

contacts supplying required data), interface devices, and connections to the RTU. The following points list is a comprehensive list that is not intended to be the final point list that will be designed by TSP for the Plant:

- i) Control Points – The following RTU inputs shall be hardwired.
 - 1) Trip (required for one or more generation or transmission line breakers to allow TSP to trip the Plant during system emergencies)
- ii) Status Points – Except where specified as hardwired, the following RTU inputs shall be supplied from an IED, from a TSP-approved interface device, or hardwired. RTU inputs from an IED or a TSP-approved interface device shall be RS-485 using DNP 3.0 protocol.
 - 1) Generation breaker status (hardwired for each breaker where trip control is required)
 - 2) Circuit switcher / line switch status (“a” and “b” contacts)
 - 3) Transformer high-side breaker status (hardwired for each breaker where trip control is required)
 - 4) Transformer high-side motor operated switch status (“a” and “b” contacts)
 - 5) Auxiliary breaker status
 - 6) Collection feeder breaker status
 - 7) Tie breaker status
 - 8) Voltage control status (required for each dynamic reactive controller)
 - 9) Power factor control status (required for each dynamic reactive controller)
 - 10) Shunt device (capacitor and reactor) breaker/switch status
 - 11) Supervisory cutoff (hardwired for each breaker where trip control is required)
 - 12) Breaker failure lockout status (hardwired for each breaker where trip control is required)
 - 13) Breaker critical alarm (required for each breaker where trip control is required, combine critical alarms for each breaker)
 - 14) Transformer critical alarm (combine critical alarms for each transformer)
 - 15) Transformer primary lockout relay operated
 - 16) Transformer primary lockout relay failure
 - 17) Transformer backup lockout relay operated
 - 18) Transformer backup lockout relay failure
 - 19) Generation unit automatic voltage regulator (“AVR”) status
 - 20) Black start availability
- iii) Analog Points – The following RTU inputs shall be supplied from an IED, from a TSP-approved interface device, or hardwired. RTU inputs from an IED or a TSP-approved interface device shall be RS-485 using DNP 3.0 protocol.
 - 1) Generation gross MW (required for each thermal powered generation unit)

- 2) Generation gross MVAR (bi-directional values required for each thermal powered generation unit)
- 3) Generation station use MW auxiliary (required for each auxiliary transformer)
- 4) Generation station use MVAR auxiliary (bi-directional values required for each auxiliary transformer)
- 5) Station frequency HZ (for those stations where a common bus does not exist between multiple generation units, individual unit frequency points will be required)
- 6) Voltage per phase for each winding of each transformer
- 7) Current per phase for each winding of each transformer
- 8) MW for each winding of each transformer
- 9) MVAR for each winding of each transformer (bi-directional values required)
- 10) MW for each circuit breaker/switcher in the station
- 11) MVAR for each circuit breaker/switcher in the station (bi-directional values required)
- 12) MW for each collection feeder
- 13) MVAR for each collection feeder (bi-directional values required)
- 14) Voltage per phase of each collection feeder
- 15) Voltage per phase of each shunt device (capacitor and reactor)
- 16) MVAR for each shunt device (capacitor and reactor)
- 17) Tap position for each power transformer
- 18) Dynamic MVAR capability at the current MW generation amount
- 19) Voltage set point for each dynamic reactive controller
- 20) Power factor set point for each dynamic reactive controller

12. Supplemental Terms and Conditions:

The following supplemental terms and conditions shall be met unless there is a conflict between these terms and conditions and the ERCOT Requirements, in which case the ERCOT Requirements shall govern. Such ERCOT Requirements include, but are not limited to ERCOT Protocols sections 1.3.1, 6.57, 6.7.6, 6.10.3, 12.2, and 12.3; ERCOT Operating Guides sections 2.2.4, 2.10, 3.1.4, and 7.2.2; ERCOT Operations Procedure Steady-State Voltage Control Procedures; and ERCOT Nodal Operating Guide 2.2.6 Power System Stabilizers.

- a) Each Party shall be consulted during the planning and design process of the Plant, GIF, and TIF. The engineering and design work (including drawings, plans, materials lists, specifications and other documentation and supporting data) will be prepared in accordance with recognized industry standards and all applicable laws, rules and regulations, and is intended to be used solely in connection with the construction of the Plant, GIF and TIF. Neither Party shall make use of any aspect of the engineering and design work of the other Party for any other projects without the prior written consent of the other Party. Each Party may provide its contractors with copies of the engineering and design work of the other Party in connection with the construction of the Plant, GIF

and TIF, provided that i) the Party's contractor agrees in writing that the engineering and design work is intended to be used solely in connection with the construction of the Plant, GIF and TIF, and ii) the Party's contractor shall not make use of any aspect of the engineering and design work on any other projects without the prior written consent of the other Party. Each Party agrees to obtain the written agreement of such contractors prior to providing them with the engineering and design work and to promptly provide the other Party with a copy of that agreement.

b) If wye delta connected transmission voltage step up transformers are utilized they shall be wye connected to the TIF and delta connected to the GIF.

c) Generator shall submit drawings of the GIF to TSP for review. TSP will review only those portions of the drawings that affect the TSP System. Any changes required by TSP shall be made prior to final issue of drawings and TSP shall be provided with final copies of the revised drawings. TSP will review only those portions of the drawings, which apply to protection, metering and monitoring which affect the TSP System. To aid the Generator, TSP may make suggestions on other areas. TSP's review of Generator's drawings shall not be construed as confirming or endorsing the design or as any warranty of safety, durability or reliability of the facility or equipment. Generator shall provide copies of the following:

- i) one-line and three-line diagrams indicating the following:
 - 1) equipment names and/or numerical designations for all circuit breakers, contactors, air switches, transformers, generators, etc. associated with the generation as required by TSP to facilitate switching
 - 2) power transformers – name or designation, nominal kVA, nominal primary, secondary, tertiary voltages, vector diagram showing winding connections, tap setting and transformer impedances (transformer test report showing the positive sequence, zero sequence, test voltages and MVA base for each winding).
 - 3) station service transformers – phase(s) connected to and estimated kVA load
 - 4) instrument transformers – voltage and current, phase connections.
 - 5) surge arresters/gas tubes/metal oxide varistors/avalanche diode/spill gaps/surge capacitors, etc. – type and ratings
 - 6) capacitor banks – kVAR rating and reactive (static and dynamic) device operation capability
 - 7) reactive device capability (required for wind generation only) – kVAR rating and reactive device operation capability for static and dynamic devices for each generation collection feeder
 - 8) disconnect switches – status if normally open (N.O.), manual or motor operated including switch voltage, continuous and interrupting ratings
 - 9) circuit breakers and/or contactors – interrupting rating, continuous rating, operating times

- 10) generators(s) – nameplate, test report, type, connection, kVA, voltage, current, rpm, power factor, impedances, time constants, etc.
 - 11) Point of Interconnection and phase identification
 - 12) fuses – manufacturer, type, size, speed, and location
 - 13) transmission structure geometry (phase to phase, phase to ground, and shield to phase), phase conductor data, shield wire data, transmission line ratings, positive and zero sequence impedances and mileage.
- ii) potential and current elementary drawings associated with the protection and control schemes for the Plant and GIF and control elementary drawings of the Plant and interconnection circuit breaker indicating the following:
- 1) terminal designation of all devices – relay coils and contacts, switches, transducers, etc.
 - 2) relay functional designation – per latest ANSI Standard where the same functional designation shall be used on all drawings showing the relay
 - 3) complete relay type (such as CV-2, SEL321-1, REL-301, IJS51A, etc.)
 - 4) switch contact shall be referenced to the switch development if development is shown on a separate drawing.
 - 5) switch developments and escutcheons where the majority of contacts are used. Where contacts of a switch are used on a separate drawing, that drawing should be referenced adjacent to the contacts in the switch development. Any contacts not used should be referenced as spare.
 - 6) all switch contacts are to be shown open with each labeled to indicate the positions in which the contact will be closed with explanatory notes defining switch coordination and adjustment where mis-adjustment could result in equipment failure or safety hazard
 - 7) auxiliary relay contacts shall be referenced to the coil location drawing if coil is shown on a separate drawing where all contacts of auxiliary relays should be shown and the appropriate drawing referenced adjacent to the respective contacts
 - 8) device auxiliary switches (circuit breakers, contactor) should be referenced to the drawing where they are used.
 - 9) any interlocks electromechanical, key, etc., associated with the generation or interconnection Substation.
 - 10) ranges of all timers and setting if dictated by control logic
 - 11) all target ratings; on dual ratings note the appropriate target tap setting
 - 12) complete internal for electromechanical protective relays where microprocessor type relays may be shown as a “black box”, but

- manufacturer's instruction book number shall be referenced and terminal connections shown
- 13) isolation points (states links, PK-2 and FT-1 blocks), etc., including terminal identification
 - 14) all circuit elements and components, with device designation, rating and setting where applicable and where coil voltage is shown only if different from nominal control voltage
 - 15) size, type, rating, and designation of all fuses
 - 16) phase sequence designation as ABC or CBA
 - 17) potential transformers – nameplate ratio, polarity marks, rating, primary and secondary connections
 - 18) current transformers (including aux. CT's) – polarity marks, rating, tap ratio and connection
- iii) transformer nameplate and test report
- d) Generator may not commence parallel operation of the Plant until consent has been given by TSP. TSP reserves the right to inspect the GIF and witness testing of any equipment or devices associated with the Point of Interconnection.
- e) The Plant and GIF shall not cause objectionable interference with the electric service provided to other customers by TSP nor jeopardize the security of the ERCOT power system. In order to minimize objectionable interference of the Plant and GIF, the Plant and GIF shall meet the following criteria:
- i) Voltage - The Plant and GIF shall not cause excessive voltage excursions. Generator shall operate its Plant and GIF in such manner that the voltage levels on the TSP System are in the same range as if the Plant and GIF were not connected to the TSP System. Generator shall provide an automatic method of disconnecting its Plant and GIF from the TIF to protect against excessive voltage excursions.
 - ii) Flicker - The Plant and GIF shall not cause excessive voltage flicker on the TSP System. Flicker is to be measured at the Point of Interconnection and shall not exceed 1.5% or the Borderline of Visibility Curve Voltage Flicker Chart of ANSI/IEEE Standard 141-1993, whichever is less.
 - iii) Frequency – The operating frequency of the Plant shall not deviate from the frequency of the TSP System. Plant under frequency relays shall be set the same as TSP's under frequency relays, so that the Plant will not separate from the TSP System during under frequency conditions until all of TSP's under frequency load shedding equipment has operated. Generator will provide settings prior to commercial operation.
 - iv) Harmonics, Telephone Interference, and Carrier Interference - The Plant and GIF shall not introduce excessive distortion of the TSP System waveforms; voltage and current; telephone interference; or carrier interference at the Point of Interconnection. IEEE Standard 519 shall be used as a guide.

- v) Fault and Line Clearing - The Plant and GIF shall be disconnected from the TSP System on occurrence of an outage or fault on the TIF serving the Plant radially. Generator is responsible for the electrical stability of its Plant and providing adequate facilities so that critical fault clearing times are met.
- vi) All Generation Resources (including self-serve generating units) that have a gross generating unit rating greater than twenty (20) MVA or those units connected at the same Point of Interconnection that have gross generating unit ratings aggregating to greater than twenty (20) MVA, that supply power to the ERCOT Transmission Grid, shall provide Voltage Support Service (VSS).
- vii) Reactive Power Requirements – Generation Resources must be capable of producing a defined quantity of Reactive Power to maintain a Voltage Profile established by ERCOT as described in Protocols 6.5.7 and 6.5.7.1. The generator voltage-var schedule, voltage regulator, and transformer ratio settings will be jointly determined by TSP and Generator to ensure proper coordination of voltages and regulator action. The Plant must generate reactive requirements for the Plant and GIF. TSP may, in order to maintain security of the ERCOT power system, request Generator to adjust voltage schedule to accept or supply reactive power. The TSP will not execute the Interconnection Agreement until the Generator has provided the TSP with documentation that the ERCOT Requirement has been met.
 - 1. Synchronous Generators - Shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the Point of Interconnection. The Reactive Power requirements shall be available at all MW output levels.
 - 2. Induction Generators - Shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the Point of Interconnection. The Reactive Power requirements shall be available at all MW output levels and may be met through a combination of the Generation Resource's Unit Reactive Limit (URL), which is the generating unit's dynamic

leading and lagging operating capability, and/or dynamic VAR capable devices. For Wind Generation Resources (“WGR”), the Reactive Power requirements shall be available at all MW output levels at or above ten percent (10%) of the WGR’s nameplate capacity. When a WGR is operating below ten percent (10%) of its nameplate capacity and is unable to support voltage at the Point of Interconnection, ERCOT may require a WGR to disconnect from the ERCOT System.

3. Other Generators - Shall comply with the following Reactive Power requirements: an over-excited (lagging) power factor capability of ninety-five hundredths (0.95) or less and an under-excited (leading) power factor capability of ninety-five hundredths (0.95) or less, both determined at the generating unit's maximum net power to be supplied to the ERCOT Transmission Grid and at the transmission system Voltage Profile established by ERCOT, and both measured at the Point of Interconnection. The Reactive Power requirements shall be available at all MW output levels.
 - viii) The dynamic MVAR capability at the current MW generation amount shall be provided in real time. If this dynamic MVAR capability is not available in real time, a dynamic capability curve plotted as a function of MW output shall be provided. The shunt static reactive available, but not in service, shall be provided in sufficient detail to determine the amount of dynamic and static reactive reserve available.
 - ix) Excitation System and Automatic Voltage Regulation – A Plant excitation system response ratio shall not be less than 0.5 (five-tenths). It shall conform, as near as achievable, to the field voltage vs. time criteria specified in American National Standards Institute Standard C50.13-1989 in order to permit adequate field forcing during transient conditions. A power system stabilizer (“PSS”) shall be installed on each new generating unit to be interconnected unless specifically exempted from this requirement by ERCOT. The Generator shall determine the PSS settings to dampen local area modes with oscillations within the range of .2 Hz to 2 Hz. The PSS settings shall be tested and tuned for adequate damping during PSS commissioning. Final PSS settings shall be provided to ERCOT and TSP within thirty (30) days of commissioning. The PSS shall be kept in service and maintained in working order throughout the service life of the Plant. Wind farms are induction in nature and are exempt from the PSS requirement. Each generator’s exciter and exciter controls shall have a ride-through capability for significant system voltage disturbances (i.e., utilize UPS or DC design). Generator shall maintain the AVR of each generating unit in service and operable at all times. If the AVR is removed from service for maintenance or repair, TSP shall be notified.

- x) Governor System – Plant governors shall be able to respond to interconnection frequency deviations and help return interconnection frequency to normal following an upset on the ERCOT system to assist in maintaining interconnection stability.
 - xi) Sub-Synchronous Resonance (“SSR”) and Sub-Synchronous Interaction (“SSI”) – Induction generation placed near series capacitor banks on the TSP system may be susceptible to SSR. Wind turbine control systems may be a source of synchronous oscillations near series capacitor banks resulting in SSI. Generator will provide studies that document that SSR or SSI issues have been addressed prior to commercial operation. TSP will work with Generator and their selected turbine manufacturer on any system data required for such studies.
- f) Generator shall not energize a de-energized TIF circuit, unless under direction of TSP. The line switch should have dual locks to allow Generator and TSP to lock it for clearances.
- g) Generator shall maintain an operating log at each generating unit at the Plant that at a minimum will indicate changes in operating status (available or unavailable), maintenance outages, trip indications or other unusual conditions found upon inspection. For generators that are “block-loaded” to a specific MW level, changes in this setting shall also be logged. TSP may waive this requirement at its discretion. Reliability information, as required by ERCOT Requirements, will be maintained by Generator.
- h) TSP considers the energy and power that the Plant and GIF may from time to time consume from the transmission grid through the Point of Interconnection to be a retail transaction and as such, TSP does not intend to be the provider of this retail service. Generator shall make necessary arrangements with the appropriate retail supplier for the energy and power that the Plant and GIF may consume from the transmission grid through the Point of Interconnection.
- i) Generator shall notify TSP in writing as to which initial ERCOT Qualified Scheduling Entity the Plant will be scheduling through and any changes made thereafter.
- j) Upon written request from TSP, Generator shall supply notification to TSP identifying their retail service provider.
- k) Upon written request from either Party, the other Party shall provide the requesting Party any necessary land easements required for the construction, operation, and maintenance of the Plant, TIF, or GIF at no cost to the requesting Party.
- l) Generator shall use Reasonable Efforts to change the GIF as may be reasonably required by TSP to meet future changes in the TSP System. Generator shall be given reasonable notice by TSP prior to the date that any such required change in the GIF must be made.

m) If this Agreement is executed prior to any required ERCOT approval of the TIF and ERCOT does not approve the TIF, Generator and TSP will work together to mitigate as much as possible the impact of such ERCOT decision.

n) TSP will submit to ERCOT a request for Regional Planning Group (RPG) processing and ERCOT independent economic analysis for transmission projects greater than Twenty-five Million Dollars (\$25,000,000).

13. Special Operating Terms and Conditions:

a) For wind powered generation greater than 50 MW, the Generator shall notify TSP with at least thirty (30) minutes in advance anytime the reactive capability is expected to deviate by more than 10% from the reactive capability curves provided in accordance with Section 12 (e) (vii) above or any time the Generator expects generation rate changes greater than 25 MW per minute.

b) Generator shall use commercially reasonable efforts to notify TSP thirty (30) minutes or more in advance anytime a static or dynamic reactive device will be taken out of service and unavailable for system use.

c) Generator shall limit the park ramp rate to no more than 10% per minute of installed nameplate capacity. It is understood the sudden loss of wind may result in a downward ramp rate greater than 10%.

EXHIBIT "C-1"

Conceptual One-Line Drawing of Point of Interconnection

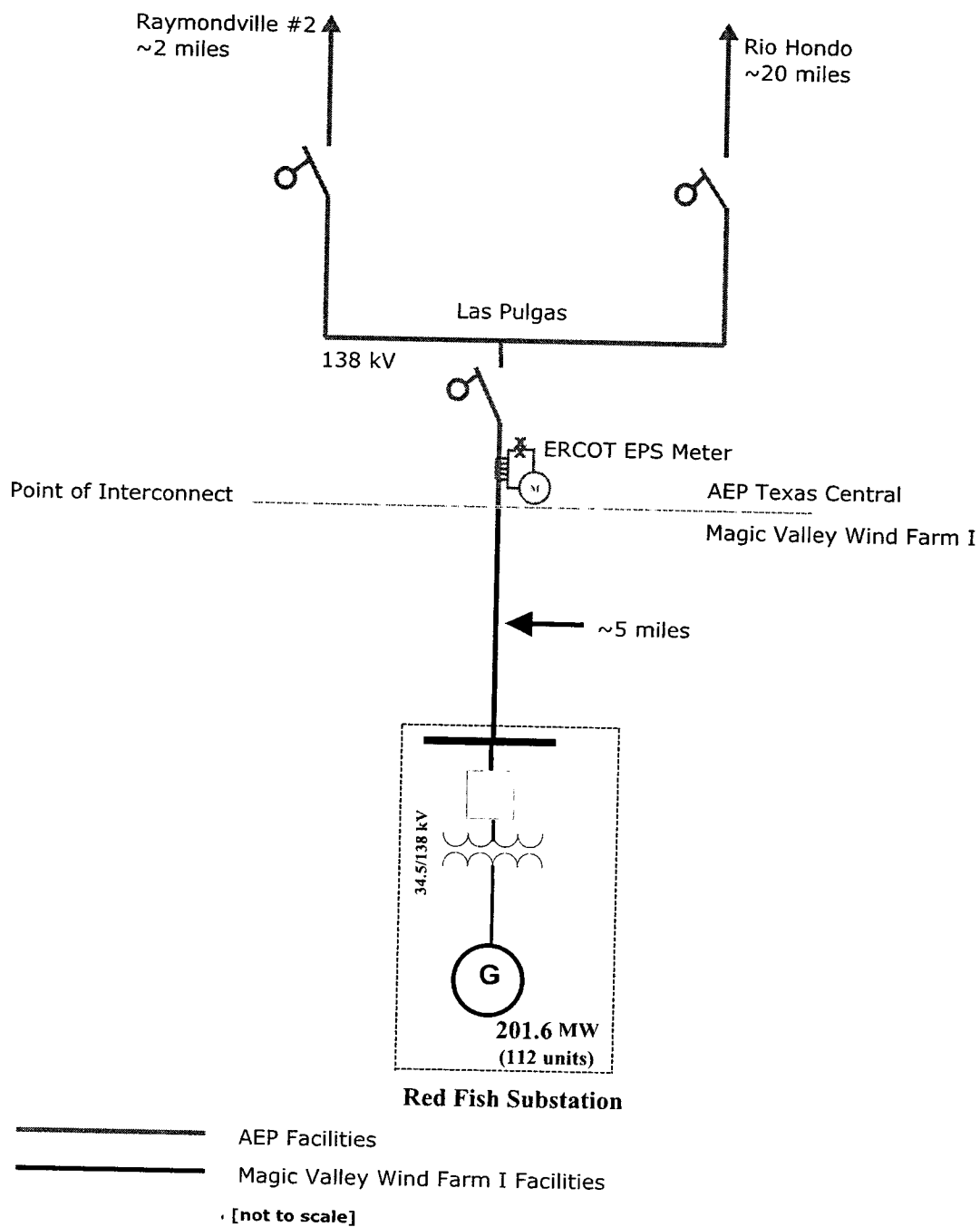


EXHIBIT "D"**NOTICE INFORMATION OF THE INTERCONNECTION AGREEMENT**

(a) All notices of an operational nature shall be in writing and/or may be sent between the Parties via electronic means including facsimile as follows:

	If to Generator:	If to Transmission Service Provider:
Company Name:	Magic Valley Wind Farm I, LLC	American Electric Power Service Corp.
Attn:	Vice President, Operations	Manager, Transmission Dispatching
Address:	812 San Antonio, Suite 201	5502 Corporate Dr
City, State, Zip:	Austin, TX 78701	Corpus Christi, TX 78403
24 Hour Phone:	512-482-8008	(361) 289-4003
E-mail:	realtimewind@eon.com	dkkunkel@AEP.com

(b) Notices of an administrative nature:

	If to Generator:	If to Transmission Service Provider:
Company Name:	Magic Valley Wind Farm I, LLC	American Electric Power Service Corp.
Attn:	Chief Development Officer	Manager, Transmission & Interconnection Services
Address:	812 San Antonio, Suite 201	212 E. 6th St
City, State, Zip:	Austin, TX 78701	Tulsa, OK 74119
Fax:	512-494-9581	(918) 594-3579
Phone:	512-477-7024	(918) 599-2723
E-mail:	patrick.woodson@eon.com	rlpennybaker@aep.com

(c) Notice for statement and billing purposes:

	If to Generator:	If to Transmission Service Provider:
Company Name:	Magic Valley Wind Farm I, LLC	American Electric Power Service Corp.
Attn:	Accounts Payable	Accounts Receivable
Address:	353 N. Clark, 30 th Floor	301 Cleveland Ave SW
City, State, Zip:	Chicago, IL 60654	Canton, OH 44702

(d) Information concerning Electronic Funds Transfers:

	If to Generator:	If to Transmission Service Provider:
Bank Name:	US Bank	Citibank NA
City, State:	Minneapolis, MN	New Castle, DE
ABA No.	071904779	021000089
for credit to	E.ON Climate & Renewables North America, LLC	AEP Texas Central Company
Account No.	1993 8000 8359	30484552

EXHIBIT "E"
SECURITY ARRANGEMENT DETAILS

1. As a condition to TSP's obligation to plan, license, engineer, design, procure equipment and materials, and construct the TIF described in Section 8 of Exhibit "C", Generator will provide a financial security ("Security") either as one (1) letter of credit ("LC"), corporate guaranty or other form of collateral security reasonably acceptable to TSP in an amount totaling Four Million Three Hundred Twenty-seven Thousand Dollars (\$4,327,000), as required pursuant to Section 8.3 of this Agreement. Such Security shall be provided within ten (10) business days of execution of this Agreement.

2. Depending upon the creditworthiness of Generator, a corporate guaranty may or may not be acceptable Security. If Generator chooses to provide a corporate guaranty from E.ON AG, if requested by TSP, Generator shall provide TSP with copies of the audited financial statements for E.ON AG which it is obliged to publish by law as found on www.eon.com/en/corporate/19886.jsp within one hundred twenty (120) days of its fiscal year end for each year ended. If the creditworthiness of E.ON AG is acceptable to TSP, the corporate guaranty shall be in a form similar to that shown in Exhibit "E-1" or, if in a form not similar to that shown in Exhibit "E-1", in a form acceptable to TSP.

3. LC means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch that has a credit rating of at least A- from Standard and Poor's or an A3 credit rating from Moody's Investors Services and will maintain an LC with a bank having such credit rating for the entire period that the LC is in effect. TSP reserves the right to request multiple LC providers, depending on the amount of security required. It shall be in a form substantially similar to that shown in Exhibit "E-2" or, if not in a form similar to that shown in Exhibit "E-2", in a form acceptable to TSP. Such LC shall state that it is issued in favor of TSP and not expire prior to one (1) year beyond the Commercial Operation Date indicated in Exhibit "B". Costs of the LC shall be borne by the applicant for such LC.

4. Upon receipt of Security, TSP will promptly proceed with the work required to meet the In-Service Date.

EXHIBIT "E-1"
FORM OF CORPORATE GUARANTY

GUARANTY

This Guaranty Agreement (the "**Guaranty**"), dated as of [], is made by E.ON AG, a German corporation (the "**Guarantor**"), for the benefit of [], a limited liability company duly established under the laws of Delaware (referred to herein as the "**Beneficiary**") and guarantees the obligations (the "**Obligations**") of [] (the "**Guaranteed Subsidiary**") as such Obligations are specified in that certain Interconnection Agreement among the Guaranteed Subsidiary and the Beneficiary dated as of [] (such underlying agreement, the "**Agreement**").

1. **Guaranty.** For the duration of this Guaranty, as set forth in Section 3 below, the Guarantor irrevocably and unconditionally guarantees to the Beneficiary, and to any of the Beneficiary's successors and permitted assigns, the prompt and complete payment when due and payable, by acceleration or otherwise, subject to any applicable grace period, of any and all outstanding obligations and liabilities of the Guaranteed Subsidiary to the Beneficiary under or in connection with the Agreement. In the case of the failure of the Guaranteed Subsidiary punctually to make any such payment, the Guarantor hereby agrees to make such payment or cause such payment to be made within ten (10) business days after written demand by the Beneficiary to the Guarantor (the tenth business day, the "**Due Date**"), and the Guarantor shall be liable for all costs and expenses relating to the enforcement of this Guaranty, including reasonable attorneys' fees, if payments due under this Guaranty are not made on or before the Due Date. The aggregate amount covered by this Guaranty and the Guarantor's maximum aggregate liability under this Guaranty shall not exceed [] U.S. Dollars, and, beyond that limit, the Guarantor will not have a liability of any kind to the Beneficiary hereunder regarding any kind of claim.

2. **Nature of Guaranty.** This Guaranty shall not be affected by the genuineness, validity or enforceability of the Obligations or any instrument evidencing any Obligations or by the existence, validity, enforceability, perfection or extent of any collateral therefor or by any other events, occurrences or circumstances which might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety (except for defenses of payment or performance).

The Beneficiary makes no representation or warranty with respect to any such circumstance and has no duty or responsibility whatsoever to the Guarantor with respect to the management and maintenance of the Obligations or any collateral therefor. The Beneficiary shall not be obligated to file any claim relating to the Obligations in the event that the Guaranteed Subsidiary becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of the Beneficiary to so file such claim shall not affect the Guarantor's obligations hereunder. This Guaranty constitutes a guaranty of payment when the same shall become due and payable and not of collection. In the event any payment (in whole or part) of the Guaranteed Subsidiary in respect of any of the Obligations is rescinded or must otherwise be returned by order of a court with competent jurisdiction (the "**Returned Amounts**"), the Guarantor shall

remain liable with respect thereto and shall pay such Returned Amounts no later than ten (10) business days after demand therefor by the Beneficiary. The preceding provision shall survive the termination of this Guaranty.

This Guaranty shall not be affected by the occurrence of any Event of Default, as defined in the Agreement, by the existence of any bankruptcy, insolvency, reorganization or similar proceedings involving the Guaranteed Subsidiary or by any change in the laws of any jurisdiction amending, varying, reducing or otherwise affecting, any of the obligations of the Guaranteed Subsidiary under the Agreement or of Guarantor under this Guaranty.

3. Duration of the Guaranty. This Guaranty shall terminate on the date when all Obligations have been fully discharged or performed in accordance with the terms of the Agreement, and, upon its termination, the Guaranty shall be returned by the Beneficiary to the Guarantor.

4. Consents, Waivers and Renewals. The Guarantor agrees that the Beneficiary may, at any time and from time to time, either before or after the maturity of the Obligations, without notice to or further consent of the Guarantor, extend the time of payment of Obligations and may make agreement with the Guaranteed Subsidiary with regard to any Obligation for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of the Agreement or any other related document, without in any way impairing or affecting this Guaranty. The Guarantor agrees that the Beneficiary may resort to the Guarantor for payment of any Obligation after any default under the Agreement, subject to any applicable grace period, by the Guaranteed Subsidiary that has incurred the Obligation and irrespective of whether or not the Beneficiary shall have resorted to any collateral security or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Obligations.

5. No Waiver; Cumulative Rights. No failure on the part of the Beneficiary to exercise, and no delay in exercising, any right, remedy, or power hereunder shall operate as a waiver thereof nor shall any single or partial exercise by the Beneficiary of any right, remedy or power hereunder preclude any other or future exercise by the Beneficiary of any right, remedy or power. Each and every right, remedy and power hereby granted to the Beneficiary or allowed it by law or other agreement shall be cumulative and not exclusive of any other and may be exercised by the Beneficiary from time to time.

6. Amendment. The terms and provisions hereof may not be waived, altered, modified or amended except in writing and with the written approval of duly authorized representatives of the Guarantor and Beneficiary.

7. Waiver of Notice. The Guarantor waives notice of the acceptance of this Guaranty, presentment, demand, notice of dishonor, protest, notice of any sale of collateral security and all other notices whatsoever, except as specifically provided in Section 1.

8. Subrogation. The Guarantor shall not be entitled and shall not seek, by reason of having made any payment hereunder, to be subrogated to the rights of the Beneficiary against

any Guaranteed Subsidiary with respect to such payment or otherwise to be reimbursed, indemnified or exonerated by the Guaranteed Subsidiary in respect thereof until all Obligations of the Guaranteed Subsidiary to the Beneficiary have been paid in full. If acceleration of the time for payment of any Obligation is stayed upon the insolvency, bankruptcy or reorganization of the Guaranteed Subsidiary that has incurred the Obligation, all such amounts otherwise subject to acceleration under the terms of the relevant documents governing that Obligation shall nonetheless be payable by the Guarantor hereunder forthwith on written demand by the Beneficiary.

9. Reimbursement for Expenses. In the event that the Beneficiary commences any action or proceeding for the enforcement of this Guaranty, the Guarantor will reimburse the Beneficiary, promptly upon written demand, for any and all expenses incurred by Beneficiary in connection with such action or proceeding including, without limitation, reasonable attorneys' fees.

10. Representations and Warranties. The Guarantor as of the date hereof represents that:

it is duly organized and validly existing under the law of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guaranty and to perform the provisions of this Guaranty;

its execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene any provision of law, the Guarantor's constitutional documents or any other contractual obligation binding on the Guarantor; and

this Guaranty constitutes the valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

11. Assignment. This Guaranty shall be binding on Guarantor and its successors and permitted assigns. Neither the Guarantor nor the Beneficiary may assign its rights, interests, or obligations hereunder to any other person without the prior written consent of the Guarantor or the Beneficiary, as the case may be, such consent not being unreasonably withheld (it being expressly agreed that it shall not be unreasonable for the Guarantor to withhold consent to any such assignment if the assignee would be entitled to receive any greater payment than the Beneficiary making such assignment would have been entitled to receive had such assignment not occurred).

12. Notices. All notices or other communications to the Guarantor or the Beneficiary shall be in writing and shall be given as follows:

if to the Guarantor:

E.ON AG
E.ON Platz 1
Structured Finance/ FFI3
40479 Düsseldorf
Germany

with a copy to:

E.ON Climate and Renewables North America, LLC.
353 N Clark Street
30th Floor
Chicago, IL 60654
Attention: Camelia Miu

if to the Beneficiary:

[]

unless either the Guarantor or the Beneficiary has provided a superseding address, in which event, notice shall be provided to such superseding address.

13. Governing Law, Waiver of Jury Trial, and Submission to Jurisdiction.

(a) This Guaranty shall be governed by and construed in accordance with the laws of the State of New York without reference to choice of law principles.

(b) Both the Guarantor and the Beneficiary waive, to the fullest extent permitted under applicable law, any right either the Guarantor or the Beneficiary may have to a trial by jury in respect of any suit, action or proceeding relating to this Guaranty. Both the Guarantor and the Beneficiary (1) certify that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver in the event of any such suit, action or proceeding and (2) acknowledge that both the Guarantor and the Beneficiary have entered into this agreement in reliance on, among other things, the mutual waivers and certifications in this section.

(c) With respect to any suit, action or proceeding relating to this Guaranty, both the Guarantor and the Beneficiary (1) irrevocably submit to the exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City and (2) waive any objection which it may have at any time to the laying of venue for any such suit, action or proceeding relating to this Guaranty, waive any claim that such suit, action or proceeding relating to this Guaranty has been brought in an inconvenient

forum and further waive the right to object, with respect to such suit, action or proceeding relating to this Guaranty, that such court does not have jurisdiction over it.

14. Service of Process. Guarantor hereby appoints:

E.ON Climate & Renewables North America, LLC
353 N Clark Street
30th Floor
Chicago, Illinois 60654
Attention: Camelia Miu
Telephone: 312-923-9465
Facsimile: 312-923-9469

as its agent to receive, for it and on its behalf and on behalf of its property, service of copies of the summons and complaint and any other process which may be served in any judicial action arising out of this Guaranty. Such service may be made by mailing or delivering a copy of such process to such person in care of the process agent at the process agent's address above, and the Guarantor hereby authorizes and directs the process agent to accept such service on its behalf. If the process agent ceases to maintain an office at the location specified above, Guarantor will promptly advise Beneficiary of the location of the process agent's successor offices.

IN WITNESS WHEREOF, the Guarantor has caused its duly authorized officer to execute and deliver this Guaranty as of the date first above written.

GUARANTOR

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT "E-2"
FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT

DATE OF ISSUANCE: _____

[Address]

RE: Credit No. _____

We hereby establish our Irrevocable Standby Letter of Credit in your favor for the account of _____ (the "Account Party"), for the aggregate amount not exceeding _____ United States Dollars (\$ _____), available to you for payment at sight upon demand at our counters at (Location) on or before the expiration hereof against presentation to us of the following document, dated and signed by a representative of the beneficiary:

"The Account Party has not performed in accordance with an agreement and is in default. Wherefore, the undersigned does hereby demand payment of USD. [Beneficiary fills in the amount not to exceed the full value of the letter of credit]"

Partial and multiple drawings are permitted hereunder.

We hereby agree with you that documents drawn under and in compliance with the terms of this Letter of Credit shall be duly honored upon presentation as specified.

This Letter of Credit shall be governed by the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600 (the "UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. With respect to Article 14(b) of the UCP, the Issuing Bank shall have a reasonable amount of time, not to exceed three (3) banking days following the date of its receipt of documents from the Beneficiary, to examine the documents and determine whether to take up or refuse the documents and to inform the Beneficiary thereof accordingly.

In the event of an Act of God, riot, civil commotion, insurrection, war or any other cause beyond our control that interrupts our business (collectively, an "Interruption Event") and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiry date of this Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

It is a condition of this Letter of Credit that it will be automatically extended without amendment for one (1) year from the expiration date hereof, or any future expiration date, unless at least ninety (90) days prior to any expiration date we notify you at the above address by

registered mail or hand delivered courier that we elect not to consider this Letter of Credit renewed for any such period.

All commissions, expenses and charges incurred with this Letter of Credit are for the account of the Account Party.

{Note: Must note the Expiry Date in the format}

[BANK SIGNATURE]