

AMENDMENT NO. 2 TO AMENDED AND RESTATED SHAPING AND FIRING AGREEMENT

between

PPM ENERGY, INC.
and
M-S-R PUBLIC POWER AGENCY

This Amendment No. 2 to Amended and Restated Shaping and Firing Agreement ("Amendment No. 2") is made this 30th day of October, 2009, by and among M-S-R Public Power Agency, a California joint powers agency ("Buyer") and Iberdrola Renewables, Inc. (f/k/a PPM Energy, Inc.) an Oregon corporation ("IRI"). Each of Seller and Big Horn are herein sometimes referred to as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, the Parties have entered into an Amended and Restated Shaping and Firing Agreement, dated February 1, 2006, by and between Buyer and IRI (the "Agreement").

WHEREAS, the Parties desire to further amend the Agreement as more fully set forth in this Amendment No. 2.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

1. Preliminary

1.1 Capitalized terms used in this Amendment No. 2 that are not otherwise defined herein shall have the meaning given to such term in the Agreement.

2. Amendments

2.1 All references to PPM Energy, Inc. shall be deleted and replaced with Iberdrola Renewables, Inc.

2.2 Annex H, add the following definition:

"Backup Guarantor" means (a) Iberdrola, S.A., a Spanish sociedad anónima; or (b) an entity; approved in advance by Buyer in Buyer's commercially reasonable discretion, in each case that provides a replacement guarantee and support agreement or similar agreement obligating it to honor the payment obligations of Seller's Guarantor; *provided* however such Backup Guarantor shall be deemed to be automatically approved if it (1) is a successor parent company of Iberdrola, S.A. or a direct or indirect majority-owned

subsidiary of Iberdrola, S.A., in each case organized under the laws of the Kingdom of Spain; and (2) satisfies the Credit Requirements.

2.3 Annex H, definition of “Credit Requirements”, subsection (2), line three “(2) “BBB” or higher by S&P” shall be replaced with “(2) “BBB-” or higher by S&P”.

2.4 Annex H, definition of “Examination Site” shall be deleted.

2.5 Annex H, Section 5(b), “PPM’s Financial Statements” shall be deleted and replaced in its entirety with the following:

(b) **Iberdrola Renewables, Inc.’s Financial Statements.**

- (i) If requested by Buyer, promptly following such request, Iberdrola Renewables Inc.’s Guarantor shall deliver (which delivery may be effected through posting on an Internet page identified by notice to Buyer) in no event later than (i) one hundred thirty (130) Days after the end of each fiscal year of Iberdrola Renewables Inc.’s Guarantor, a copy of such Guarantor’s audited consolidated financial statements for such fiscal year, and (ii) ninety (90) Days after the end of each of such Guarantor’s first three fiscal quarters of each fiscal year, a copy of Iberdrola Renewables Inc.’s Guarantor’s unaudited consolidated financial statements for such periods, in each case prepared in accordance with GAAP or International Accounting Standards. For so long as Iberdrola Renewables Inc.’s Guarantor or any replacement Qualified Guarantor has a Backup Guarantor, Iberdrola Renewables, Inc. shall be deemed to have satisfied such delivery requirement if unaudited and audited (as applicable) financial statements of the Backup Guarantor are publicly available on the SEC EDGAR information retrieval system or on an Internet page maintained by such entity for those fiscal periods that such entity is required to prepare such statements under Applicable Law and exchange requirements. Should any financial statements required to be delivered pursuant to this paragraph not be available on a timely basis due to a delay in preparation or certification, such delay shall not be a Default, so long as such statements are provided to Buyer promptly upon their completion. During any period in which Iberdrola Renewables, Inc. meets the Credit Requirements, the financial reporting obligations described above shall be for the financial statements of Iberdrola Renewables, Inc. During any period in which Iberdrola Renewables, Inc. is providing a Cash Escrow Agreement or a Letter of Credit as Additional Security, the financial reporting obligations described above shall be for financial statements of Iberdrola Renewables, Inc.’s ultimate parent company (as notified to Buyer from time to time), and Iberdrola Renewables, Inc. shall be deemed to have satisfied such delivery requirement if unaudited and audited (as applicable) financial statements of such company are publicly available on the SEC EDGAR information retrieval system or on an Internet page maintained by such company for those fiscal periods that such entity is

required to prepare such statements under Applicable Law and exchange requirements.

- (ii) If financial information is not made available on behalf of Iberdrola Renewables, Inc. as required under Section 5(b)(i) within ten (10) Days after a request by Buyer, Buyer shall have the right to send a written notice demanding that such information be made available in accordance with Section 5(b)(i). If the requested information is not provided in accordance with this Agreement within thirty (30) Days after receipt of such written notice, or if Iberdrola Renewables, Inc. is not otherwise able to show that a Material Credit Event with respect to Iberdrola Renewables, Inc. has not occurred, Buyer shall be entitled to assume that a Material Credit Event with respect to Iberdrola Renewables, Inc. has occurred.
- (iii) All such financial information made available under this Section 5(b), if not publicly available, shall be treated as Confidential Information subject to Article 21 of this Agreement.

3. General Provisions

3.1 Except as expressly set forth in this Amendment No. 2, the Agreement remains unchanged and, as so modified, shall remain in full force and effect.

3.2 This Amendment No. 2 may be executed in counterparts, including in facsimile and electronic formats (including portable document format (.pdf)), each of which is an original and all of which constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS HEREOF, the Parties have caused this Amendment No. 2 to be duly executed as of the date first written above. This Amendment No. 2 shall not become effective as to either Party unless and until executed by both Parties.

IBERDROLA RENEWABLES, INC.

By: 

Name: **Kevin Devlin**
Authorized Representative

Title: _____

Date: **11/4/2009**

By: 

Name: **Trevor Mihalik**
Authorized Representative

Title: _____

Date: _____

M-S-R Public Power Agency,

By: _____

Name: _____

Title: _____

Date: _____