to Seller and Seller fails to provide such performance assurances as are reasonably requested by PacifiCorp, including without limitation the posting of additional Default Security, within thirty (30) days from the date of such request;

11.1.5 Delayed Commercial Operations. Seller's failure to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date.

11.1.6 Underdelivery. Seller's failure to satisfy the minimum delivery obligation of Section 4.3.

11.2 Notice; Opportunity to Cure.

11.2.1 Notice. In the event of any default hereunder, the non-defaulting Party must notify the defaulting Party in writing of the circumstances indicating the default and outlining the requirements to cure the default.

11.2.2 Opportunity to Cure. A Party defaulting under Section 11.1.1 or 11.1.5 shall have thirty (30) days to cure after receipt of proper notice from the non-defaulting Party. This thirty (30) day period shall be extended by an additional ninety (90) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is capable of being cured within the additional ninety (90) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure.

11.2.3 Seller Default Under Other Agreements. Seller shall cause any notices of default under any of its commercial or financing agreements or instruments to be sent by the other party to such agreements or instruments, or immediately forwarded, to PacifiCorp as a notice in accordance with Section 23.

11.3 Termination.

11.3.1 Notice of Termination. If a default described herein has not been cured within the prescribed time, above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party and may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement; provided, however that PacifiCorp shall not terminate for a default under Section 11.1.6 unless such default is material. The rights provided in Section 10 and this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. Further, the Parties may by mutual written agreement amend this Agreement in lieu of a Party's exercise of its right to terminate.

11.3.2 In the event this Agreement is terminated because of Seller's default and Seller wishes to again sell Net Output to PacifiCorp following such termination, PacifiCorp in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price, until the Termination Date (as set forth in Section 2.4). At such time Seller and PacifiCorp agree to execute a written document ratifying the terms of this Agreement.

11.3.3 Damages. If this Agreement is terminated as a result of Seller's default, Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the sum of the Replacement Price for the Minimum Annual Delivery that Seller was otherwise obligated to provide for a period of twenty-four (24) months from the date of termination plus any cost incurred for transmission purchased to deliver the replacement power to the Point of Delivery, and the estimated administrative cost to the utility to acquire replacement power. Amounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PacifiCorp for the same.

11.3.4 If this Agreement is terminated because of Seller's default, PacifiCorp may foreclose upon any security provided pursuant to Section 10 to satisfy any amounts that Seller owes PacifiCorp arising from such default.

11.4 Damages.

11.4.1 Failure to Deliver Net Output. In the event of Seller default under Subsection 11.1.5 or Subsection 11.1.6, then Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price for any energy and capacity that Seller was otherwise obligated to provide during the period of default ("**Net Replacement Power Costs**").

11.4.2 Recoupment of Damages.

(a) Default Security Available. If Seller has posted Default Security, PacifiCorp may draw upon that security to satisfy any damages, above.

(b) Default Security Unavailable. If Seller has not posted Default Security, or if PacifiCorp has exhausted the Default Security, PacifiCorp may collect any remaining amount owing by partially withholding future payments to Seller over a reasonable period of time, which period shall not be less than the period over which the default occurred. PacifiCorp and Seller shall work together in good faith to establish the period, and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility.

SECTION 12: INDEMNIFICATION AND LIABILITY

12.1 Indemnities.

12.1.1 Indemnity by Seller. Seller shall release, indemnify and hold harmless PacifiCorp, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Point of Delivery, (b) any facilities on Seller's side of the Point of Delivery, (c) Seller's operation and/or maintenance of the Facility, or (d) arising from this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PacifiCorp, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of PacifiCorp, its directors, officers, employees, agents or representatives.

12.1.2 Indemnity by PacifiCorp. PacifiCorp shall release, indemnify and hold harmless Seller, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with the energy delivered by Seller under this Agreement after the Point of Delivery, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents, Lenders or representatives.

12.2 No Dedication. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public, nor affect the status of PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

12.3 No Consequential Damages. EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN THE LIQUIDATED DAMAGES, DELAY DAMAGES, COST TO COVER DAMAGES OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

SECTION 13: INSURANCE *(FACILITIES OVER 200KW ONLY)*

13.1 Certificates. Prior to connection of the Facility to PacifiCorp's electric system Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) (of "ACORD Form" or the equivalent) certifying Seller's compliance with the insurance requirements hereunder. Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by PacifiCorp, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to PacifiCorp.

13.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than "A-:VII" by the A.M. Best Company the insurance coverage specified below:

13.2.1 Commercial General Liability insurance, to include contractual liability, with a minimum single limit of $1,000,000 to protect against and from all loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

13.2.2 All Risk Property insurance providing coverage in an amount at least equal to the full replacement value of the Facility against "all risks" of physical loss or damage, including coverage for earth movement, flood, and boiler and machinery. The Risk policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. The Risk Policy will be maintained in accordance with terms available in the insurance market for similar facilities.

13.3 The Commercial General Liability policy required herein shall include i) provisions or endorsements naming PacifiCorp, its Board of Directors, Officers and employees as additional insureds, and ii) cross liability coverage so that the insurance applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured.

13.4 All liability policies required by this Agreement shall include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder, and provisions that such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to PacifiCorp if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to PacifiCorp if canceled for any other reason.

13.5 Insurance coverage provided on a "claims-made" basis shall be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

SECTION 14: FORCE MAJEURE

14.1 As used in this Agreement, "**Force Majeure**" or "**an event of Force Majeure**" means any cause beyond the reasonable control of the Seller or of PacifiCorp which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of fuel or motive force resources to operate the Facility or changes in market conditions that affect the price of energy or transmission. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the event of Force Majeure, after which such Party shall re-commence performance of such obligation, provided that:

14.1.1 the non-performing Party, shall, within two (2) weeks after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and

14.1.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure; and

14.1.3 the non-performing Party uses its best efforts to remedy its inability to perform.

14.2 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the event of Force Majeure.

14.3 Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

14.4 PacifiCorp may terminate the Agreement if Seller fails to remedy Seller's inability to perform, due to an event of Force Majeure, within six months after the occurrence of the event.

SECTION 15: SEVERAL OBLIGATIONS

Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

SECTION 16: CHOICE OF LAW

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Oregon, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

SECTION 17: PARTIAL INVALIDITY

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

SECTION 18: WAIVER

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 matters arising in connection with this Agreement must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 19: GOVERNMENTAL JURISDICTIONS AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PacifiCorp.

SECTION 20: REPEAL OF PURPA

This Agreement shall not terminate upon the repeal of the PURPA, unless such termination is mandated by federal or state law.

SECTION 21: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and such consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent to a lender as part of a financing transaction or as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

SECTION 22: ENTIRE AGREEMENT

22.1 This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PacifiCorp's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

22.2 By executing this Agreement, Seller releases PacifiCorp from any claims, known or unknown, that may have arisen prior to the Effective Date.

SECTION 23: NOTICES

23.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested.

Notices	PacifiCorp	Seller
All Notices	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Phone: (503) 813 - 5952 Facsimile: (503) 813 - 6291 Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	Evergreen BioPower LLC PO Box 276 Lyons, OR 97358 Attn: T. Kyle Freres Phone: (503) 859-2121 Facsimile: Duns: Federal Tax ID Number: 20-4808737
All Invoices:	(same as street address above) Attn: Back Office, Suite 600 Phone: (503) 813 - 5585 Facsimile: (503) 813 – 5580	(same as address above) Attn: Accounts Payable Phone: (503) 859-2121 Fax: (503) 859-2112
Scheduling:	(same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 – 6265	(same as address and phone above) Attn: Kyle Freres
Payments:	(same as street address above) Attn: Back Office, Suite 600 Phone: (503) 813 - 5585 Facsimile: (503) 813 – 5580	(same as address and phone above) Attn: Accounts Receivable
Wire Transfer:	Bank One N.A. ABA: ACCT: NAME: PacifiCorp Wholesale	
Credit and Collections:	(same as street address above) Attn: Credit Manager, Suite 1800 Phone: (503) 813 - 5684 Facsimile: (503) 813 – 5609	
With Additional Notices of an Event of Default or Potential Event of Default to:	(same as street address above) Attn: General Counsel. and Legal Counsel Phone: (503) 813-6266 and (801) 220-4568 Facsimile: (503) 813-7262 and (801) 220-3299	

23.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 23.

SECTION 24: COMMISSION INVESTIGATION

The Seller and PacifiCorp acknowledge that the rates, terms and conditions specified in this Agreement and the related tariffs are being investigated by the Oregon Public Utility Commission. Upon a decision by the Oregon Public Utility Commission in the investigation, PacifiCorp will notify the Seller within ten calendar days. The Seller shall have thirty calendar days from the effective date of the revised standard contract and tariffs complying with the Commission's order to amend this Agreement if the Seller so chooses to adopt the revised standard contract and/or the revised rates, terms and conditions in the tariff approved by the Oregon Public Utility Commission as a result of the investigation.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

PacifiCorp	Seller
By:	By:
Name: William J Fehrman	Name: Kyle Freres
Title: President	Title: Vice President, Freres Lumber, Manager, Evergreen BioPower LLC

EXHIBIT A
DESCRIPTION OF SELLER'S FACILITY
[Seller to Complete]

Seller's Facility consists of one generators manufactured by General Electric. More specifically, each generator at the Facility is described as:

Type (synchronous or inductive):

Model: ATB-2
Number of Phases: 3
Rated Output (kW): Please see below.**Rated Output (kVA):**Please see below.
Rated Voltage (line to line): 13,800V
Rated Current (A): Stator: 1034 A; Rotor: 199 A
Maximum kW Output: 10,000 kW**Maximum kVA Output:** 12,500 @ .8 PFkVA
Minimum kW Output: 1500 kW
Manufacturer's Guaranteed Cut-in Wind Speed [if applicable]: N/A
Facility Capacity Rating: 10,000 kW at full steam generation and full steam condensing (zero process load)

Identify the maximum output of the generator(s) and describe any differences between that output and the Nameplate Capacity Rating:

Station service requirements (station use as described in Section 1.24), and other loads served by the Facility, if any, are described as follows: _Station service requirements for power generation equipment are approximately 575 kW, consisting of two cooling tower fans, two condensate pumps, two circulating water pumps, one component circulating water pump, seals collection tank pump, voltage regulator, and station lighting.

____.

Location of the Facility: The Facility is to be constructed in the vicinity of Lyons in Linn County, Oregon. The location is more particularly described as follows:

Approximately 0.586 acres leased from Freres Lumber Co., Inc. Property owned by Freres Lumber Co., Inc. described as follows:

Beginning on the Southerly line of the Southern Pacific Railroad right of way and on the East line of the Northeast Quarter of the Southwest Quarter of Section 19 in Township 9 south, Range 2 East, of the Willamette Meridian at a point which is 325.45 feet South 0° 19' West from the Northeast corner thereof; thence North 73° 03' West along the Southerly line of said Railroad right of way 1272.35 feet to the intersection of right of ways of State Highway 226 and said Railroad; thence South 17° 07' West along the Easterly right of way line of said State Highway, 292.38 feet; thence South 29° 23' West 25.01 feet to the West line of the Northeast Quarter of the Southwest Quarter of said Section; thence South 0° 22' West along said West line 74.12 feet to a point which is 330.00 feet South 0° 22' West from the Northwest Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence West 41.18 feet to the Easterly line of the said State Highway; thence South 29°23' West along the Easterly line of said State Highway 264.79 feet; thence East 169.55 feet to the West line of the Northeast Quarter of the Southwest Quarter of said Section; thence South 0° 22' West along said West line 80.59 feet to a point which is 676.56 feet North 0° 22' East from the Southwest Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 50° 29' East 848.69 feet to a point on the East line of the West half of the Northeast Quarter of the Southwest Quarter of said Section, which point is 1056.00 feet South 0° 20' 30" West from the Southerly line of said Railroad right of way; thence South 67° 51 East 357.32 feet to a point which is 990.00 feet North 89° 53' East from the Southwest corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 65° 57' East 356.60 feet o a point on the East line of the West half of said Section, which point is 145.99 feet South 0° 19' West from the Southeast Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 623.63 feet along the East line of the West half of said Section to a point that is 543.84 feet Northerly of the Southwest Corner of the Southeast Quarter of said Section; thence Easterly 800.58 feet parallel to the South line of said section; thence Southerly 543.84 feet parallel with the West line of the East Half of said section; thence Easterly on the South line of said section 1139.16 feet to a point 689.70 feet West of the Southeast Corner of Section 19; thence Northerly parallel to the East line of said section 494.60 feet to the Southeast corner of a certain tract conveyed to Freres-Frank Lumber Company by deed recorded May 17, 1957 in Book 254, Page 365, Linn County Deed Records; thence West 120.00 feet; thence North 150.00 feet; thence East 120.00 feet to the Northeast Corner of said Freres – Frank tract; thence Northerly 1071.40 feet parallel to the East line of said section to the South line of the right of way of the Southern Pacific Railway Company; thence North 73° 49' West along said right of way 531.96 feet to an iron pipe; thence North 73° 49' West along said right of way 654.72 feet to an iron bar; thence North 73° 49' West along said right of way 848.10 feet to the point of beginning.

Property leased from Freres Lumber Co., Inc. by Evergreen BioPower, LLC bounded by the following coordinates:

Switchyard	Area: .213 acres @ 85' x 100'	
Northeast Corner	Latitude	44° 46'20.478"N
	Longitude	122° 36'55.759"W
Northwest Corner	Latitude	44° 46'20.760"N
	Longitude	122° 36'57.294"W
Southwest Corner	Latitude	44° 46'20.046"N
	Longitude	122° 36'57.541"W
Southeast Corner	Latitude	44° 46'19.701"N
	Longitude	122° 36'56.199"W

Co-gen Building Area: .373 acres	@ 144' x 127'	
Northwest Corner	Latitude	44° 46'14.528"N
	Longitude	122° 36'44.068"W
Southwest Corner	Latitude	44° 46'13.482"N
	Longitude	122° 36'44.545"W
Southeast Corner	Latitude	44° 46'13.098"N
	Longitude	122° 36'42.617"W
Northeast Corner	Latitude	44° 46'14.339"N
	Longitude	122° 36'42.288"W

Power factor requirements:
Rated Power Factor (PF) or reactive load (kVAR):

EXHIBIT B

INTERCONNECTION FACILITIES

POINT OF DELIVERY / SELLER'S INTERCONNECTION FACILITIES

Point of Delivery to be in the vicinity of existing PacifiCorp Lyons substation on PacifiCorp's existing Santiam- Hazelwood 69 kV line located in Lyons, Oregon. The Point of Metering is to be determined by PacifiCorp Transmission department.

Please see the single line drawing of facility for description of equipment and configuration on the following page.

EXHIBIT B

INTERCONNECTION FACILITIES – SINGLE LINE DRAWING

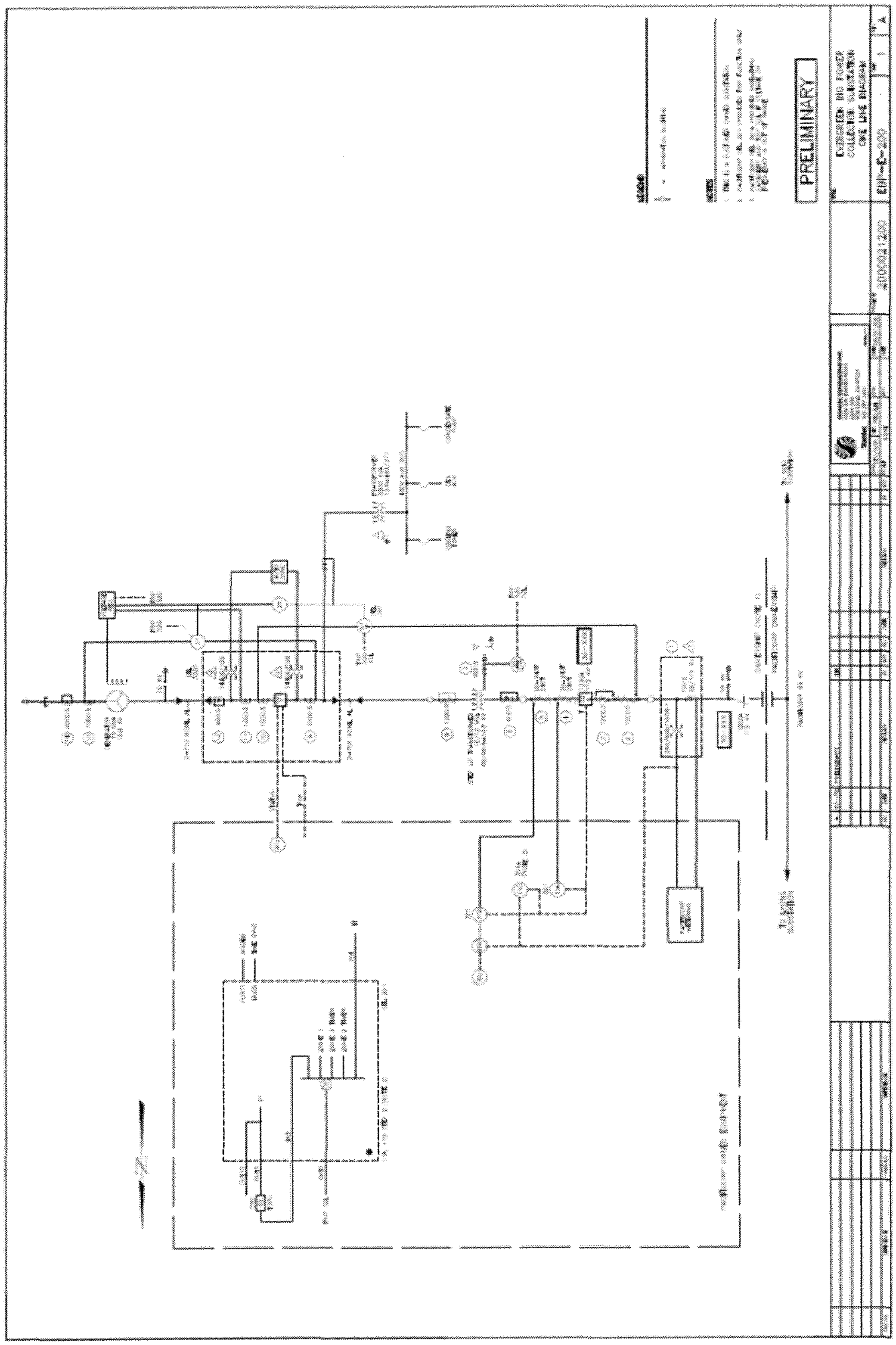

EXHIBIT C
REQUIRED FACILITY DOCUMENTS

Interconnection Agreement, Wheeling Agreement [if applicable], and [others to be identified]

FERC QF Number: QF06-222-000

Evergreen BioPower, LLC QF Small Generator Interconnection Agreement dated October 19, 2006 has been provided by Seller on December 19, 2006. A copy of the SGIA is retained in PacifiCorp's records.

POWER PURCHASE AGREEMENT

BETWEEN

Evergreen BioPower, LLC
[a Qualifying Facility with 10MW Design Capacity, or Less]

AND

PACIFICORP

SMALL GENERATOR INTERCONNECTION AGREEMENT
for a
QUALIFYING FACILITY
(QFSGIA)
between
PACIFICORP
and
EVERGREEN BIOPOWER LLC

(For Generating Facilities No Larger Than 20 MW Certified as Qualifying Facilities Under PURPA)

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Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider:

Name:

Title: Director, Transmission

Date: 10/19/06

For the Interconnection Customer:

Name:

Title: VP, Freres Lumber Co., Inc, Manager, Evergreen BioPower LLC

Date: 10/18/06

EXHIBIT D-1
SELLER'S MOTIVE FORCE PLAN

A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE

Month	Average Energy (kWh)
January	5,507,400
February	4,965,600
March	5,507,400
April	5,349,600
May	4,197,600
June	5,349,600
July	5,575,800
August	5,439,000
September	5,418,000
October	5,439,000
November	5,349,600
December	4,334,400

Facility operating hours were calculated assuming that the turbine would be operational 24 hours per day for each day out of the year except for one week of scheduled maintenance downtime in May and one week in December.

Two different operating scenarios were assumed in calculations:

Normal Operation:
Steam extracted for veneer dryers and log conditioning tunnels.
Anticipated generator output- 7,150 kW

Weekend Operating:
Steam extracted for log conditioning tunnels. Veneer dryers not operational.
Anticipated generator output- 10,000 kW

Freres Lumber Co., Inc.'s veneer drying operations currently operate on a Monday through Friday schedule 24 hours per day. Log conditioning operations prior to veneer processing operate seven days per week 24 hours per day. Normal Operations are expected to pertain to a "normal" weekday schedule, operating only log conditioning tunnels during weekend hours.

Estimated parasitic load of generator equipment will be approximately 575 kW, which was subtracted from the estimated generator output shown in the operating scenarios above.

B. MINIMUM ANNUAL DELIVERY CALCULATION

Minimum annual delivery was calculated assuming that Freres Lumber Co., Inc. requires its veneer drying facility to operate seven days per week, twenty-four hours per day year round. The "Normal Operation" generator output above was then used for each day of the year that the generation facility is in operation., An eighty-five percent (85%) capacity factor was assumed for in the Minimum Annual Delivery calculation. A catastrophic failure of two months production downtime was then included to account for unexpected equipment failure.

C. **MAXIMUM ANNUAL DELIVERY CALCULATION**

Maximum annual delivery was calculated assuming that Freres Lumber Co., Inc. discontinues veneer drying operations at its facility. All extraction for veneer drying would cease leaving only extraction for log conditioning processes. The "Weekend Operation" generator output was therefore used for each day of the year that the generation facility is in operation.

EXHIBIT D-2
ENGINEER'S CERTIFICATION OF MOTIVE FORCE PLAN

EVERGREEN ENGINEERING INC.
P.O. Box 21530 • Eugene, Oregon 97402-0409
(541) 484-4771 • FAX (541) 484-6759

November 29, 2006 #1910.0

Kyle Freres
Freres Lumber Company, Inc.
141 14th Street
PO Box 276
Lyons, OR 97358

Subject: Evergreen Biopower LLC
Motive Force Plan Certification

Dear Kyle,

I have completed a review of the Motive Force Plan (MFP) for your new 10MW cogeneration facility, and I have confirmed the logic of the plan and the fuel requirement calculations for the facility. Also, based on the fuel availability study that was done earlier, I certify that there is an adequate supply of fuel available to satisfy the Pacificorp contractual requirements.

Very truly yours,

Richard H. Larsen P.E
Principal

Oregon PE # 9501

EVERGREEN BIOPOWER, LLC
10,000 kw Biomass Power Facility
Motive Force Plan

Objective

This Motive Force Plan (MFP) will determine if Evergreen Biopower, LLC (Evergreen) has under its control, or can reasonably obtain, sufficient fuel to operate the facility such as to meet the average, maximum and minimum Net Output requirements in its power purchase agreement with PacifiCorp.

In the most recent draft of the contract, the Net Output requirements are as follows:

Average Annual Net Output	-	62,556,600 Kwh
Maximum Annual Net Output	-	80,044,800 Kwh
Minimum Annual Net Output	-	38,763,570 Kwh

The Evergreen facility is a combined heat and power plant, supplying medium pressure turbine extraction steam to veneer dryers and low pressure steam to log vats from the 10,000 Kw turbine-Generator (T-G). Most of the variation in annual T-G output described in the contract is a result of different veneer plant operating scenarios. It is the intent of Evergreen to base load the 100,000 lb/hr, 850 psig, 875° F Wellons boiler for up to 8,400 hours/yr, maximizing both process steam and T-G output in the process. This analysis will determine if sufficient fuel can be obtained to maintain this operating scenario for the 10 year term of the contract.

As a worst case scenario, this analysis will assume that the veneer plant is closed for an entire contract year and it will be determined if sufficient fuel can be obtained to meet the minimum Net Output requirements in the contract.

Facility

The Evergreen facility consists of a 100,000 lb/hr Wellons 4 cell rotary grate biomass boiler with steam conditions of 850 psig and 875° F. The Turbine-Generator is a General Electric machine with a turbine rated at 10,000 kw as modified and a generator rated at 24,705 Kva at a voltage of 13.8 Kv. With typical weekday process steam loads the T-G will produce 7,150 Kw of gross output, with 575 Kw of power generation auxiliary load, for a net output of 6,575 kw. On weekends, the low extraction flows will allow a T-G gross output of 10,000 Kw, with 575 Kw of auxiliaries, for a net of 9,425 kw.

The boiler is capable of combusting various biomass fuels. The boiler will receive 230°F feedwater from a dearator. With the mix of fuels expected, both from internal (hogged fuel, ply trim, shavings) and external sources and an average fuel moisture content of 45%, a boiler efficiency of 73% is projected. The throttle steam will have an enthalpy of 1439.0 Btu/lb while the incoming feedwater has an enthalpy of 198.2 Btu/lb, a difference of 1240.8 Btu/lb. With the 73% boiler efficiency described above, the boiler will require a heat input from biomass fuel of 1700 Btu/lb steam. With a fuel heating value of 8,750 Btu/dry lb (see below), this is a full load fuel requirement of 9.71 bone dry tons (Bdt) per hour of operation. Wellons estimated the fuel burn rate at 31,816 lb/hour of 40% moisture fuel, or 9.54 Bdt/hr. When the adjustment is made for the moisture content difference the two numbers are compatible and so the 9.71 Bdt/hr (full load) will be used.

Fuel Supply

The primary fuel supply for the facility will be the mill residues produced by the veneer plant and from a sister plywood plant located approximately 5 miles away. Depending on relative economic value of the various residuals, outside mill residuals will be purchased from one or more of 7 potential fuel suppliers within a 50 mile radius of the facility.

The facility uses a species mix of raw logs of about 75% Douglas fir and 25% hemlock. Heating values of different tree species varies considerably. Using published analyses, Douglas fir wood averages about 8,900 Btu/dry lb while the bark averages 9,850 Btu/dry lb. Hemlock wood averages 8,370 Btu/dry lb while the bark averages 9,350 Btu/dry lb.

In the specification for the boiler, Wellons assumed an aggregate heating value of 8,750 Btu/dry lb and an average moisture content of 40%. The choice of an aggregate 8,750 Btu/lb heating value appears very conservative given the above published figures, but will also be used in this analysis. Given the fuel supply quantities and moistures in the table below, it would appear that a 40% moisture content may be slightly low, in the aggregate. This analysis uses a 45% average moisture content in establishing boiler efficiency and thus fuel requirements.

The 2005 figures for wood residue production from the two Freres mills are shown in the table below:

2005 Production

Type	Quantity	Est. Moisture Content
Hogged Fuel	39,951 Bdt	50%
Chips	62,929	50%
Shavings	2,390	15%
Ply Trim	10,000 (est.)	15%
Total	115,270 Bdt	

A survey of 7 potential wood residual suppliers (mills, processing yards) within a 50 mile radius of the facility was conducted by Freres. Without counting any higher valued paper chips, the findings are as follows:

Source	Annual Quantity
Mill Residuals	29,250 Bdt
Processing Yards	42,250
Total	71,500 Bdt

A final source of biomass fuel is material backhauled from outside the 50 mile radius on trucks hauling Freres chips to pulp and paper facilities, and returning to the facility empty. These sources , which assume the chips are not burned for economic reasons, could provide the following quantities of residual fuel:

Source	Annual Quantity
Mill Residuals	32,500 Bdt

An MFP For Freres

Average Generation MFP

The first MFP assumes that Freres operates the veneer plant 5 days per week as currently, and runs the boiler at full load 8,400 hours/yr. This results in the production by Evergreen of the average annual Net Output of 62,556,600 Kwh. The fuel requirement for this scenario is 81,560 Bdt/yr (9.71 Bdt/hr x 8,400 hours/yr). This motive force requirement can be met by the following fuel sources:

Source	Annual Amount
Freres Hogged Fuel	39,951 Bdt/yr
Freres Shavings	2,390
Freres Ply Trim	10,000
Outside Mill Residuals	29,219
Total	81,560 Bdt/yr

This MFP assumes that none of Freres 62,929 Bdt/yr of chips are used as fuel, as typically the chip economic value is much greater than any replacement delivered fuel price. In the event that the economic relationship did not hold true, Evergreen could simply burn approximately ½ of the Freres chips in order to satisfy the fuel requirement without having to leave the compound for fuel. This is a solid MFP for this operating scenario as the proposed mill operating scenario was the same as that followed in 2005, and would thus produce an equivalent amount of fuel.

Maximum Generation MFP

The MFP for the maximum generation of 80,044,800 Kwh/yr is identical to that for the average generation case described above. The boiler still operates at full load for 8,400 hours/yr, but the high pressure extraction is not used as Freres is selling green veneer instead of its normal dry veneer. The quantity of fuel produced internally at the veneer plant remains the same. The ply trim produced at the nearby Freres plywood mill may stay the same or decrease, and would be replaced by additional residual purchases or by combusting a larger fraction (62%) of the residual chips. In this scenario, the boiler can be fueled completely with available residuals from Freres, though this is most likely not the most economic scenario.

Minimum Generation MFP

There are two scenarios that result in the minimum Net Output of 38,763,570 Kwh/yr, and the MFP for the two is quite different. In the first scenario, the veneer plant goes to a 7 day/wk operation, thus lowering weekend generation due to extraction steam needs. In this case, the amount of internal fuel available is increased by 40% (7 days vs. 5 days), with the following approximate fuel volumes available:

Type	Quantity
Hogged Fuel	55,931 Bdt/yr
Chips	88,100
Shavings	3,346
Ply Trim	14,000
Total	161,377 Bdt/yr

In this scenario, the boiler fuel requirement remains the same at 81,560 Bdt/yr as the boiler continues to run at 100,000 lb/hr for 8,400 hours/yr. The result is that outside fuel purchases, without burning chips, drops from 29,219 Bdt/yr to 8,283 Bdt/yr. If economics dictate that all fuel be internal, the last increment of fuel can be satisfied by burning less than 10% of the chips.

An entirely different minimum generation scenario occurs with a complete shutdown of the Freres veneer and plywood plants for an entire contract year, and Evergreen meets the minimum Net Output of 38,763,570 entirely with purchased fuel in order to avoid default under the contract.

On an 8,400 hour/yr basis, the T-G would now be producing 4,615 kw net output, or about 5,000 kw gross output (385 kw power generation equipment auxiliaries). A turbine heat balance, with 3,000 lb /hr of low pressure extraction for the deaerator, would require an inlet steam flow of 44,000 lb/hr. Assuming that boiler efficiency drops to 70% in this low flow condition with slightly higher moisture purchased fuel, the fuel flow to the boiler will be 4.45 Bdt/hr. On a 8,400 hr/yr basis, this is a total fuel requirement of 37,380 Bdt/yr of purchased fuel.

With the loss of backhauls from chip transport, due to mill shutdown, it is logical to purchase all 37,380 Bdt/yr from mills/processors within the 50 mile radius. These purchases would represent 52% of the available fuel. While this is not a good situation to contemplate for Evergreen, it is also not an undue stress on the local fuel market, and could sustain the power plant during market shutdowns.

Conclusion

A total of four scenarios were evaluated, ranging from minimum to maximum annual generation. In three of the four scenarios, the MFP fuel requirements could be satisfied internally to the Freres mills by burning low valued mill residuals plus 10-62% of the available paper chips. In most markets, it would be economically preferable to tap the 104,000 Bdt/yr of locally available or backhaul fuel for the required chip quantity, leaving the paper chips available for sale.

In the fourth scenario, a complete shutdown of the Freres mills for a complete contract year, the goal is to generate only the minimum required Net Output, entirely from outside purchased fuels. In this case, approximately 52% of the available residual fuels (not including chips) within a 50 mile radius would be required. This could be accomplished by Evergreen without undue pressure on the existing residual fuel markets.

Since the power contract is for only a 10 year period, the chances of a complete mill shutdown due to log supply or mill obsolescence is low. Freres Lumber has been in business for 80 years, and has been operating at this location for 50 years, and the current production schedule is one that has been followed for more than the last five years. Under all reasonable scenarios, Evergreen will be able to supply the motive force necessary to meet the contractual requirements of the 10 year PacifiCorp power purchase agreement.

EXHIBIT E

START-UP TESTING

Required factory testing includes such checks and tests necessary to determine that the equipment systems and subsystems have been properly manufactured and installed, function properly, and are in a condition to permit safe and efficient start-up of the Facility, which may include but are not limited to (as applicable): **[Seller identify appropriate tests]**

1. Pressure tests of all steam system equipment;
2. Calibration of all pressure, level, flow, temperature and monitoring instruments;
3. Operating tests of all valves, operators, motor starters and motor;
4. Alarms, signals, and fail-safe or system shutdown control tests;
5. Insulation resistance and point-to-point continuity tests;
6. Bench tests of all protective devices;
7. Tests required by manufacturer of equipment; and
8. Complete pre-parallel checks with PacifiCorp.

Required start-up tests are those checks and tests necessary to determine that all features and equipment, systems, and subsystems have been properly designed, manufactured, installed and adjusted, function properly, and are capable of operating simultaneously in such condition that the Facility is capable of continuous delivery into PacifiCorp's electrical system, which may include but are not limited to (as applicable):

1. Turbine/generator mechanical runs including shaft, vibration, and bearing temperature measurements;
2. Running tests to establish tolerances and inspections for final adjustment of bearings, shaft run-outs;
3. Brake tests;
4. Energization of transformers;
5. Synchronizing tests (manual and auto);
6. Stator windings dielectric test;
7. Armature and field windings resistance tests;
8. Load rejection tests in incremental stages from 5, 25, 50, 75 and 100 percent load;
9. Heat runs;
10. Tests required by manufacturer of equipment;
11. Excitation and voltage regulation operation tests;
12. Open circuit and short circuit; saturation tests;
13. Governor system steady state stability test;
14. Phase angle and magnitude of all PT and CT secondary voltages and currents to protective relays, indicating instruments and metering;
15. Auto stop/start sequence;
16. Level control system tests; and
17. Completion of all state and federal environmental testing requirements.

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility

A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities

Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility

A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours

On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Holidays include only New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a holiday falls on a Saturday or Sunday, the Friday before the holiday (if the holiday falls on a Saturday) or the Monday following the holiday (if the holiday falls on a Sunday) will be the holiday and will be Off-peak.

Off-Peak Hours

All hours other than On-Peak.

Opal Gas Market Index

The monthly indexed gas price shall be from Platts "Gas Daily Price Guide" for gas deliveries to Northwest Pipeline Corp at the Rocky Mountains.

Excess Output

Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price for all Excess Output.

(Continued)

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

Pricing Options

1Fixed Avoided Cost Prices
Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either Banded Gas Market Indexed Avoided Cost Prices or Gas Market Indexed Avoided Cost Prices.

2Gas Market Indexed Avoided Cost Prices
Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Bnded Gas Market Indexed Avoided Cost Prices
Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

Montly Payments
A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facilitys contract.

Fixed Avoided Cost Prices
In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices
In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in $MMBtu by 0.76 to get actual gas price in centskWh. The Off-Peak Ener gy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

(Continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
Page 3

Montly Payments (Continued)

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in $/MMBtu by 0.76 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Avoided Cost Prices

Pricing Option 1-Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2005	7.13	5.98
2006	6.36	5.27
2007	5.96	4.87
2008	5.58	4.63
2009	5.26	4.33
2010	6.21	4.30
2011	6.54	4.57
2012	7.13	5.11
2013	7.43	5.35
2014	7.52	5.37
2015	7.66	5.45
2016	7.86	5.59
2017	8.07	5.73
2018	8.27	5.86
2019	8.50	6.02
2020	8.72	6.17
2021	8.97	6.33
2022	9.23	6.49
2023	9.49	6.66
2024	9.75	6.82
2025	10.03	7.00
2026	10.31	7.18
2027	10.60	7.36
2028	10.90	7.55

(Continued)

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
Page 4

Avoided Cost Prices Continued)
Pricing Option 2Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	ixed Prices		Gas Market Index		Forecast Opl Gas IndexPrice (2)	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capcity Adder (1)	Off-Peak Energy Adder	Price	On-Peak Energy Price	Off-Peak Energy
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
			Avoided Firm Capcity Cost /(0.876 *84.2%57%)	All Avoided Energy Cost - ((e) *0.76)		(g) +(c)	((e) *0.76) +(d)
2005	7.13	5.98	Market Based Prices 2005 through 2009				
2006	6.36	5.27					
2007	5.96	4.87					
2008	5.58	4.63					
2009	5.26	4.33					
2010			1.91	0.38	[illegible].16	6.21	4.30
2011			1.97	0.40	[illegible].49	6.54	4.57
2012			2.02	0.42	[illegible].17	7.13	5.11
2013			2.08	0.42	[illegible].48	7.43	5.35
2014			2.14	0.42	[illegible].51	7.52	5.37
2015			2.21	0.44	[illegible].60	7.66	5.45
2016			2.27	0.45	[illegible].77	7.86	5.59
2017			2.34	0.45	[illegible].95	8.07	5.73
2018			2.41	0.45	[illegible].12	8.27	5.86
2019			2.48	0.46	[illegible].31	8.50	6.02
2020			2.55	0.47	[illegible].50	8.72	6.17
2021			2.64	0.48	[illegible].70	8.97	6.33
2022			2.73	0.49	[illegible].90	9.23	6.49
2023			2.83	0.50	[illegible].10	9.49	6.66
2024			2.93	0.51	[illegible].31	9.75	6.82
2025			3.03	0.52	[illegible].53	10.03	7.00
2026			3.13	0.53	[illegible].75	10.31	7.18
2027			3.24	0.54	[illegible].98	10.60	7.36
2028			3.35	0.55	9.21	10.90	7.55

(1) Avoided Firm Capcity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2004 R.
(2) A ratio of 0.76 is used to adjust gas prices from [illegible]
(3) Estimated avoided cost prices based upon forecast Opal Gas Market Index prices. Actual prices will be calculated each month using actual Opal Gas Market Index prices.

(Continued)

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-4

Issued By
D. Douglas Larson, Vice President, Regulation

TF1 37-4.E

Advice No. 05-006

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING
FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37

Avoided Cost Prices Continued)
Pricing Option 3 -ßnded Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	ßxd Prices		ßnded ßs Mket ßdex				ßecast	Estißd Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capciy ßder (1)	Off-Peak Energy ßder	ßs Mketßdex ßo 90%	Ceiling 110%	Opl ßs ßdex Price (2) Price	On-Peak Energy Price	Off-Peak Energy
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
			ßded ßrm Capciy Cst /(0.876 * 84.2%57)%	ßl ßded Energy Cst - ((e) *0.76)	(g) *0.76 * 90%	(g) *0.76 * 110%		(i) +(c)	ßg) * 0.76) ,(e)) ,(f)) + (d)
2005	7.13	5.98	Mketßed Prices 2005 ßogß2009						
2006	6.36	5.27							
2007	5.96	4.87							
2008	5.58	4.63							
2009	5.26	4.33							
2010			1.91	0.38	3.53	4.31	$.16	6.21	4.30
2011			1.97	0.40	3.75	4.59	$.49	6.54	4.57
2012			2.02	0.42	4.22	5.16	&.17	7.13	5.11
2013			2.08	0.42	4.43	5.42	&.48	7.43	5.35
2014			2.14	0.42	4.45	5.44	&.51	7.52	5.37
2015			2.21	0.44	4.51	5.51	&.60	7.66	5.45
2016			2.27	0.45	4.63	5.66	&.77	7.86	5.59
2017			2.34	0.45	4.75	5.81	&.95	8.07	5.73
2018			2.41	0.45	4.87	5.96	$.12	8.27	5.86
2019			2.48	0.46	5.00	6.11	$.31	8.50	6.02
2020			2.55	0.47	5.13	6.27	$.50	8.72	6.17
2021			2.64	0.48	5.27	6.44	$.70	8.97	6.33
2022			2.73	0.49	5.40	6.60	$.90	9.23	6.49
2023			2.83	0.50	5.54	6.77	8.10	9.49	6.66
2024			2.93	0.51	5.69	6.95	8.31	9.75	6.82
2025			3.03	0.52	5.83	7.13	8.53	10.03	7.00
2026			3.13	0.53	5.99	7.32	8.75	10.31	7.18
2027			3.24	0.54	6.14	7.51	8.98	10.60	7.36
2028			3.35	0.55	6.30	7.70	9.21	10.90	7.55

(1) ßded ßrCapciy Cst are eqal ßo fixd co st ßa SCT is idenified in ß Cpnys 2004 R.
(2) ßatrat 60.76 is used ßdjstgas pices frßWh
(3) Estißd avided capices based up fo recastOpl ßs Mketßdexpices.
ßual pices ill be calculaed eachßs ing actual Opl ßs Mketßdexpices.

(Continued)

Issued: July 12, 2005
Effective: With service rendered on and after August 11, 2005

P.U.C. OR No. 35
Original Sheet No. 37-5

Issued By
D. Douglas Larson, Vice President, Regulation

TF1 37-5.E

Advice No. 05-006

Example of Pricing Options available to tb Qualifying Facility
An example of the three pricing options using different assumed gas prices is available at the Company web site.

Qualifying Facilities Contracting Procedure

1Qualifying Facilities up to 0kW

APPLICATION: To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. Process for Completing a Power Purcbse Agreement

A. Communications
Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Pacific Power &Light Company
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B Procedures

1. The Companys approved generic or standard form power purchase agreements may be obtained from the Companys website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.

2. In order to obtain a proJect spec ific draft power purchase agreement the owner must provide in writing to the Company, general proJect information required for the completion of a power purchase agreement, including, but not limited to:

   a) demonstration of ability to obtain QF status;

(Continued)

B Procedures Continued)

b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
c) generation technology and other related technology applicable to the site;
d) proposed site location;
e) schedule of monthly power deliveries;
f) calculation or determination of minimum and maximum annual deliveries;
g) motive force or fuel plan;
h) proposed on-line date and other significant dates required to complete the milestones;
i) proposed contract term and pricing provisions (i.e.,fixed, deadband, gas indexed);
j status of interconnection or transmission arrangements;
k) point of delivery or interconnection;

3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.

4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement.

5 After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 14 days to those comments and proposals.

6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

PACIFICORP ENERGY
A MIDAMERICAN ENERGY HOLDINGS COMPANY

825 NE Multnomah, Suite 600
Portland, Oregon 97232

June 28, 2007

Evergreen BioPower LLC
P.O. Box 276
Lyons, OR 97358

Attn: T. Kyle Freres

Re: AMENDMENT TO POWER PURCHASE AGREEMENT

Dear Mr. Freres,

This letter amends the *Power Purchase Agreement Between Evergreen BioPower, LLC and PacifiCorp*, which was entered into on January 2, 2007 (January 2, 2007 Agreement). PacifiCorp and Evergreen BioPower, LLC (Evergreen) desire to incorporate certain changes to PacifiCorp's standard Oregon QF Power Purchase Agreement approved by Oregon Public Utilities Commission Order 07-120, including: (1) modify the definition for "As-built Supplement" (Section 1.1); (2) waive any claim by PacifiCorp to Environmental Attributes from the Facility (Sections 1.12 and 5.5); (3) add new Section 3.2.7 regarding the Facility's continued status as a Qualifying Facility; (4) explicitly include construction related financial obligations in Section 3.2.8(c) (formerly 3.2.7(c)); (5) specify that Section 6.1, regarding As-Built Supplement, refers to initial and any subsequent construction; (6) provide pricing methodology for incremental utility upgrades in new Section 6.2; (7) permit Evergreen to request that PacifiCorp excuse Evergreen from an obligation to post default security arising solely from delinquent performance of construction-related obligations in Section 10; (8) delete Section 10.5; (9) modify the meaning of "underdelivery" in Section 11.1.6; (10) add Evergreen's required notice in the event it becomes delinquent under construction financing related to the Facility (Section 11.2.4); (11) modify PacifiCorp's ability to terminate this Agreement for default due to delayed commercial operation in Section 11.3.1; (12) cap Net Replacement Power Costs in Section 11.4.1; (13) change the minimum A.M. Best Company rating for Evergreen's insurance carrier from "A-:VII" to "B+" in Section 13.2; (14) update PacifiCorp's notice information in Section 23; and (15) delete Section 24. This amendment otherwise makes no substantive changes to the January 2, 2007 Agreement.

Order 07-120 from the Oregon Public Utilities Commission (April 2, 2007) invoked Section 24. The attached amendment exercises and extinguishes Evergreen's right under Section 24 to revise the January 2, 2007 Agreement.

The attached *Amended Power Purchase Agreement Between Evergreen BioPower, LLC and PacifiCorp* supercedes the January 2, 2007 Agreement.

Please indicate your approval of the foregoing by signing below, initialing next to the changes in the attached amended Agreement, and returning both to the above address. Thank you for your assistance in this matter.

Sincerely,

Bruce Griswold
Manager, Origination
Commercial & Trading

EVERGREEN BIOPOWER, LLC

By

Kyle Freres
Name

Vice President, Freres Lumber
Manager, Evergreen BioPower LLC
Title

8/3/07
Date

Attachment: *Amended Power Purchase Agreement Between Evergreen BioPower, LLC and PacifiCorp*

<1>* TKF

AMENDED POWER PURCHASE AGREEMENT

BETWEEN

Evergreen BioPower, LLC
[a Qualifying Facility with 10MW Design Capacity, or Less]

AND

PACIFICORP

*Changes noted "<1>" in the margin were agreed to by letter agreement dated June 28, 2007 between PacifiCorp and Evergreen BioPower, LLC ("First Amendment").

**These Sections contain changes agreed to in the First Amendment. <1> TKF

POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT, entered into this 2 day of January, 2007, is between **Evergreen BioPower, LLC**, "**Seller**" and PacifiCorp, an Oregon corporation acting in its regulated utility capacity, "**PacifiCorp**." (Seller and PacifiCorp are referred to individually as a "**Party**" or collectively as the "**Parties**").

RECITALS

A. Seller intends to construct, own, operate and maintain a biomass facility for the generation of electric power, including interconnection facilities, located in Lyons, Linn County, Oregon with a Facility Capacity Rating of 10,000-kilowatts (kW) as further described in **Exhibit A** and **Exhibit B ("Facility")**; and

B. Seller intends to commence delivery of Net Output under this Agreement, for the purpose of Start-up Testing, on November 15th, 2007 ("**Scheduled Initial Delivery Date**"); and

C. Seller intends to operate the Facility as a Qualifying Facility, commencing commercial operations on December 1st, 2007 ("**Scheduled Commercial Operation Date**"); and

D. Seller estimates that the average annual Net Energy to be delivered by the Facility to PacifiCorp is 62,556,600 kilowatt-hours (kWh), which amount of energy PacifiCorp will include in its resource planning; and

E. Seller shall sell and PacifiCorp shall purchase all Net Output from the Facility in accordance with the terms and conditions of this Agreement; and

F. This Agreement is a "New QF Contract" under the PacifiCorp Inter-Jurisdictional Cost Allocation Revised Protocol.

AGREEMENT

NOW, THEREFORE, the Parties mutually agree as follows:

SECTION 1: DEFINITIONS

When used in this Agreement, the following terms shall have the following meanings:

1.1 **"As-built Supplement"** shall be a supplement to **Exhibit A** and **Exhibit B**, <1> TKF provided by Seller following completion of construction of the Facility, describing the Facility as actually built.

1.2 **"Average Annual Generation"** shall have the meaning set forth in Section 4.2.

1.3 **"Billing Period"** means the time period between PacifiCorp's consecutive readings of its power purchase billing meter at the Facility in the normal course of PacifiCorp's business. Such periods typically range between twenty-seven (27) and thirty-four (34) days and may not coincide with calendar months.

1.4 **"Commercial Operation Date"** means the date that the Facility is deemed by PacifiCorp to be fully operational and reliable, which shall require, among other things, that all of the following events have occurred:

1.4.1 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating (a) the Facility Capacity Rating of the Facility at the anticipated Commercial Operation Date; and (b) that the Facility is able to generate electric power reliably in amounts required by this Agreement and in accordance with all other terms and conditions of this Agreement;

1.4.2 The Facility has completed Start-Up Testing;

1.4.3 PacifiCorp has received a certificate addressed to PacifiCorp from a Licensed Professional Engineer stating that, (a), in accordance with the Generation Interconnection Agreement, all required interconnection facilities have been constructed, all required interconnection tests have been completed and the Facility is physically interconnected with PacifiCorp's electric system;

1.4.4 PacifiCorp has received a certificate addressed to PacifiCorp from an attorney in good standing in the State of Oregon stating that Seller has obtained all Required Facility Documents and if requested by PacifiCorp, in writing, has provided copies of any or all such requested Required Facility Documents. (Facilities over 200 kW only).

1.4.5 Seller has complied with the security requirements of Section 10.

1.5 **"Commission"** means the Oregon Public Utilities Commission.

1.6 **"Contract Price"** means the applicable price for capacity or energy, or both capacity and energy, stated in Sections 5.1 and 5.2.

1.7 **"Contract Year** means a twelve (12) month period commencing at 00:00 hours Pacific Prevailing Time ("PPT") on January 1 and ending on 24:00 hours PPT on December 31; *provided, however,* that the first Contract Year shall commence on the Commercial Operation Date and end on the next succeeding December 31, and the last Contract Year shall end on the Termination Date.

1.8 "**Credit Requirements**" means a long-term credit rating (corporate or long-term senior unsecured debt) of (1) "Baa3" or greater by Moody's, or (2) "BBB-" or greater by S&P, or such other indicia of creditworthiness acceptable to PacifiCorp in its reasonable judgment.

1.9 "**Default Security**", unless otherwise agreed to by the Parties in writing, means the amount of either a Letter of Credit or cash placed in an escrow account sufficient to replacetwelve (12) average months of replacement power costs over the term of this Agreement, and shall be calculated by taking the average, over the term of this Agreement, of the positive difference between (a) the monthly forward power prices at the Mid-Columbia market index as published by Dow Jones (determined by PacifiCorp in good faith using information from a commercially reasonable independent source), multiplied by 110%, minus (b) the average of the Fixed Avoided Cost Prices specified in Schedule 37, and multiplying such difference by (c) the Minimum Annual Delivery; provided, however, the amount of Default Security shall in no event be less than the amount equal to the payments PacifiCorp would make for three (3) average months based on Seller's average monthly volume over the term of this Agreement and utilizing the average Fixed Avoided Cost Prices specified in Schedule 37. Such amount shall be fixed at the Effective Date of this Agreement.

1.10 "**Effective Date**" shall have the meaning set forth in Section 2.1.

1.11 "**Energy Delivery Schedule**" shall have the meaning set forth in Section 4.5.

1.12 **"Environmental Attributes"** shall have the meaning set forth in Section 5.5. <1> TKF

~~1.12~~1.13 "**Excess Output**" shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Capacity Rating.

~~1.13~~1.14 **"Facility"** shall have the meaning set forth in Recital A.

~~1.14~~1.15 **"Facility Capacity Rating"** means the sum of the Nameplate Capacity Ratings for all generators comprising the Facility.

~~1.15~~1.16 **"FERC"** means the Federal Energy Regulatory Commission, or its successor.

~~1.16~~1.17 **"Generation Interconnection Agreement"** means the generation interconnection agreement to be entered into separately between Seller and PacifiCorp's transmission or distribution department, as applicable, providing for the construction, operation, and maintenance of PacifiCorp's interconnection facilities required to accommodate deliveries of Seller's Net Output if the Facility is to be interconnected directly with PacifiCorp rather than another electric utility.

~~1.17~~1.18 **"Letter of Credit"** means an irrevocable standby letter of credit, from an institution that has a long-term senior unsecured debt rating of "A" or greater from S&P or "A2" or greater from Moody's, in a form reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder.

~~1.18~~1.19 **"Licensed Professional Engineer"** means a person acceptable to PacifiCorp in its reasonable judgment who is licensed to practice engineering in the state of Oregon who has no economic relationship, association, or nexus with the Seller, and who is not a representative of a consulting engineer, contractor, designer or other individual involved in the development of the Facility, or of a manufacturer or supplier of any equipment installed in the Facility. Such Licensed Professional Engineer shall be licensed in an appropriate engineering discipline for the required certification being made.

~~1.19~~1.20 "**Material Adverse Change**" means the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller's ability to develop, construct, operate, maintain or own the Facility as provided in this Agreement

~~1.20~~1.21 "**Maximum Annual Delivery"** shall have the meaning set forth in Section 4.3.

~~1.21~~1.22 "**Minimum Annual Delivery**" shall have the meaning set forth in Section 4.3.

~~1.22~~1.23 **"Nameplate Capacity Rating"** means the maximum generating capacity, as provided by the manufacturer, in kW, of any qualifying small power or cogeneration unit supplying all or part of the Facility's Net Output. Voluntary curtailment by Seller of a generating unit cannot reduce the Nameplate Capacity Rating of that unit.

~~1.23~~1.24 "**Net Energy"** means the energy component, in kWh, of Net Output.

~~1.24~~1.25 **"Net Output"** means all energy and capacity produced by the Facility, less station use and less transformation and transmission losses and other adjustments (e.g., Seller's load other than station use), if any. For purposes of calculating payment under this Agreement, Net Output of energy shall be the amount of energy flowing through the Point of Delivery.

~~1.25~~1.26 "**Net Replacement Power Costs"** shall have the meaning set forth in Section 11.4.1.

~~1.26~~1.27 **"Off-Peak Hours"** means all hours of the week that are not On-Peak Hours.

~~1.27~~1.28 **"On-Peak Hours"** means the hours between 6 a.m. Pacific Prevailing Time ("**PPT**") and 10 p.m. PPT, Mondays through Saturdays, excluding all hours occurring on holidays as provided in Schedule 37.

~~1.28~~1.29 **"Point of Delivery"** means the high side of the Seller's step-up transformer(s) located at the point of interconnection between the Facility and PacifiCorp's distribution/ transmission system, as specified in the Generation Interconnection Agreement, or, if the Facility is not interconnected directly with PacifiCorp, the point at which another utility will deliver the Net Output to PacifiCorp as specified in **Exhibit B**.

~~1.29~~1.30 **"Prime Rate"** means the publicly announced prime rate for commercial loans to large businesses with the highest credit rating in the United States in effect from time to time quoted by Citibank, N.A. If a Citibank, N.A. prime rate is not available, the applicable Prime Rate shall be the announced prime rate for commercial loans in effect from time to time quoted by a bank with $10 billion or more in assets in New York City, New York, selected by the Party to whom interest based on the Prime Rate is being paid.

~~1.30~~1.31 **"Prudent Electrical Practices"** means any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices 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.

~~1.31~~1.32 **"QF"** means "**Qualifying Facility,**" as that term is defined in the FERC regulations (codified at 18 CFR Part 292) in effect on the Effective Date.

~~1.32~~1.33 "**Replacement Price"** means the price at which PacifiCorp, acting in a commercially reasonable manner, purchases for delivery at the Point of Delivery a replacement for any Net Output that Seller is required to deliver under this Agreement plus (i) costs reasonably incurred by PacifiCorp in purchasing such replacement Net Output, and (ii) additional transmission charges, if any, reasonably incurred by PacifiCorp in causing replacement energy to be delivered to the Point of Delivery. If PacifiCorp elects not to make such a purchase, the Replacement Price shall be the market price at the Mid-Columbia trading hub for such energy not delivered, plus any additional cost or expense incurred as a result of Seller's failure to deliver, as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges).

~~1.33~~1.34 **"Required Facility Documents"** means all licenses, permits, authorizations, and agreements, including a Generation Interconnection Agreement or equivalent, necessary for construction, operation, and maintenance of the Facility consistent with the terms of this Agreement, including without limitation those set forth in **Exhibit C.**

~~1.34~~1.35 "**Schedule 37**" means the Schedule 37 of Pacific Power & Light Company's Commission-approved tariffs, providing pricing options for Qualifying Facilities of 10,000 kW or less, which is in effect on the Effective Date of this Agreement. A copy of that Schedule 37 is attached as **Exhibit F**.

~~1.35~~1.36 **"Scheduled Commercial Operation Date"** shall have the meaning set forth in Recital C.

~~1.36~~1.37 "**Scheduled Initial Delivery Date**" shall have the meaning set forth in Recital B.

~~1.37~~1.38 **"Start-Up Testing"** means the completion of required factory and start-up tests as set forth in **Exhibit E** hereto.

~~1.38~~1.39 "**Termination Date**" shall have the meaning set forth in Section 2.4.

SECTION 2: TERM; COMMERCIAL OPERATION DATE

2.1 This Agreement shall become effective after execution by both Parties ("**Effective Date**").

2.2 **Time is of the essence for this Agreement,** and Seller's ability to meet certain requirements prior to the Commercial Operation Date and to deliver Net Output by the Scheduled Commercial Operation Date is critically important. Therefore,

2.2.1 By January 1st, 2007, Seller shall provide PacifiCorp with a copy of an executed Generation Interconnection Agreement, or wheeling agreement, as applicable, which shall be consistent with all material terms and requirements of this Agreement.

2.2.2 Upon completion of construction, Seller, in accordance with Section 6.1, shall provide PacifiCorp with an As-built Supplement acceptable to PacifiCorp;

2.2.3 By the date thirty (30) days after the Effective Date, Seller shall provide Default Security required under Sections 10.1 or 10.2, as applicable.

2.3 Seller shall cause the Facility to achieve Commercial Operation on or before the Scheduled Commercial Operation Date. If Commercial Operation occurs after the Scheduled Commercial Operation Date, Seller shall be in default, and liable for delay damages specified in Section 11.

2.4 Except as otherwise provided herein, this Agreement shall terminate on December 31, 2017 ("**Termination Date**").

SECTION 3: REPRESENTATIONS AND WARRANTIES

3.1 PacifiCorp represents, covenants, and warrants to Seller that:

3.1.1 PacifiCorp is duly organized and validly existing under the laws of the State of Oregon.

3.1.2 PacifiCorp has the requisite corporate power and authority to enter into this Agreement and to perform according to the terms of this Agreement.

3.1.3 PacifiCorp has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.1.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on PacifiCorp or any valid order of any court, or any regulatory agency or other body having authority to which PacifiCorp is subject.

3.1.5 This Agreement is a valid and legally binding obligation of PacifiCorp, enforceable against PacifiCorp in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2 Seller represents, covenants, and warrants to PacifiCorp that:

3.2.1 Seller is a limited liability company duly organized and validly existing under the laws of Oregon.

3.2.2 Seller has the requisite power and authority to enter into this Agreement and to perform according to the terms hereof, including all required regulatory authority to make wholesale sales from the Facility.

3.2.3 Seller has taken all actions required to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby.

3.2.4 The execution and delivery of this Agreement does not contravene any provision of, or constitute a default under, any indenture, mortgage, or other material agreement binding on Seller or any valid order of any court, or any regulatory agency or other body having authority to which Seller is subject.

3.2.5 This Agreement is a valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms (except as the enforceability of this Agreement may be limited by bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies and except as the enforceability of this Agreement may be subject to general principles of equity, whether or not such enforceability is considered in a proceeding at equity or in law).

3.2.6 The Facility is and shall for the term of this Agreement continue to be a QF, and Seller will operate the Facility in a manner consistent with its FERC QF certification. Seller has provided to PacifiCorp the appropriate QF certification (which may include a FERC self-certification) prior to PacifiCorp's execution of this Agreement. At any time during the term of this Agreement, PacifiCorp may require Seller to provide PacifiCorp with evidence satisfactory to PacifiCorp in its reasonable discretion that the Facility continues to qualify as a QF under all applicable requirements and, if PacifiCorp is not satisfied that the Facility qualifies for such status, a written legal opinion from an attorney who is (a) in good standing in the state of Oregon, and (b) who has no economic relationship, association or nexus with the Seller or the Facility, stating that the Facility is a QF and providing sufficient proof (including copies of all documents and data as PacifiCorp may request) demonstrating that Seller has maintained and will continue to maintain the Facility as a QF.

3.2.7 Compliance with Partial Stipulation in Commission Proceeding No. UM-<1> TKF
1129. Seller will not make any changes in its ownership, control, or management during the term of this Agreement that would cause it to not be in compliance with the definition of a Small Cogeneration Facility or Small Power Production Facility provided in PacifiCorp's Schedule 37 tariff approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by PacifiCorp not more frequently than every 36 months, such documentation and information as reasonably may be required to establish Seller's continued compliance with such Definition. PacifiCorp agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except PacifiCorp will provide all such confidential information to the Public Utility Commission of Oregon upon the Commission's request.

~~3.2.7~~3.2.8 Additional Seller Creditworthiness Warranties. Seller need not post security under Section 10 for PacifiCorp's benefit in the event of Seller default, provided that Seller warrants all of the following:

(a) Neither the Seller nor any of its principal equity owners is or has within the past two (2) years been the debtor in any bankruptcy proceeding, is unable to pay its bills in the ordinary course of its business, or is the subject of any legal or regulatory action, the result of which could reasonably be expected to impair Seller's ability to own and operate the Facility in accordance with the terms of this Agreement.

(b) Seller has not at any time defaulted in any of its payment obligations for electricity purchased from PacifiCorp.

(c) Seller is not in default under any of its other agreements and is current on all of its financial obligations, including construction<1> TKF
related financial obligations.

(d) Seller owns, and will continue to own for the term of this Agreement, all right, title and interest in and to the Facility, free and clear of all liens and encumbrances other than liens and encumbrances related to third-party financing of the Facility.

(e) **[Applicable only to Seller's with a Facility having a Facility Capacity Rating greater than 3 MW]** Seller meets the Credit Requirements.

Seller hereby declares (Seller initial one only):

_______ Seller affirms and adopts all warranties of this Section 3.2.~~7~~8, and therefore is not required to post security under Section 10; or

___TKF_ Seller does not affirm and adopt all warranties of this Section 3.2.~~7~~8, and therefore Seller elects to post the security specified in Section 10 .

3.3 Notice. If at any time during this Agreement, any Party obtains actual knowledge of any event or information which would have caused any of the representations and warranties in this Section 3 to have been materially untrue or misleading when made, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

SECTION 4: DELIVERY OF POWER

4.1 Commencing on the Commercial Operation Date, unless otherwise provided herein, Seller will sell and PacifiCorp will purchase all Net Output from the Facility.

4.2 Average Annual Generation. Seller estimates that the Facility will generate, on average, 62,556,600 kWh per Contract Year ("**Average Annual Generation**"). Seller may, upon at least six months prior written notice, modify the Average Annual Generation every other Contract Year.

4.3 Minimum and Maximum Delivery. Seller shall make available from the Facility a minimum of 38,763,570 kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year shall be reduced pro rata to reflect the Commercial Operation Date, and further provided that such minimum Net Output shall be reduced on a pro-rata basis for any periods during a Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure ("**Minimum Annual Delivery**"). Seller estimates, for informational purposes, that it will make available from the Facility a maximum of 80,044,800 kWh of Net Output during each Contract Year ("**Maximum Annual Delivery**"). Seller's basis for determining the Minimum and Maximum Annual Delivery amounts is set forth in **Exhibit D.**

4.4 Deliveries in Deficit of Delivery Obligation. Seller's failure to deliver the Minimum Annual Delivery in any Contract Year (prorated if necessary) shall be a default, and Seller shall be liable for damages in accordance with Section 11.

4.5 Energy Delivery Schedule. Seller has provided a monthly schedule of Net Energy expected to be delivered by the Facility ("**Energy Delivery Schedule**"), incorporated into **Exhibit D**.

SECTION 5: PURCHASE PRICES

5.1 Seller shall have the option to select one of three pricing options: Fixed Avoided Cost Prices ("Fixed Price"), Gas Market Indexed Avoided Cost Prices ("Gas Market"), or Banded Gas Market Indexed Avoided Cost Prices ("Banded Gas Market"), as published in Schedule 37. Once an option is selected the option will remain in effect for the duration of the Facility's contract. Seller has selected the following (Seller to initial one):

__TKF__	Fixed Price
_______	Gas Market
_______	Banded Gas Market

A copy of Schedule 37, and a table summarizing the purchase prices under the pricing option selected by Seller, is attached as **Exhibit F.**

5.2 (Fixed Price Sellers Only). In the event Seller elects the Fixed Price payment method, PacifiCorp shall pay Seller the applicable On-Peak and Off-Peak rates specified in **Schedule 37** during the first fifteen (15) years after the Scheduled Initial Delivery Date. Thereafter, PacifiCorp shall pay Seller market-based rates, using the following pricing option (Seller to initial one):

__N/A__	Gas Market
__N/A__	Banded Gas Market

5.3 If the Seller elects a gas market indexed price option, the index shall be the Opal Gas Market Index as provided in Schedule 37. In the event that Platt ceases to publish the Opal Gas Market Index, the Company shall replace the index with a similar gas index.

5.4 PacifiCorp shall pay Seller the Off-peak Price for all Excess Output and for all Net Output delivered prior to the Commercial Operation Date. Such payment will be accomplished by adjustments pursuant to Section 9.2.

5.5 Environmental Attributes. PacifiCorp waives any claim to Seller's ownership of <1> TKF Environmental Attributes under this Agreement. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) (as those terms are commonly used in the regional electric industry) directly associated with the production of energy from the Seller's Facility.

SECTION 6: OPERATION AND CONTROL

6.1 As-Built Supplement. Upon completion of initial (or any subsequent) construction <1> TKF of the Facility, Seller shall provide PacifiCorp an As-built Supplement to specify the actual Facility as built. The As-built Supplement must be reviewed and approved by PacifiCorp, which approval shall not unreasonably be withheld, conditioned or delayed. Seller shall not increase the Facility Capacity Rating above that specified in **Exhibit A** or increase the ability of the

Facility to deliver Net Output in quantities in excess of the Facility Capacity Rating through any means including, but not limited to, replacement of, modification of, or addition of existing equipment, except with the written consent of PacifiCorp.

6.2 Incremental Utility Upgrades. At start-up (and at any other time upon at least six<1> month's prior written notice), Seller may increase Net Output, if such increase is due to normal variances in estimated versus actual performance, changed Facility operations, or improvements in Facility efficiency. Seller may not increase Net Output under this Agreement by installing additional generating units. In the case of substantial upgrades, PacifiCorp may require Seller to comply with Section 3.2.8(e) (in the event that the Facility upgrade causes the Facility Capacity Rating to exceed 3,000 kW) and increase its Minimum Annual Delivery obligation in Section 4.3 (if appropriate). PacifiCorp may also update Seller's security obligation (if applicable). So long as the Facility Capacity Rating after the upgrade is 10,000 kW or less, Seller will continue to receive the Contract Price for the Net Output, as set forth in Section 5.1 and 5.2 of this Agreement. If Seller increases the Facility Capacity Rating above 10,000 kW, then (on a going forward basis) PacifiCorp shall pay Seller the Contract price for the fraction of total Net Output equal to 10,000 kW divided by the Facility Capacity Rating of the upgraded Facility. For the remaining fraction of Net Output, PacifiCorp and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Facility Capacity Rating or the maximum instantaneous capacity of the Facility complies with Seller's Generation Interconnection Agreement and any other agreements with PacifiCorp.

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~~6.2~~6.3 Seller shall operate and maintain the Facility in a safe manner in accordance with the Generation Interconnection Agreement (if applicable), Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall have no obligation to purchase Net Output from the Facility to the extent the interconnection between the Facility and PacifiCorp's electric system is disconnected, suspended or interrupted, in whole or in part, pursuant to the Generation Interconnection Agreement, or to the extent generation curtailment is required as a result of Seller's non-compliance with the Generation Interconnection Agreement. PacifiCorp shall have the right to inspect the Facility to confirm that Seller is operating the Facility in accordance with the provisions of this Section 6.~~2~~3 upon reasonable notice to Seller. Seller is solely responsible for the operation and maintenance of the Facility. PacifiCorp shall not, by reason of its decision to inspect or not to inspect the Facility, or by any action or inaction taken with respect to any such inspection, assume or be held responsible for any liability or occurrence arising from the operation and maintenance by Seller of the Facility.

~~6.3~~6.4 Scheduled Outages. Seller may cease operation of the entire Facility or individual units, if applicable, for maintenance or other purposes. Seller shall exercise its best efforts to notify PacifiCorp of planned outages at least ninety (90) days prior, and shall reasonably accommodate PacifiCorp's request, if any, to reschedule such planned outage in order to accommodate PacifiCorp's need for Facility operation.

~~6.4~~6.5 Unplanned Outages. In the event of an unscheduled outage or curtailment exceeding twenty-five (25) percent of the daily scheduled delivery (other than curtailments due to lack of motive force), Seller immediately shall notify PacifiCorp of the necessity of such unscheduled outage or curtailment, the time when such has occurred or will occur and the anticipated duration. Seller shall take all reasonable measures and exercise its best efforts to avoid unscheduled outage or curtailment, to limit the duration of such, and to perform unscheduled maintenance during Off-Peak hours.

SECTION 7: FUEL/MOTIVE FORCE

Prior to the Effective Date of this Agreement, Seller provided to PacifiCorp a fuel or motive force plan acceptable to PacifiCorp in its reasonable discretion and attached hereto as **Exhibit D-1,** together with a certification from a Licensed Professional Engineer to PacifiCorp attached hereto as **Exhibit D-2**, certifying that the implementation of the fuel or motive force plan can reasonably be expected to provide fuel or motive force to the Facility for the duration of this Agreement adequate to generate power and energy in quantities necessary to deliver the Minimum Annual Delivery set forth by Seller in Section 4.

SECTION 8: METERING

8.1 PacifiCorp shall design, furnish, install, own, inspect, test, maintain and replace all metering equipment required pursuant to the Generation Interconnection Agreement, if applicable.

8.2 Metering shall be performed at the location and in a manner consistent with this Agreement and as specified in the Generation Interconnection Agreement. All quantities of energy purchased hereunder shall be adjusted to account for electrical losses, if any between the point of metering and the Point of Delivery, so that the purchased amount reflects the net amount of energy flowing into PacifiCorp's system at the Point of Delivery.

8.3 PacifiCorp shall periodically inspect, test, repair and replace the metering equipment as provided in the Generation Interconnection Agreement, if applicable. If any of the inspections or tests ~~disclose~~discloses an error exceeding two percent (2%), either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three (3) Billing Periods, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction in the meter records shall be made in the next monthly billing or payment rendered following the repair of the meter.

SECTION 9: BILLINGS, COMPUTATIONS, AND PAYMENTS

9.1 On or before the thirtieth (30th) day following the end of each Billing Period, PacifiCorp shall send to Seller payment for Seller's deliveries of Net Output to PacifiCorp, together with computations supporting such payment. PacifiCorp may offset any such payment to reflect amounts owing from Seller to PacifiCorp pursuant to this Agreement, the Generation Interconnection Agreement, or any other agreement between the Parties.

9.2 Corrections. PacifiCorp shall have up to eighteen months to adjust any payment made pursuant to Section 9.1. In the event PacifiCorp determines it has overpaid Seller (for Excess Output or otherwise), PacifiCorp may adjust Seller's future payment accordingly in order to recapture any overpayment in a reasonable time.

9.3 Any amounts owing after the due date thereof shall bear interest at the Prime Rate plus two percent (2%) from the date due until paid; *provided*, *however*, that the interest rate shall at no time exceed the maximum rate allowed by applicable law.

SECTION 10: SECURITY

Unless Seller has adopted the creditworthiness warranties contained in Section 3.2.~~7~~8, Seller must provide security (if requested by PacifiCorp) in the form of a cash escrow, letter of credit, senior lien, or step-in rights. Seller hereby elects to provide, in accordance with the applicable terms of this Section 10, the following security (Seller to initial one selection only):

____ Cash Escrow

_____ Letter of Credit

TKF Senior Lien

_____ Step-in Rights

_____ Seller has adopted the Creditworthiness Warranties of Section 3.2.~~7~~8.

In the event Seller's obligation to post default security (under Section 10 or Section 11.1.4) arises solely from Seller's delinquent performance of construction-related financial obligations, upon Seller's request, PacifiCorp will excuse Seller from such obligation in the event Seller has negotiated financial arrangements with its construction lenders that mitigate Seller's financial risks to PacifiCorp's reasonable satisfaction. TKF

[SKIP THIS SECTION 10.1 UNLESS SELLER SELECTED CASH ESCROW ALTERNATIVE]

10.1 Cash Escrow Security. Seller shall deposit in an escrow account established by PacifiCorp in a banking institution acceptable to both Parties, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.2 UNLESS SELLER SELECTED LETTER OF CREDIT ALTERNATIVE]

10.2 Letter of Credit Security. Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to PacifiCorp in its discretion, or (b) a Letter of Credit in favor of PacifiCorp. To the extent PacifiCorp receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

[SKIP THIS SECTION 10.3 UNLESS SELLER SELECTED SENIOR LIEN ALTERNATIVE]

10.3 Senior Lien. Before the Scheduled Commercial Operation Date, Seller shall grant PacifiCorp a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to PacifiCorp in the reasonable exercise of its discretion). Pending delivery of the senior lien to PacifiCorp, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to PacifiCorp's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

[SKIP THIS SECTION 10.4 UNLESS SELLER SELECTED STEP-IN RIGHTS ALTERNATIVE]

10.4 Step-in Rights (Operation by PacifiCorp Following Event of Default of Seller).

10.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in Section 11, PacifiCorp shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to PacifiCorp's right under this Section 10.4.

10.4.2 PacifiCorp shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of PacifiCorp's rights under this Section 10.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, PacifiCorp, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints PacifiCorp as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as PacifiCorp may reasonably deem necessary or appropriate to exercise PacifiCorp's step-in rights under this Section 10.4.

10.4.3 During any period that PacifiCorp is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

10.4.4 During any period that PacifiCorp is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and PacifiCorp shall assume possession, operation, and control solely as agent for Seller.

(a) In the event PacifiCorp is in possession and control of the Facility for an interim period, Seller shall resume operation and PacifiCorp shall relinquish its right to operate when Seller demonstrates to PacifiCorp's reasonable satisfaction that it will remove those grounds that originally gave rise to PacifiCorp's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed PacifiCorp to exercise its rights under this Section 10.4.

(b) In the event that PacifiCorp is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and PacifiCorp shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

10.4.5 PacifiCorp's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by PacifiCorp of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility PacifiCorp elects to return such possession and operation to Seller, PacifiCorp shall provide Seller with at least fifteen (15) calendar days advance notice of the date PacifiCorp intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

~~10.5 As a condition to providing a Senior Lien or Step-in Rights, Seller shall, before the Scheduled Commercial Operation Date, post and maintain, in an amount reasonably determined by PacifiCorp, a Letter of Credit in favor of PacifiCorp, which PacifiCorp, during the term of this Agreement, can draw upon to satisfy amounts PacifiCorp might reasonably incur in order to satisfy environmental remediation requirements.~~ <1> TKF

SECTION 11: DEFAULTS AND REMEDIES

11.1 Events of Default. The following events shall constitute defaults under this Agreement:

11.1.1 Breach of Material Term. Failure of a Party to perform any material obligation imposed upon that Party by this Agreement (including but not limited to failure by Seller to meet any deadline set forth in Section 2) or breach by a Party of a representation or warranty set forth in this Agreement.

11.1.2 Default on Other Agreements. Seller's failure to cure any default under any commercial or financing agreements or instrument (including the

Generation Interconnection Agreement) within the time allowed for a cure under such agreement or instrument.

11.1.3 Insolvency. A Party (a) makes an assignment for the benefit of its creditors; (b) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within sixty (60) days after such filing; (c) becomes insolvent; or (d) is unable to pay its debts when due.

11.1.4 Material Adverse Change. A Material Adverse Change has occurred with respect to Seller and Seller fails to provide such performance assurances as are reasonably requested by PacifiCorp, including without limitation the posting of additional Default Security, within thirty (30) days from the date of such request;

11.1.5 Delayed Commercial Operations. Seller's failure to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date.

11.1.6 Underdelivery. If Seller's Facility has a Facility Capacity Rating of 100<1> TKF kW or less, Seller's failure to satisfy the minimum delivery obligation of Section 4.3 for two (2) consecutive years; else Seller's failure to satisfy<1> TKF the minimum delivery obligation of Section 4.3 for one year.

11.2 Notice; Opportunity to Cure.

11.2.1 Notice. In the event of any default hereunder, the non-defaulting Party must notify the defaulting Party in writing of the circumstances indicating the default and outlining the requirements to cure the default.

11.2.2 Opportunity to Cure. A Party defaulting under Section 11.1.1 or 11.1.5 shall have thirty (30) days to cure after receipt of proper notice from the non-defaulting Party. This thirty (30) day period shall be extended by an additional ninety (90) days if (a) the failure cannot reasonably be cured within the thirty (30) day period despite diligent efforts, (b) the default is capable of being cured within the additional ninety (90) day period, and (c) the defaulting Party commences the cure within the original thirty (30) day period and is at all times thereafter diligently and continuously proceeding to cure the failure.

11.2.3 Seller Default Under Other Agreements. Seller shall cause any notices of default under any of its commercial or financing agreements or instruments to be sent by the other party to such agreements or instruments, or immediately forwarded, to PacifiCorp as a notice in accordance with Section 23.

11.2.4 Seller Delinquent on Construction-related Financial Obligations. Seller<1> TKF promptly shall notify PacifiCorp (or cause PacifiCorp to be notified) anytime it becomes delinquent under any construction related financing agreement or instrument related to the Facility. Such delinquency may constitute a Material Adverse Change, subject to Section 11.1.4.

11.3 Termination.

11.3.1 Notice of Termination. If a default described herein has not been cured within the prescribed time, above, the non-defaulting Party may terminate this Agreement at its sole discretion by delivering written notice to the other Party and may pursue any and all legal or equitable remedies provided by law or pursuant to this Agreement; *provided, however* that PacifiCorp shall not terminate: (a) for a default under Section 11.1.5<1> TKF unless PacifiCorp is in a resource deficient state during the period Commercial Operation is delayed; or (b) for a default under Section 11.1.6, unless such default is material. The rights provided in Section 10 and this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. Further, the Parties may by mutual written agreement amend this Agreement in lieu of a Party's exercise of its right to terminate.

11.3.2 In the event this Agreement is terminated because of Seller's default and Seller wishes to again sell Net Output to PacifiCorp following such termination, PacifiCorp in its sole discretion may require that Seller shall do so subject to the terms of this Agreement, including but not limited to the Contract Price, until the Termination Date (as set forth in Section 2.4). At such time Seller and PacifiCorp agree to execute a written document ratifying the terms of this Agreement.

11.3.3 Damages. If this Agreement is terminated as a result of Seller's default, Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the sum of the Replacement Price for the Minimum Annual Delivery that Seller was otherwise obligated to provide for a period of twenty-four (24) months from the date of termination plus any cost incurred for transmission purchased to deliver the replacement power to the Point of Delivery, and the estimated administrative cost to the utility to acquire replacement power. Amounts owed by Seller pursuant to this paragraph shall be due within five (5) business days after any invoice from PacifiCorp for the same.

11.3.4 If this Agreement is terminated because of Seller's default, PacifiCorp may foreclose upon any security provided pursuant to Section 10 to satisfy any amounts that Seller owes PacifiCorp arising from such default.

11.4 Damages.

11.4.1 Failure to Deliver Net Output. In the event of Seller default under Subsection 11.1.5 or Subsection 11.1.6, then Seller shall pay PacifiCorp the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price for any energy and capacity that Seller was otherwise obligated (under Section 4.3) to provide during the period of default ("**Net Replacement Power Costs**"); *provided, however*, that the positive difference obtained by subtracting the Contract Price from the Replacement Price shall not exceed the Contract Price, and the period of default under this Section 11.4.1 shall not exceed one Contract Year. <1> JKF

11.4.2 Recoupment of Damages.

(a) Default Security Available. If Seller has posted Default Security, PacifiCorp may draw upon that security to satisfy any damages, above.

(b) Default Security Unavailable. If Seller has not posted Default Security, or if PacifiCorp has exhausted the Default Security, PacifiCorp may collect any remaining amount owing by partially withholding future payments to Seller over a reasonable period of time, which period shall not be less than the period over which the default occurred. PacifiCorp and Seller shall work together in good faith to establish the period, and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility.

SECTION 12: INDEMNIFICATION AND LIABILITY

12.1 Indemnities.

12.1.1 Indemnity by Seller. Seller shall release, indemnify and hold harmless PacifiCorp, its directors, officers, agents, and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with (a) the energy delivered by Seller under this Agreement to and at the Point of Delivery, (b) any facilities on Seller's side of the Point of Delivery, (c) Seller's operation and/or maintenance of the Facility, or (d) arising from this Agreement, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property belonging to PacifiCorp, Seller or others, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of PacifiCorp, its directors, officers, employees, agents or representatives.

12.1.2 Indemnity by PacifiCorp. PacifiCorp shall release, indemnify and hold harmless Seller, its directors, officers, agents, Lenders and representatives against and from any and all loss, fines, penalties, claims, actions or suits, including costs and attorney's fees, both at trial and on appeal, resulting from, or arising out of or in any way connected with the energy delivered by Seller under this Agreement after the Point of Delivery, including without limitation any loss, claim, action or suit, for or on account of injury, bodily or otherwise, to, or death of, persons, or for damage to, or destruction or economic loss of property, excepting only such loss, claim, action or suit as may be caused solely by the fault or gross negligence of Seller, its directors, officers, employees, agents, Lenders or representatives.

12.2 No Dedication. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public, nor affect the status of PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

12.3 No Consequential Damages. EXCEPT TO THE EXTENT SUCH DAMAGES ARE INCLUDED IN THE LIQUIDATED DAMAGES, DELAY DAMAGES, COST TO COVER DAMAGES OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE.

SECTION 13: INSURANCE *(FACILITIES OVER 200KW ONLY)*

13.1 Certificates. Prior to connection of the Facility to PacifiCorp's electric system Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) (of "ACORD Form" or the equivalent) certifying Seller's compliance with the insurance requirements hereunder. Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate. If requested by PacifiCorp, a copy of each insurance policy, certified as a true copy by an authorized representative of the issuing insurance company, shall be furnished to PacifiCorp.

13.2 Required Policies and Coverages. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than "~~A-:VII~~B+" by the A.M. Best Company<1> TKF the insurance coverage specified below:

13.2.1 Commercial General Liability insurance, to include contractual liability, with a minimum single limit of $1,000,000 to protect against and from all loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement.

13.2.2 All Risk Property insurance providing coverage in an amount at least equal to the full replacement value of the Facility against "all risks" of physical loss or damage, including coverage for earth movement, flood, and boiler and machinery. The Risk policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. The Risk Policy will be maintained in accordance with terms available in the insurance market for similar facilities.

13.3 The Commercial General Liability policy required herein shall include i) provisions or endorsements naming PacifiCorp, its Board of Directors, Officers and employees as additional insureds, and ii) cross liability coverage so that the insurance applies separately to each insured against whom claim is made or suit is brought, even in instances where one insured claims against or sues another insured.

13.4 All liability policies required by this Agreement shall include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder, and provisions that such policies shall not be canceled or their limits of liability reduced without 1) ten (10) days prior written notice to PacifiCorp if canceled for nonpayment of premium, or 2) thirty (30) days prior written notice to PacifiCorp if canceled for any other reason.

13.5 Insurance coverage provided on a "claims-made" basis shall be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

SECTION 14: FORCE MAJEURE

14.1 As used in this Agreement, "**Force Majeure**" or "**an event of Force Majeure**" means any cause beyond the reasonable control of the Seller or of PacifiCorp which, despite the exercise of due diligence, such Party is unable to prevent or overcome. By way of example, Force Majeure may include but is not limited to acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes, and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, restraint by court order or other delay or failure in the performance as a result of any action or inaction on behalf of a public authority which by the exercise of reasonable foresight such Party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome, subject, in each case, to the requirements of the first sentence of this paragraph. Force Majeure, however, specifically excludes the cost or availability of fuel or motive force resources to operate the Facility or changes in market conditions that affect the price of energy or transmission. If either Party is rendered wholly or in part unable to perform its obligation under this Agreement because of an event of Force Majeure, that Party shall be excused from whatever performance is affected by the event of Force Majeure to the extent and for the duration of the event of Force Majeure, after which such Party shall re-commence performance of such obligation, provided that:

14.1.1 the non-performing Party, shall, within two (2) weeks after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence; and

14.1.2 the suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure; and

14.1.3 the non-performing Party uses its best efforts to remedy its inability to perform.

14.2 No obligations of either Party which arose before the Force Majeure causing the suspension of performance shall be excused as a result of the event of Force Majeure.

14.3 Neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

14.4 PacifiCorp may terminate the Agreement if Seller fails to remedy Seller's inability to perform, due to an event of Force Majeure, within six months after the occurrence of the event.

SECTION 15: SEVERAL OBLIGATIONS

Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation or liability between the Parties. If Seller includes two or more parties, each such party shall be jointly and severally liable for Seller's obligations under this Agreement.

SECTION 16: CHOICE OF LAW

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Oregon, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

SECTION 17: PARTIAL INVALIDITY

It is not the intention of the Parties to violate any laws governing the subject matter of this Agreement. If any of the terms of the Agreement are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms of the Agreement shall remain in effect. If any terms are finally held or determined to be invalid, illegal or void, the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any applicable law and the intent of the Parties to this Agreement.

SECTION 18: WAIVER

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 matters arising in connection with this Agreement must be in writing, and such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

SECTION 19: GOVERNMENTAL JURISDICTIONS AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party or this Agreement. Seller shall at all times maintain in effect all local, state and federal licenses, permits and other approvals as then may be required by law for the construction, operation and maintenance of the Facility, and shall provide upon request copies of the same to PacifiCorp.

SECTION 20: REPEAL OF PURPA

This Agreement shall not terminate upon the repeal of the PURPA, unless such termination is mandated by federal or state law.

SECTION 21: SUCCESSORS AND ASSIGNS

This Agreement and all of the terms hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties. No assignment hereof by either Party shall become effective without the written consent of the other Party being first obtained and such consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, either Party may assign this Agreement without the other Party's consent to a lender as part of a financing transaction or as part of (a) a sale of all or substantially all of the assigning Party's assets, or (b) a merger, consolidation or other reorganization of the assigning Party.

SECTION 22: ENTIRE AGREEMENT

22.1 This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding PacifiCorp's purchase of Net Output from the Facility. No modification of this Agreement shall be effective unless it is in writing and signed by both Parties.

22.2 By executing this Agreement, Seller releases PacifiCorp from any claims, known or unknown, that may have arisen prior to the Effective Date.

SECTION 23: NOTICES

23.1 All notices except as otherwise provided in this Agreement shall be in writing, shall be directed as follows and shall be considered delivered if delivered in person or when deposited in the U.S. Mail, postage prepaid by certified or registered mail and return receipt requested.

Notices	PacifiCorp	Seller
All Notices	PacifiCorp 825 NE Multnomah Street Portland, OR 97232 Attn: Contract Administration, Suite 600 Phone: (503) 813 - 5952 Facsimile: (503) 813 - 6291	Evergreen BioPower LLC PO Box 276 Lyons, OR 97358 Attn: T. Kyle Freres Phone: (503) 859-2121

Notices	PacifiCorp	Seller
	Duns: 00-790-9013 Federal Tax ID Number: 93-0246090	Facsimile: Duns: Federal Tax ID Number: 20-4808737
All Invoices:	(same as street address above) Attn: Back Office, Suite ~~600~~700 Phone: (503) 813 - 5585 Facsimile: (503) 813 – 5580	(same as address above) Attn: Accounts Payable Phone: (503) 859-2121 Fax: (503) 859-2112
Scheduling:	(same as street address above) Attn: Resource Planning, Suite 600 Phone: (503) 813 - 6090 Facsimile: (503) 813 – 6265	(same as address and phone above) Attn: Kyle Freres
Payments:	(same as street address above) Attn: Back Office, Suite ~~600~~700 Phone: (503) 813 - 5585 Facsimile: (503) 813 – 5580	(same as address and phone above) Attn: Accounts Receivable
Wire Transfer:	Bank One N.A. ABA: ACCT: NAME: PacifiCorp Wholesale	
Credit and Collections:	(same as street address above) Attn: Credit Manager, Suite ~~1800~~1900 Phone: (503) 813 - 5684 Facsimile: (503) 813 – 5609	
With Additional Notices of an Event of Default **or Potential Event of Default to:**	(same as street address above) Attn: PacifiCorp General Counsel~~,~~ ~~and~~ ~~Legal Counsel~~ Phone: (503) 813-~~6266 and (801) 220-4568~~5029 Facsimile: (503) 813-~~7262 and (801) 220-3299~~7252	

23.2 The Parties may change the person to whom such notices are addressed, or their addresses, by providing written notices thereof in accordance with this Section 23.

~~SECTION 24: COMMISSION INVESTIGATION~~

<1> JKF

~~The Seller and PacifiCorp acknowledge that the rates, terms and conditions specified in this Agreement and the related tariffs are being investigated by the Oregon Public Utility Commission. Upon a decision by the Oregon Public Utility Commission in the investigation, PacifiCorp will notify the Seller within ten calendar days. The Seller shall have thirty calendar days from the effective date of the revised standard contract and tariffs complying with the Commission's order to amend this Agreement if the Seller so chooses to adopt the revised standard contract and/or the revised rates, terms and conditions in the tariff approved by the Oregon Public Utility Commission as a result of the investigation.~~

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names as of the date first above written.

PacifiCorp

By: ____________________

Name: William J Fehrman

Title: President

Seller

By: ____________________

Name: Kyle Freres, Vice President, Freres Lumber

Title: Manager, Evergreen Biopower LLC

EXHIBIT A
DESCRIPTION OF SELLER'S FACILITY
[Seller to Complete]

Seller's Facility consists of one generators manufactured by General Electric. More specifically, each generator at the Facility is described as:

Type (synchronous or inductive):

Model: ATB-2
Number of Phases: 3
Rated Output (kW): Please see below.**Rated Output (kVA):**Please see below.
Rated Voltage (line to line): 13,800V
Rated Current (A): Stator: 1034 A; Rotor: 199 A
Maximum kW Output: 10,000 kW **Maximum kVA Output:** 12,500 @ .8 PFkVA
Minimum kW Output: 1500 kW
Manufacturer's Guaranteed Cut-in Wind Speed [if applicable]: N/A

Facility Capacity Rating: 10,000 kW at full steam generation and full steam condensing (zero process load)

Identify the maximum output of the generator(s) and describe any differences between that output and the Nameplate Capacity Rating:

Station service requirements (station use as described in Section 1.24), and other loads served by the Facility, if any, are described as follows: _Station service requirements for power generation equipment are approximately 575 kW, consisting of two cooling tower fans, two condensate pumps, two circulating water pumps, one component circulating water pump, seals collection tank pump, voltage regulator, and station lighting.

____.

Location of the Facility: The Facility is to be constructed in the vicinity of Lyons in Linn County, Oregon. The location is more particularly described as follows:

Approximately 0.586 acres leased from Freres Lumber Co., Inc. Property owned by Freres Lumber Co., Inc. described as follows:

Beginning on the Southerly line of the Southern Pacific Railroad right of way and on the East line of the Northeast Quarter of the Southwest Quarter of Section 19 in Township 9 south, Range 2 East, of the Willamette Meridian at a point which is 325.45 feet South 0° 19' West from the Northeast corner thereof; thence North 73° 03' West along the Southerly line of said Railroad right of way 1272.35 feet to the intersection of right of ways of State Highway 226 and said Railroad; thence South 17° 07' West along the Easterly right of way line of said State Highway, 292.38 feet; thence South 29° 23' West 25.01 feet to the West line of the Northeast Quarter of the Southwest Quarter of said Section; thence South 0° 22' West along said West line 74.12 feet to a point which is 330.00 feet South 0° 22' West from the Northwest Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence West 41.18 feet to the Easterly line of the said State Highway; thence South 29°23' West along the Easterly line of said State Highway 264.79 feet; thence East 169.55 feet to the West line of the Northeast Quarter of the Southwest Quarter of said Section; thence South 0° 22' West along said West line 80.59 feet to a point which is 676.56 feet North 0° 22' East from the Southwest Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 50° 29' East 848.69 feet to a point on the East line of the West half of the Northeast Quarter of the Southwest Quarter of said Section, which point is 1056.00 feet South 0° 20' 30" West from the Southerly line of said Railroad right of way; thence South 67° 51 East 357.32 feet to a point which is 990.00 feet North 89° 53' East from the Southwest corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 65° 57' East 356.60 feet o a point on the East line of the West half of said Section, which point is 145.99 feet South 0° 19' West from the Southeast Corner of the Northeast Quarter of the Southwest Quarter of said Section; thence South 623.63 feet along the East line of the West half of said Section to a point that is 543.84 feet Northerly of the Southwest Corner of the Southeast Quarter of said Section; thence Easterly 800.58 feet parallel to the South line of said section; thence Southerly 543.84 feet parallel with the West line of the East Half of said section; thence Easterly on the South line of said section 1139.16 feet to a point 689.70 feet West of the Southeast Corner of Section 19; thence Northerly parallel to the East line of said section 494.60 feet to the Southeast corner of a certain tract conveyed to Freres-Frank Lumber Company by deed recorded May 17, 1957 in Book 254, Page 365, Linn County Deed Records; thence West 120.00 feet; thence North 150.00 feet; thence East 120.00 feet to the Northeast Corner of said Freres – Frank tract; thence Northerly 1071.40 feet parallel to the East line of said section to the South line of the right of way of the Southern Pacific Railway Company; thence North 73° 49' West along said right of way 531.96 feet to an iron pipe; thence North 73° 49' West along said right of way 654.72 feet to an iron bar; thence North 73° 49' West along said right of way 848.10 feet to the point of beginning.

Property leased from Freres Lumber Co., Inc. by Evergreen BioPower, LLC bounded by the following coordinates:

Switchyard Area: .213 acres @ 85' x 100'		
Northeast Corner	Latitude	44° 46'20.478"N
	Longitude	122° 36'55.759"W
Northwest Corner	Latitude	44° 46'20.760"N
	Longitude	122° 36'57.294"W
Southwest Corner	Latitude	44° 46'20.046"N
	Longitude	122° 36'57.541"W
Southeast Corner	Latitude	44° 46'19.701"N
	Longitude	122° 36'56.199"W
Co-gen Building Area: .373 acres @ 144' x 127'		
Northwest Corner	Latitude	44° 46'14.528"N
	Longitude	122° 36'44.068"W
Southwest Corner	Latitude	44° 46'13.482"N
	Longitude	122° 36'44.545"W
Southeast Corner	Latitude	44° 46'13.098"N
	Longitude	122° 36'42.617"W
Northeast Corner	Latitude	44° 46'14.339"N
	Longitude	122° 36'42.288"W

Power factor requirements:

Rated Power Factor (PF) or reactive load (kVAR):

EXHIBIT B

INTERCONNECTION FACILITIES

POINT OF DELIVERY / SELLER'S INTERCONNECTION FACILITIES

Point of Delivery to be in the vicinity of existing PacifiCorp Lyons substation on PacifiCorp's existing Santiam- Hazelwood 69 kV line located in Lyons, Oregon. The Point of Metering is to be determined by PacifiCorp Transmission department.

Please see the single line drawing of facility for description of equipment and configuration on the following page.

EXHIBIT B

INTERCONNECTION FACILITIES – SINGLE LINE DRAWING

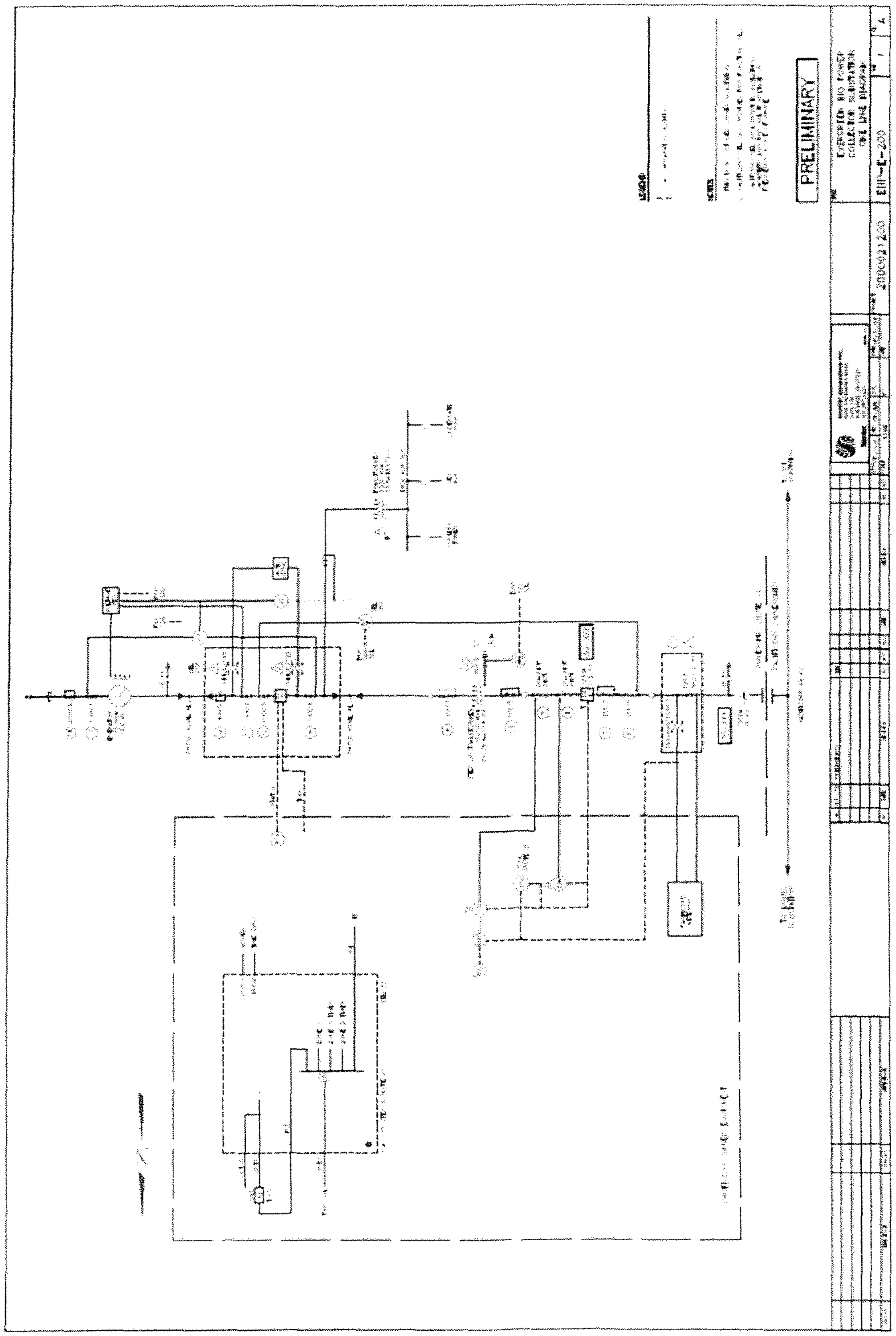

EXHIBIT C
REQUIRED FACILITY DOCUMENTS

Interconnection Agreement, Wheeling Agreement [if applicable], and [others to be identified]

FERC QF Number: QF06-222-000

Evergreen BioPower, LLC QF Small Generator Interconnection Agreement dated October 19, 2006 has been provided by Seller on December 19, 2006. A copy of the SGIA is retained in PacifiCorp's records.

SMALL GENERATOR INTERCONNECTION AGREEMENT
for a
QUALIFYING FACILITY
(QFSGIA)
between
PACIFICORP
and
EVERGREEN BIOPOWER LLC

(For Generating Facilities No Larger Than 20 MW Certified as Qualifying Facilities Under PURPA)

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Page No.

Article 14. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

For the Transmission Provider:

Name: K Houston

Title: Director, Transmission

Date: 10/19/06

For the Interconnection Customer:

Name:

Title: VP, Freres Lumber Co., Inc, Manager, Evergreen BioPower LLC

Date: 10/18/06

EXHIBIT D-1
SELLER'S MOTIVE FORCE PLAN

A. MONTHLY DELIVERY SCHEDULES AND SCHEDULED MAINTENANCE

Month	Average Energy (kWh)
January	5,507,400
February	4,965,600
March	5,507,400
April	5,349,600
May	4,197,600
June	5,349,600
July	5,575,800
August	5,439,000
September	5,418,000
October	5,439,000
November	5,349,600
December	4,334,400

Facility operating hours were calculated assuming that the turbine would be operational 24 hours per day for each day out of the year except for one week of scheduled maintenance downtime in May and one week in December.

Two different operating scenarios were assumed in calculations:

Normal Operation:

Steam extracted for veneer dryers and log conditioning tunnels.
Anticipated generator output- 7,150 kW

Weekend Operating:

Steam extracted for log conditioning tunnels. Veneer dryers not operational.
Anticipated generator output- 10,000 kW

Freres Lumber Co., Inc.'s veneer drying operations currently operate on a Monday through Friday schedule 24 hours per day. Log conditioning operations prior to veneer processing operate seven days per week 24 hours per day. Normal Operations are expected to pertain to a "normal" weekday schedule, operating only log conditioning tunnels during weekend hours.

Estimated parasitic load of generator equipment will be approximately 575 kW, which was subtracted from the estimated generator output shown in the operating scenarios above.

B. MINIMUM ANNUAL DELIVERY CALCULATION

Minimum annual delivery was calculated assuming that Freres Lumber Co., Inc. requires its veneer drying facility to operate seven days per week, twenty-four hours per day year round. The "Normal Operation" generator output above was then used for each day of the year that the generation facility is in operation., An eighty-five percent (85%) capacity factor was assumed for in the Minimum Annual Delivery calculation. A catastrophic failure of two months production downtime was then included to account for unexpected equipment failure.

C. MAXIMUM ANNUAL DELIVERY CALCULATION

Maximum annual delivery was calculated assuming that Freres Lumber Co., Inc. discontinues veneer drying operations at its facility. All extraction for veneer drying would cease leaving only extraction for log conditioning processes. The "Weekend Operation" generator output was therefore used for each day of the year that the generation facility is in operation.

EXHIBIT D-2
ENGINEER'S CERTIFICATION OF
MOTIVE FORCE PLAN

EVERGREEN ENGINEERING INC.

P.O. Box 21530 • Eugene, Oregon 97402-0409
(541) 484-4771 • FAX (541) 484-6759

November 29, 2006 #1910.0

Kyle Freres
Freres Lumber Company, Inc.
141 14th Street
PO Box 276
Lyons, OR 97358

Subject: Evergreen Biopower LLC
Motive Force Plan Certification

Dear Kyle,

I have completed a review of the Motive Force Plan (MFP) for your new 10MW cogeneration facility, and I have confirmed the logic of the plan and the fuel requirement calculations for the facility. Also, based on the fuel availability study that was done earlier, I certify that there is an adequate supply of fuel available to satisfy the Pacificorp contractual requirements.

Very truly yours,

Richard H. Larsen

Richard H. Larsen P.E
Principal

Oregon PE # 9501

DEC. 2, 1977
RICHARD H. L...

EVERGREEN BIOPOWER, LLC
10,000 kw Biomass Power Facility
Motive Force Plan

Objective

This Motive Force Plan (MFP) will determine if Evergreen Biopower, LLC (Evergreen) has under its control, or can reasonably obtain, sufficient fuel to operate the facility such as to meet the average, maximum and minimum Net Output requirements in its power purchase agreement with PacifiCorp.

In the most recent draft of the contract, the Net Output requirements are as follows:

Average Annual Net Output	-	62,556,600 Kwh
Maximum Annual Net Output	-	80,044,800 Kwh
Minimum Annual Net Output	-	38,763,570 Kwh

The Evergreen facility is a combined heat and power plant, supplying medium pressure turbine extraction steam to veneer dryers and low pressure steam to log vats from the 10,000 Kw turbine-Generator (T-G). Most of the variation in annual T-G output described in the contract is a result of different veneer plant operating scenarios. It is the intent of Evergreen to base load the 100,000 lb/hr, 850 psig, 875° F Wellons boiler for up to 8,400 hours/yr, maximizing both process steam and T-G output in the process. This analysis will determine if sufficient fuel can be obtained to maintain this operating scenario for the 10 year term of the contract.

As a worst case scenario, this analysis will assume that the veneer plant is closed for an entire contract year and it will be determined if sufficient fuel can be obtained to meet the minimum Net Output requirements in the contract.

Facility

The Evergreen facility consists of a 100,000 lb/hr Wellons 4 cell rotary grate biomass boiler with steam conditions of 850 psig and 875° F. The Turbine-Generator is a General Electric machine with a turbine rated at 10,000 kw as modified and a generator rated at 24,705 Kva at a voltage of 13.8 Kv. With typical weekday process steam loads the T-G will produce 7,150 Kw of gross output, with 575 Kw of power generation auxiliary load, for a net output of 6,575 kw. On weekends, the low extraction flows will allow a T-G gross output of 10,000 Kw, with 575 Kw of auxiliaries, for a net of 9,425 kw.

The boiler is capable of combusting various biomass fuels. The boiler will receive 230°F feedwater from a dearator. With the mix of fuels expected, both from internal (hogged fuel, ply trim, shavings) and external sources and an average fuel moisture content of 45%, a boiler efficiency of 73% is projected. The throttle steam will have an enthalpy of 1439.0 Btu/lb while the incoming feedwater has an enthalpy of 198.2 Btu/lb, a difference of 1240.8 Btu/lb. With the 73% boiler efficiency described above, the boiler will require a heat input from biomass fuel of 1700 Btu/lb steam. With a fuel heating value of 8,750 Btu/dry lb (see below), this is a full load fuel requirement of 9.71 bone dry tons (Bdt) per hour of operation. Wellons estimated the fuel burn rate at 31,816 lb/hour of 40% moisture fuel, or 9.54 Bdt/hr. When the adjustment is made for the moisture content difference the two numbers are compatible and so the 9.71 Bdt/hr (full load) will be used.

Fuel Supply

The primary fuel supply for the facility will be the mill residues produced by the veneer plant and from a sister plywood plant located approximately 5 miles away. Depending on relative economic value of the various residuals, outside mill residuals will be purchased from one or more of 7 potential fuel suppliers within a 50 mile radius of the facility.

The facility uses a species mix of raw logs of about 75% Douglas fir and 25% hemlock. Heating values of different tree species varies considerably. Using published analyses, Douglas fir wood averages about 8,900 Btu/dry lb while the bark averages 9,850 Btu/dry lb. Hemlock wood averages 8,370 Btu/dry lb while the bark averages 9,350 Btu/dry lb.

In the specification for the boiler, Wellons assumed an aggregate heating value of 8,750 Btu/dry lb and an average moisture content of 40%. The choice of an aggregate 8,750 Btu/lb heating value appears very conservative given the above published figures, but will also be used in this analysis. Given the fuel supply quantities and moistures in the table below, it would appear that a 40% moisture content may be slightly low, in the aggregate. This analysis uses a 45% average moisture content in establishing boiler efficiency and thus fuel requirements.

The 2005 figures for wood residue production from the two Freres mills are shown in the table below:

2005 Production

Type	Quantity	Est. Moisture Content
Hogged Fuel	39,951 Bdt	50%
Chips	62,929	50%
Shavings	2,390	15%
Ply Trim	10,000 (est.)	15%
Total	115,270 Bdt	

A survey of 7 potential wood residual suppliers (mills, processing yards) within a 50 mile radius of the facility was conducted by Freres. Without counting any higher valued paper chips, the findings are as follows:

Source	Annual Quantity
Mill Residuals	29,250 Bdt
Processing Yards	42,250
Total	71,500 Bdt

A final source of biomass fuel is material backhauled from outside the 50 mile radius on trucks hauling Freres chips to pulp and paper facilities, and returning to the facility empty. These sources , which assume the chips are not burned for economic reasons, could provide the following quantities of residual fuel:

Source	Annual Quantity
Mill Residuals	32,500 Bdt

An MFP For Freres

Average Generation MFP

The first MFP assumes that Freres operates the veneer plant 5 days per week as currently, and runs the boiler at full load 8,400 hours/yr. This results in the production by Evergreen of the average annual Net Output of 62,556,600 Kwh. The fuel requirement for this scenario is 81,560 Bdt/yr (9.71 Bdt/hr x 8,400 hours/yr). This motive force requirement can be met by the following fuel sources:

Source	Annual Amount
Freres Hogged Fuel	39,951 Bdt/yr
Freres Shavings	2,390
Freres Ply Trim	10,000
Outside Mill Residuals	29,219
Total	81,560 Bdt/yr

This MFP assumes that none of Freres 62,929 Bdt/yr of chips are used as fuel, as typically the chip economic value is much greater than any replacement delivered fuel price. In the event that the economic relationship did not hold true, Evergreen could simply burn approximately ½ of the Freres chips in order to satisfy the fuel requirement without having to leave the compound for fuel. This is a solid MFP for this operating scenario as the proposed mill operating scenario was the same as that followed in 2005, and would thus produce an equivalent amount of fuel.

Maximum Generation MFP

The MFP for the maximum generation of 80,044,800 Kwh/yr is identical to that for the average generation case described above. The boiler still operates at full load for 8,400 hours/yr, but the high pressure extraction is not used as Freres is selling green veneer instead of its normal dry veneer. The quantity of fuel produced internally at the veneer plant remains the same. The ply trim produced at the nearby Freres plywood mill may stay the same or decrease, and would be replaced by additional residual purchases or by combusting a larger fraction (62%) of the residual chips. In this scenario, the boiler can be fueled completely with available residuals from Freres, though this is most likely not the most economic scenario.

Minimum Generation MFP

There are two scenarios that result in the minimum Net Output of 38,763,570 Kwh/yr, and the MFP for the two is quite different. In the first scenario, the veneer plant goes to a 7 day/wk operation, thus lowering weekend generation due to extraction steam needs. In this case, the amount of internal fuel available is increased by 40% (7 days vs. 5 days), with the following approximate fuel volumes available:

Type	Quantity
Hogged Fuel	55,931 Bdt/yr
Chips	88,100
Shavings	3,346
Ply Trim	14,000
Total	161,377 Bdt/yr

In this scenario, the boiler fuel requirement remains the same at 81,560 Bdt/yr as the boiler continues to run at 100,000 lb/hr for 8,400 hours/yr. The result is that outside fuel purchases, without burning chips, drops from 29,219 Bdt/yr to 8,283 Bdt/yr. If economics dictate that all fuel be internal, the last increment of fuel can be satisfied by burning less than 10% of the chips.

An entirely different minimum generation scenario occurs with a complete shutdown of the Freres veneer and plywood plants for an entire contract year, and Evergreen meets the minimum Net Output of 38,763,570 entirely with purchased fuel in order to avoid default under the contract.

On an 8,400 hour/yr basis, the T-G would now be producing 4,615 kw net output, or about 5,000 kw gross output (385 kw power generation equipment auxiliaries). A turbine heat balance, with 3,000 lb /hr of low pressure extraction for the deaerator, would require an inlet steam flow of 44,000 lb/hr. Assuming that boiler efficiency drops to 70% in this low flow condition with slightly higher moisture purchased fuel, the fuel flow to the boiler will be 4.45 Bdt/hr. On a 8,400 hr/yr basis, this is a total fuel requirement of 37,380 Bdt/yr of purchased fuel.

With the loss of backhauls from chip transport, due to mill shutdown, it is logical to purchase all 37,380 Bdt/yr from mills/processors within the 50 mile radius. These purchases would represent 52% of the available fuel. While this is not a good situation to contemplate for Evergreen, it is also not an undue stress on the local fuel market, and could sustain the power plant during market shutdowns.

Conclusion

A total of four scenarios were evaluated, ranging from minimum to maximum annual generation. In three of the four scenarios, the MFP fuel requirements could be satisfied internally to the Freres mills by burning low valued mill residuals plus 10-62% of the available paper chips. In most markets, it would be economically preferable to tap the 104,000 Bdt/yr of locally available or backhaul fuel for the required chip quantity, leaving the paper chips available for sale.

In the fourth scenario, a complete shutdown of the Freres mills for a complete contract year, the goal is to generate only the minimum required Net Output, entirely from outside purchased fuels. In this case, approximately 52% of the available residual fuels (not including chips) within a 50 mile radius would be required. This could be accomplished by Evergreen without undue pressure on the existing residual fuel markets.

Since the power contract is for only a 10 year period, the chances of a complete mill shutdown due to log supply or mill obsolescence is low. Freres Lumber has been in business for 80 years, and has been operating at this location for 50 years, and the current production schedule is one that has been followed for more than the last five years. Under all reasonable scenarios, Evergreen will be able to supply the motive force necessary to meet the contractual requirements of the 10 year PacifiCorp power purchase agreement.

EXHIBIT E

START-UP TESTING

Required factory testing includes such checks and tests necessary to determine that the equipment systems and subsystems have been properly manufactured and installed, function properly, and are in a condition to permit safe and efficient start-up of the Facility, which may include but are not limited to (as applicable): **[Seller identify appropriate tests]**

1. Pressure tests of all steam system equipment;
2. Calibration of all pressure, level, flow, temperature and monitoring instruments;
3. Operating tests of all valves, operators, motor starters and motor;
4. Alarms, signals, and fail-safe or system shutdown control tests;
5. Insulation resistance and point-to-point continuity tests;
6. Bench tests of all protective devices;
7. Tests required by manufacturer of equipment; and
8. Complete pre-parallel checks with PacifiCorp.

Required start-up tests are those checks and tests necessary to determine that all features and equipment, systems, and subsystems have been properly designed, manufactured, installed and adjusted, function properly, and are capable of operating simultaneously in such condition that the Facility is capable of continuous delivery into PacifiCorp's electrical system, which may include but are not limited to (as applicable):

1. Turbine/generator mechanical runs including shaft, vibration, and bearing temperature measurements;
2. Running tests to establish tolerances and inspections for final adjustment of bearings, shaft run-outs;
3. Brake tests;
4. Energization of transformers;
5. Synchronizing tests (manual and auto);
6. Stator windings dielectric test;
7. Armature and field windings resistance tests;
8. Load rejection tests in incremental stages from 5, 25, 50, 75 and 100 percent load;
9. Heat runs;
10. Tests required by manufacturer of equipment;
11. Excitation and voltage regulation operation tests;
12. Open circuit and short circuit; saturation tests;
13. Governor system steady state stability test;
14. Phase angle and magnitude of all PT and CT secondary voltages and currents to protective relays, indicating instruments and metering;
15. Auto stop/start sequence;
16. Level control system tests; and
17. Completion of all state and federal environmental testing requirements.

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37

Available

To owners of Qualifying Facilities making sales of electricity to the Company in the State of Oregon.

Applicable

For power purchased from Qualifying Facilities with a nameplate capacity of 10,000 kW or less. Owners of these Qualifying Facilities will be required to enter into a written power sales contract with the Company.

Definitions

Cogeneration Facility
A facility which produces electric energy together with steam or other form of useful energy (such as heat) which are used for industrial, commercial, heating or cooling purposes through the sequential use of energy.

Qualifying Facilities
Qualifying cogeneration facilities or qualifying small power production facilities within the meaning of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3.

Small Power Production Facility
A facility which produces electric energy using as a primary energy source biomass, waste, renewable resources or any combination thereof and has a power production capacity which, together with other facilities located at the same site, is not greater than 80 megawatts.

On-Peak Hours or Peak Hours
On-peak hours are defined as 6:00 a.m. to 10:00 p.m. Pacific Prevailing Time Monday through Saturday, excluding NERC holidays.

Holidays include only New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When a holiday falls on a Saturday or Sunday, the Friday before the holiday (if the holiday falls on a Saturday) or the Monday following the holiday (if the holiday falls on a Sunday) will be the holiday and will be Off-peak.

Off-Peak Hours
All hours other than On-Peak.

Opal Gas Market Index
The monthly indexed gas price shall be from Platts "Gas Daily Price Guide" for gas deliveries to Northwest Pipeline Corp at the Rocky Mountains.

Excess Output
Excess output shall mean any increment of Net Output delivered at a rate, on an hourly basis, exceeding the Facility Nameplate Capacity. PacifiCorp shall pay Seller the Off-peak Price for all Excess Output.

(Continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37

Pricing Options

1Fixed Avoided Cost Prices
Prices are fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Fixed Avoided Cost Prices are available for a contract term of up to 15 years and prices under a longer term contract (up to 20 years) will thereafter be under either Banded Gas Market Indexed Avoided Cost Prices or Gas Market Indexed Avoided Cost Prices.

2Gas Market Indexed Avoided Cost Prices
Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. Prices are available for a term of up to 20 years.

3. Banded Gas Market Indexed Avoided Cost Prices
Fixed prices apply during the resource sufficiency period (2005 through 2009), thereafter a portion of avoided cost prices are indexed to actual Opal monthly gas market index prices. The remaining portion of avoided cost prices will be fixed at the time that the contract is signed by both the Qualifying Facility and the Company and will not change during the term of the contract. The gas indexed portion of the avoided cost prices are banded to limit the amount that prices can vary with changes in gas prices. Prices are available for a term of up to 20 years.

Montly Payments
A Qualifying Facility shall select the option of payment at the time of signing the contract under one of three Pricing Options as specified above. Once an option is selected the option will remain in effect for the duration of the Facility's contract.

Fixed Avoided Cost Prices
In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at the fixed prices as provided in this tariff. The definition of On-Peak and Off-Peak is as defined in the definitions section of this tariff.

Gas Market Indexed Avoided Cost Prices
In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in $/MMBtu by 0.76 to get actual gas price in centskWh. The Off-Peak Ener gy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

(Continued)

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

Montly Payments Continued)

Banded Gas Indexed Avoided Cost Prices

In accordance with the terms of a contract with a Qualifying Facility, the Company shall pay for all separately metered kilowatt-hours of On-Peak and Off-Peak generation at On-Peak and Off-Peak prices calculated each month.

To calculate the Off-Peak price, multiply the Opal Gas Market Index price in $/MMBtu by 0.76 to get actual gas price in cents/kWh. This price is banded such that the actual gas price shall be no lower than the Gas Market Index Floor nor greater than the Gas Market Index Ceiling as listed in the price section of this tariff. The Off-Peak Energy Adder is added to the actual gas price to get the Off-Peak Price.

The On-Peak price is the Off-Peak price plus the On-Peak Capacity Adder.

Avoided Cost Prices

Pricing Option 1-Fixed Avoided cost Prices ¢/kWh

Deliveries During Calendar Year	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)
2005	7.13	5.98
2006	6.36	5.27
2007	5.96	4.87
2008	5.58	4.63
2009	5.26	4.33
2010	6.21	4.30
2011	6.54	4.57
2012	7.13	5.11
2013	7.43	5.35
2014	7.52	5.37
2015	7.66	5.45
2016	7.86	5.59
2017	8.07	5.73
2018	8.27	5.86
2019	8.50	6.02
2020	8.72	6.17
2021	8.97	6.33
2022	9.23	6.49
2023	9.49	6.66
2024	9.75	6.82
2025	10.03	7.00
2026	10.31	7.18
2027	10.60	7.36
2028	10.90	7.55

(Continued)

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
Page 4

Avoided Cost Prices Continued)

Pricing Option 2Gas Market Indexed Avoided Cost Prices ¢/kWh

<table>
<tr><th rowspan="4">Deliveries During Calendar Year</th><th colspan="2">Fed Prices</th><th colspan="2">Gs Mket ndex</th><th>fecast Opl Gs hdexPrice (2)</th><th colspan="2">Esimed Prices (3)</th></tr>
<tr><th>On-Peak Energy Price</th><th>Off-Peak Energy Price</th><th>On-Peak Capciy dder (1)</th><th>Off-Peak Energy dder</th><th>Sl Price</th><th>On-Peak Energy Price</th><th>Off-Peak Energy</th></tr>
<tr><td>(a)</td><td>(b)</td><td>(c)</td><td>(d)</td><td>(e)</td><td>(f)</td><td>(g)</td></tr>
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<tr><td>2005</td><td>7.13</td><td>5.98</td><td colspan="2" rowspan="5">MketBsed Prices
2005 tough2009</td><td rowspan="5"></td><td rowspan="5"></td><td rowspan="5"></td></tr>
<tr><td>2006</td><td>6.36</td><td>5.27</td></tr>
<tr><td>2007</td><td>5.96</td><td>4.87</td></tr>
<tr><td>2008</td><td>5.58</td><td>4.63</td></tr>
<tr><td>2009</td><td>5.26</td><td>4.33</td></tr>
<tr><td>2010</td><td></td><td></td><td>1.91</td><td>0.38</td><td>5.16</td><td>6.21</td><td>4.30</td></tr>
<tr><td>2011</td><td></td><td></td><td>1.97</td><td>0.40</td><td>5.49</td><td>6.54</td><td>4.57</td></tr>
<tr><td>2012</td><td></td><td></td><td>2.02</td><td>0.42</td><td>6.17</td><td>7.13</td><td>5.11</td></tr>
<tr><td>2013</td><td></td><td></td><td>2.08</td><td>0.42</td><td>6.48</td><td>7.43</td><td>5.35</td></tr>
<tr><td>2014</td><td></td><td></td><td>2.14</td><td>0.42</td><td>6.51</td><td>7.52</td><td>5.37</td></tr>
<tr><td>2015</td><td></td><td></td><td>2.21</td><td>0.44</td><td>6.60</td><td>7.66</td><td>5.45</td></tr>
<tr><td>2016</td><td></td><td></td><td>2.27</td><td>0.45</td><td>6.77</td><td>7.86</td><td>5.59</td></tr>
<tr><td>2017</td><td></td><td></td><td>2.34</td><td>0.45</td><td>6.95</td><td>8.07</td><td>5.73</td></tr>
<tr><td>2018</td><td></td><td></td><td>2.41</td><td>0.45</td><td>7.12</td><td>8.27</td><td>5.86</td></tr>
<tr><td>2019</td><td></td><td></td><td>2.48</td><td>0.46</td><td>7.31</td><td>8.50</td><td>6.02</td></tr>
<tr><td>2020</td><td></td><td></td><td>2.55</td><td>0.47</td><td>7.50</td><td>8.72</td><td>6.17</td></tr>
<tr><td>2021</td><td></td><td></td><td>2.64</td><td>0.48</td><td>7.70</td><td>8.97</td><td>6.33</td></tr>
<tr><td>2022</td><td></td><td></td><td>2.73</td><td>0.49</td><td>7.90</td><td>9.23</td><td>6.49</td></tr>
<tr><td>2023</td><td></td><td></td><td>2.83</td><td>0.50</td><td>8.10</td><td>9.49</td><td>6.66</td></tr>
<tr><td>2024</td><td></td><td></td><td>2.93</td><td>0.51</td><td>8.31</td><td>9.75</td><td>6.82</td></tr>
<tr><td>2025</td><td></td><td></td><td>3.03</td><td>0.52</td><td>8.53</td><td>10.03</td><td>7.00</td></tr>
<tr><td>2026</td><td></td><td></td><td>3.13</td><td>0.53</td><td>8.75</td><td>10.31</td><td>7.18</td></tr>
<tr><td>2027</td><td></td><td></td><td>3.24</td><td>0.54</td><td>8.98</td><td>10.60</td><td>7.36</td></tr>
<tr><td>2028</td><td></td><td></td><td>3.35</td><td>0.55</td><td>9.21</td><td>10.90</td><td>7.55</td></tr>
</table>

(1) Aided linfapciy Cst are eqal th fixd cst 6a SCTs idenifie d in h Cpays 2004 R.
(2) Antrae 60.76 is used tadjustgas pices frSCW
(3) Esimed avided cstpices based up fo recastOpl Gs Mkethdexpices.
dual pices ill be calculated eacl using actual Opl Gs Mkethdexpices.

(Continued)

Issued: July 12, 2005
Effective: With service rendered on and after August 11, 2005

P.U.C. OR No. 35
Original Sheet No. 37-4

Issued By
D. Douglas Larson, Vice President, Regulation

TF1 37-4.E

Advice No. 05-006

EXHIBIT F

SCHEDULE 37 and PRICING SUMMARY TABLE (continued)

PACIFIC POWER & LIGHT COMPANY
AVOIDED COST PURCHASES FROM QUALIFYING FACILITIES OF 10,000 KW OR LESS

OREGON
SCHEDULE 37
Page 5

Avoided Cost Prices Continued)

Pricing Option 3 - Blended Gas Market Indexed Avoided Cost Prices ¢/kWh

Deliveries During Calendar Year	Fixed Prices		Blended Gas Market Index				Forecast	Estimated Prices (3)	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Capacity Adder (1)	Off-Peak Energy Adder	Gas Market Index Floor 90%	Gas Market Index Ceiling 110%	Opal Gas Index Price (2)	On-Peak Energy Price	Off-Peak Energy Price
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
			Avoided Firm Capacity Cost /(0.876 * 84.2%67%)	Avoided Energy Cost - ((e) *0.76)	(g) *0.76 * 90%	(g) *0.76 * 110%		(i) + (c)	((g) * 0.76) (e)) (f)) + (d)
2005	7.13	5.98	Market Based Prices 2005 through 2009						
2006	6.36	5.27							
2007	5.96	4.87							
2008	5.58	4.63							
2009	5.26	4.33							
2010			1.91	0.38	3.53	4.31	5.16	6.21	4.30
2011			1.97	0.40	3.75	4.59	5.49	6.54	4.57
2012			2.02	0.42	4.22	5.16	6.17	7.13	5.11
2013			2.08	0.42	4.43	5.42	6.48	7.43	5.35
2014			2.14	0.42	4.45	5.44	6.51	7.52	5.37
2015			2.21	0.44	4.51	5.51	6.60	7.66	5.45
2016			2.27	0.45	4.63	5.66	6.77	7.86	5.59
2017			2.34	0.45	4.75	5.81	6.95	8.07	5.73
2018			2.41	0.45	4.87	5.96	7.12	8.27	5.86
2019			2.48	0.46	5.00	6.11	7.31	8.50	6.02
2020			2.55	0.47	5.13	6.27	7.50	8.72	6.17
2021			2.64	0.48	5.27	6.44	7.70	8.97	6.33
2022			2.73	0.49	5.40	6.60	7.90	9.23	6.49
2023			2.83	0.50	5.54	6.77	8.10	9.49	6.66
2024			2.93	0.51	5.69	6.95	8.31	9.75	6.82
2025			3.03	0.52	5.83	7.13	8.53	10.03	7.00
2026			3.13	0.53	5.99	7.32	8.75	10.31	7.18
2027			3.24	0.54	6.14	7.51	8.98	10.60	7.36
2028			3.35	0.55	6.30	7.70	9.21	10.90	7.55

(1) Avoided Firm Capacity Costs are equal to the fixed costs of a SCCT as identified in the Company's 2004 R
(2) A factor of 0.76 is used to adjust gas prices from $/MMBtu
(3) Estimated avoided cost prices based upon forecast Opal Gas Market Index prices.
Actual prices will be calculated each month using actual Opal Gas Market Index prices.

(Continued)

Issued:	July 12, 2005	P.U.C. OR No. 35
Effective:	With service rendered on and after August 11, 2005	Original Sheet No. 37-5

Issued By
D. Douglas Larson, Vice President, Regulation

TF1 37-5.E Advice No. 05-006

Example of Pricing Options available to tb Qualifying Facility
An example of the three pricing options using different assumed gas prices is available at the Company web site.

Qualifying Facilities Contracting Procedure

1Qualifying Facilities up to kW

APPLICATION: To owners of existing or proposed QFs with a design capacity less than or equal to 10,000 kW who desire to make sales to the Company in the state of Oregon. Such owners will be required to enter into a written power purchase agreement with the Company pursuant to the procedures set forth below.

I. **Process for Completing a Power Purchse Agreement**

A. **Communications**
Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Pacific Power &Light Company
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

B **Procedures**

1. The Companys approved generic or standard form power purchase agreements may be obtained from the Companys website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request.

2. In order to obtain a project spec ific draft power purchase agreement the owner must provide in writing to the Company, general project information required for the completion of a power purchase agreement, including, but not limited to:

a) demonstration of ability to obtain QF status;

(Continued)

B Procedures Continued)

b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system;
c) generation technology and other related technology applicable to the site;
d) proposed site location;
e) schedule of monthly power deliveries;
f) calculation or determination of minimum and maximum annual deliveries;
g) motive force or fuel plan;
h) proposed on-line date and other significant dates required to complete the milestones;
i) proposed contract term and pricing provisions (i.e.,fixed, deadband, gas indexed);
j status of interconnection or transmission arrangements;
k) point of delivery or interconnection;

3. The Company shall provide a draft power purchase agreement when all information described in Paragraph 2 above has been received in writing from the QF owner. Within 15 business days following receipt of all information required in Paragraph 2, the Company will provide the owner with a draft power purchase agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utilities Commission in this Schedule 37.

4. If the owner desires to proceed with the power purchase agreement after reviewing the Company's draft power purchase agreement, it may request in writing that the Company prepare a final draft power purchase agreement. In connection with such request, the owner must provide the Company with any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft power purchase agreement.

5 After reviewing the final draft power purchase agreement, the owner may either prepare another set of written comments and proposals or approve the final draft power purchase agreement. If the owner prepares written comments and proposals the Company will respond in 14 days to those comments and proposals.

6. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner a final executable version of the agreement. Following the Company's execution a completely executed copy will be returned to the owner. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties.

PACIFICORP ENERGY
A DIVISION OF PACIFICORP

Bruce Griswold
Director, Short-Term Origination
Commercial & Trading
825 NE Multnomah, Suite 600
Portland, Oregon 97232

April 25, 2013

Kyle Freres
Evergreen BioPower LLC
P.O. Box 276
Lyons, Oregon 97358

VIA CERTIFIED MAIL AND ELECTRONIC MAIL

Re: Evergreen BioPower LLC Power Purchase Agreement Amendment

Dear Kyle:

The purpose of this letter is to amend that certain power purchase agreement between Evergreen BioPower, LLC and PacifiCorp, as amend, dated January 2, 2007 (the "PPA"). The PPA shall be amended as follows, effective the date this letter agreement is executed by both Parties (the "Effective Date").

Section 4.3 of the PPA shall be amended as follows from the Effective Date until December 31, 2013:

Seller shall make available from the Facility a minimum of 25,000,000 kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year, shall be reduced pro rata to reflect the Commercial Operation Date, and further provided that such minimum Net Output shall be reduced on a pro rata basis for any periods during the Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure ("**Minimum Annual Delivery**"). Seller estimates for informational purposes that it will make available from the Facility a maximum of 80,044,800 kWh of Net Output during each Contract Year ("**Maximum Annual Delivery**"). Seller's basis for determining the Minimum and Maximum Annual Delivery amounts is set forth on **Exhibit D.**

Section 4.3 of the PPA shall be amended as follows from January 1, 2014 to the Termination Date:

Seller shall make available from the Facility a minimum of 30,000,000 kWh of Net Output during each Contract Year, provided that such minimum for the first Contract Year, shall be reduced pro rata to reflect the Commercial Operation Date, and further provided that such minimum Net Output shall be reduced on a pro rata basis for any periods during the Contract Year that the Facility was prevented from generating electricity for reasons of Force Majeure ("**Minimum Annual Delivery**"). Seller estimates for informational purposes that it will make available from the Facility a maximum of 80,044,800 kWh of Net Output during each Contract Year ("**Maximum Annual Delivery**"). Seller's basis for determining the Minimum and Maximum Annual Delivery amounts is set forth on **Exhibit D.**

PACIFICORP ENERGY
A DIVISION OF PACIFICORP

In enforcing any provisions relating to this letter agreement the Parties agree as follows:

EACH PARTY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS LETTER AGREEMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LETTER AGREEMENT. EACH PARTY HEREBY WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS LETTER AGREEMENT OR ANY OTHER LETTER AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS LETTER AGREEMENT, OR ANY MATTER ARISING HEREUNDER OR THEREUNDER, WITH ANY PROCEEDING IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED.

Any term not defined herein, shall have the meaning ascribed to such term in the PPA. Except as expressly amended herein, all other terms and provisions of the PPA shall remain in full force and effect.

Sincerely,

Bruce Griswold
Director, Short-Term Origination
PacifiCorp Energy Commercial & Trading

Agreed to by Evergreen BioPower, LLC this 25th day of April, 2013

Name: Vice President, Freres Lumber Co, Inc,
Its: Manager, Evergreen BioPower LLC