



CONFIRMATION

This Transaction Confirmation (“Confirmation”) is by and between Pinetree Power, Inc. (“Project”) and Public Service Company of New Hampshire (“PSNH”) (each a “Party” and collectively, the “Parties”). This Confirmation is for the sale of Unit Firm Energy, Capacity and Renewable Energy Certificates (“RECs” as defined below) from Project to PSNH (the “Transaction”). The following terms and conditions shall apply to this Transaction:

- Buyer:** PSNH
- Seller:** The Project, a 15 MW biomass fired generating facility which is located in Bethlehem, New Hampshire, is identified in the ISO-NE market settlement system with the Asset ID # 337.
- Transaction Date:** October 19, 2007
- Products Sold:** 100% of the Unit Firm Energy, Capacity and RECs qualified as Class III RECs under NH RSA 362-F from the Project.
- Term:** The Term is from January 1, 2008 through December 31, 2010, with the Initial Transaction Period (the “ITP”) January 1, 2008 through December 31, 2008 (see Requirements for further details relating to the Term). Note: Per RSA 362-F:9 any contract for the purchase and sale of RECs by a NH supplier with a term longer than one year must be approved by the NH PUC.
- Delivery Period:** Peak Months and Shoulder Months
- Energy Price:** Effective during the Term, PSNH will compensate Seller for energy received at the Delivery Point in accordance with the pricing periods set forth below. All prices for energy are expressed in terms of \$/Mwhr.

Energy Price Table

	On Peak Price	Off Peak Price
2008		
Peak Months	██████	██████
Shoulder Months	██████	██████
2009		
Peak Months	██████	██████
Shoulder Months	██████	██████

2010		
Peak Months	■	■
Shoulder Months	■	■

Peak Months are January, February, July, and August.
Shoulder Months are March, April, May, June, September, October, November and December.

During the Peak Months (January, February, July and August) the On Peak Price (noted in the table above) will be increased by an additional [redacted] if the monthly On Peak Capacity Factor is 95% or greater.

Energy produced prior to the Seller having been qualified as eligible to produce Class III RECs pursuant to 362-F:6, III shall have the associated Energy Prices (noted in the table above) for those Mwhrs delivered reduced by [redacted]. However, such reduction shall not be applicable if the delay in attaining such qualification is a result of an event or events – including, but not limited to, governmental actions or third-party interventions – that are beyond Seller’s control and which by exercising reasonable due diligence the Seller is unable to overcome or avoid or cause to avoid.

Buyer may offset future payments to recover any payments made to Seller for NH RECs which are later found to not qualify.

Fuel Price Adjustment:

Subject to the note below, a quarterly Fuel Price Adjustment Payment shall be determined to reflect changes in wood prices at the Project based upon the following:

“Initial Wood Price” means the actual, audited average price, in dollar per delivered ton that the Seller pays to receive wood in the 2007 calendar year.

Prior to the establishment of the actual, audited 2007 average wood price, the Initial Wood Price will be assumed to be [redacted] for purposes of initial contract administration. The actual Initial Wood Price, when established, will be used to adjust any invoice prepared using the assumed [redacted] value.

During a quarter in which the actual, average delivered wood price exceeds the Initial Wood Price....

The Fuel Price Adjustment (FPA), in \$ per ton, shall equal [redacted] of the amount by which the actual, average delivered wood price for the quarter exceeds the Initial Wood Price. The FPA shall not exceed [redacted] during 2008, [redacted] during 2009, or [redacted] during 2010. A Fuel Price Adjustment Payment (FPAP), as calculated below, shall be paid by the Buyer to the Seller.

During a quarter in which the actual, average delivered wood price is less than the Initial Wood Price...

The Fuel Price Adjustment (FPA), in \$ per ton, shall equal [redacted] of the amount by which the actual, average delivered wood price for the quarter is

less than the Initial Wood Price. The FPA shall not exceed [REDACTED] during 2008, [REDACTED] during 2009, or [REDACTED] during 2010. A Fuel Price Adjustment Payment (FPAP), as calculated below, shall be paid by the Seller to the Buyer.

The FPA, in \$ per ton, shall be multiplied by [REDACTED] tons per MWH and further multiplied by the MWH delivered in the quarter to determine the Fuel Price Adjustment Payment (FPAP) that is due to either the Seller or the Buyer.

Actual fuel prices (the quarterly total dollar amount paid for wood by the Project and the quarterly total tons of wood delivered to the Project) shall be supplied to PSNH within 30 days of the end of the quarter with any adjustments to be paid by Seller or Buyer 30 days thereafter.

As soon as possible after the end of a calendar year audited fuel price costs for the prior year by quarter shall be supplied to PSNH and within 30 days thereafter, the four quarterly Fuel Price Adjustment Payments from the applicable calendar year shall be recalculated and adjusted, if necessary.

Buyer shall have the right to audit the Projects fuel prices during the Term of this Agreement.

Note: this quarterly fuel price adjustment mechanism shall not go into effect until the first quarter in which the Project is qualified as a Class III renewable energy source in the New Hampshire RPS program. The preceding sentence shall not be applicable if the delay in attaining such qualification is a result of an event or events – including, but not limited to, governmental actions or third-party interventions – that are beyond Seller’s control and which by exercising reasonable due diligence the Seller is unable to overcome or avoid or cause to avoid.

Capacity Price:

For each month during the Term (including the ITP), Seller shall be paid [REDACTED] of the amount PSNH is credited for the Project’s capacity in the Buyer’s ISO-NE settlement account (the “Capacity Payment”); provided, however, that the Capacity Payment owed from Buyer to Seller shall be zero in any month in which the Project’s Capacity Factor is less than seventy-five percent (75%).

REC Conversion Outage:

Scheduled Outage hours (not to exceed 14 days) for work needed to qualify the Project for NH RECs are excluded from the calculation of Capacity Factor required for Capacity Payment.

NH REC Price:

PSNH shall pay Seller upon delivery into the Buyer’s NEPOOL GIS account the following amount for each Mwhr of Energy that qualifies for a NH REC: during the year 2008, [REDACTED] of the NH REC Default Price; during the year 2009, [REDACTED] of the NH REC Default Price; and during the year 2010, [REDACTED] of the NH REC Default Price.

REC Qualification:

At the written request of the Buyer, Seller will take such actions as are commercially reasonable in order to obtain all required regulatory approvals necessary to qualify the Project in the renewable portfolio standard programs of New England jurisdictions other than New Hampshire. For the avoidance

of doubt, nothing in this Confirmation obligates Seller, in response to any request of Buyer under the foregoing sentence, to incur any capital costs, increase any operating expenses, reduce output, or initiate or engage in any contested or litigated proceedings before any governmental entity or court. Seller will demonstrate reasonably satisfactory compliance with this request within 90 days of such request and, subject to the exceptions in the foregoing sentence, Seller will be responsible for any expenses and/or administrative burdens associated with Seller's efforts to obtain the applicable regulatory approvals. Seller may, at its sole option, seek renewable credit qualification in jurisdictions other than New Hampshire.

Sales of RECs to Others

Seller may, at its sole option, notify Buyer that it intends to sell RECs from the Project to third parties for compliance with an RPS program other than the New Hampshire RPS. Such notification must be received prior to the REC Delivery Date (see Definitions) associated with the RECs. Following each REC Delivery Date the Seller's option to sell RECs associated with that REC Delivery Date shall expire. For each REC sold to a third party Seller shall pay to Buyer the difference between the NH REC Default Price and the NH REC Price. This payment shall be made in the next billing period after the REC Delivery Date. Buyer, at its option, may reduce its monthly payments to Seller in an amount equal to the payment described in this paragraph.

As described under "Scheduling", below, Buyer will remain the designated Generator Asset Owner for the Project. As such, RECs created by the Project will initially be delivered into the Buyer's NEPOOL GIS account. For any RECs sold to third parties (pursuant to this paragraph), Buyer will transfer such RECs into the NEPOOL GIS account of the Seller within 10 business days prior to the close of the REC transfer period for the quarter in which the RECs were generated, or as otherwise agreed to by the Parties.

Administrative Fees:

For each Mwhr of energy delivered to Buyer, Seller shall pay Buyer the actual ISO-NE administrative charges (currently \$0.16457/Mwhr) related to Schedule 2 of Section IV.A of ISO-NE's Transmission, Markets & Service Tariff. Buyer, at its option, may reduce its monthly payments to Seller in an amount equal to these monthly Administrative Fees.

Payment Schedule:

The payment schedule shall be on a calendar month basis with approved invoices paid by the 21st day of the next month.

Delivery Point:

The Delivery Point shall be at the 34 kV interconnection between the Project and Buyer's facilities as specified in the existing Interconnection Agreement.

Scheduling:

Buyer will remain the designated Generator Asset Owner in accordance with ISO-NE rules and procedures. Seller will provide Buyer by 9:00 AM of the prior day a schedule of anticipated hourly plant output. This information will be submitted in electronic format to Buyer.

Seller will communicate information relative to changes in plant operational status (e.g. unscheduled outages) in a timely manner.

Buyer and Seller shall cooperate and take such actions as required by ISO-NE, New Hampshire Satellite office and Buyer to comply with ISO New England System Rules, reliability needs and auditing requirements.

Requirements:

The Transaction is subject to approval by the NH PUC. Should the NH PUC disapprove this Transaction or fail to approve this Transaction before the end of the ITP, this Transaction shall terminate at the end of the ITP.

Seller shall maintain Qualifying Facility status (in accordance with PURPA) during the term of this Transaction.

Seller shall provide Buyer by August 1st of each year the annual maintenance schedule for the Project for the next calendar year.

Confidentiality:

The Parties agree to keep confidential the terms and provisions set forth in this Transaction except as may be required by Law or necessary to obtain regulatory approval from the NH PUC.

Buyer shall: (i) provide reasonable notice to Seller of its intent to submit any of Seller's commercially sensitive information, including, but not limited to, the Project's operational and financial data, to any person or entity, including the NH PUC, (ii) make any such submission as confidential or under a request for confidential treatment or protective order, and (iii) provide a copy of the submission to Seller.

Definitions:

"Off Peak" means all hours outside of the "On Peak" period.

"On Peak" means the hour ending 08:00 (HE8) through the hour ending 23:00 (HE23) eastern prevailing time Monday through Friday, excluding NERC holidays.

"Capacity Factor" means, for each month during the Term, the total energy delivered (Mwhrs) divided by the product of the then current ISO Seasonal Claimed Capacity (in MW) times the number of hours in the month.

"On Peak Capacity Factor" means, for each month during the Term, the total energy delivered (Mwhrs) during the On Peak hours divided by the product of the then current ISO Seasonal Claimed Capacity (in MW) times the number of On Peak hours in the month.

"REC Delivery Date" means, for each calendar quarter, the date on which RECs from that quarter are initially delivered into the NEPOOL GIS and, thus, made available for transfer. As an example, for REC generated in the fourth quarter of 2007, the REC Delivery Date is anticipated to be on or about April 16, 2008. These quarterly dates are periodically established and posted by the GIS administrators.

"Unit Firm" means Seller's failure to deliver the Product under this Transaction shall be excused: (i) if the Plant is unavailable as a result of a Planned Outage or a Forced Outage (both as defined in the NERC Generating Unit Availability Data System (GADS) Planned and Forced Outage reporting guidelines) or (ii) by an event or circumstance that affects the Plant so as to prevent Seller from performing its obligations, which event

or circumstance was not anticipated as of the date of this Confirmation and which is not within the reasonable control of, or the result of negligence of, Seller or (iii) by Buyer's failure to perform.

"NEPOOL GIS" means the New England Power Pool Generation Information System, which includes a generation information database and certificate system, operated by NEPOOL, its designee or successor entity, that accounts for the generation attributes of electricity generated within New England.

"Renewable Energy Certificate" ("RECs") is a NEPOOL GIS Certificate that identifies the relevant generation attributes of each MWh accounted for in the NEPOOL GIS that could be used to satisfy various State Renewable Portfolio Standards.

NH Class III Renewable Energy Certificates ("NH RECs") shall mean certain NEPOOL GIS Certificates derived from the energy production of the Project that have been qualified for the NH minimum renewable standards for energy portfolios as established in NH RSA Chapter 362-F.

"NH REC Default Price" shall mean the rate establish pursuant to RSA 362-F:10 that an electricity provider would otherwise pay into the Renewable Energy Fund for a given year in which the provider does not meet the portfolio requirements of RSA 362-F:3 for NH Class III RECs.

Governing Terms:

All other terms and conditions not specified herein shall be in accordance with the attached Annex A. Any modifications, additions or deletions to the referenced terms and conditions shall not be binding or effective until accepted in a separate writing by the Parties.

Buyer and Seller execute this Confirmation effective on the Transaction Date referenced above.

Public Service Company of New Hampshire

Pinetree Power, Inc.

Name:

Name:

Title:

Title:

Date:

Date:

Annex "A"
ATTACHMENT TO TRANSACTION CONFIRMATION

This Transaction shall be governed by General Terms and Conditions of the EEI Master Power Purchase and Sale Agreement, Version 2.1 (modified 4/25/00)("Master Agreement") which is incorporated by reference and made a part hereof. The elections contained on the Cover Sheet to the Master Agreement shall not be applicable to this Confirmation, except as provided below:

<p><u>Article One</u> General Definitions</p>	<p>Except as otherwise provided herein, all product or market-related terms capitalized but not defined herein shall have the meaning given such terms (or any successor thereto) from time to time pursuant to ISO New England Manual M-35 (Definitions and Abbreviations) or the applicable ISO New England System Rules, each as may be amended from time to time. "ISO New England System Rules" means Market Rule 1, the ISO New England Information Policy, the ISO Administrative Procedures, the Reliability Standards, the ISO New England Manuals and any other system rules, procedures or criteria for the operation of the NEPOOL System and administration of the NEPOOL Market, the Restated NEPOOL Agreement, the NEPOOL Open Access Transmission Tariff, and any successor agreements and/or tariffs accepted or approved by FERC, including any successor agreements and/or tariffs relating to the formation of a regional transmission organization in New England or any other successor to NEPOOL and/or ISO New England Inc.</p>
<p><u>Article Two</u> Transaction Terms and Conditions</p>	<p><input checked="" type="checkbox"/> Optional Provision in Section 2.4 applies; provided, however, that the words "either orally or" in the seventh line are deleted.</p>
<p><u>Article Four</u> Remedies for Failure to Deliver/Receive</p>	<p>Article 4 as set forth in the Master Agreement is applicable, with the following election:</p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> Accelerated Payment of Damages. [If not checked, inapplicable.]</p>
<p><u>Article Five</u> Events of Default</p>	<p><input checked="" type="checkbox"/> Applicable with the exception of Section 5.1(g) (Cross Default). Option A applies in Section 5.6 (Closeout Setoffs).</p>
<p><u>Article Eight</u> Credit and Collateral</p>	<p>Article Eight is not applicable.</p>
<p><u>Article Ten</u></p>	<p><input checked="" type="checkbox"/> Confidentiality Applicable</p>
<p>Miscellaneous</p>	<p>Schedule M shall not apply</p> <p>Schedule P shall apply</p>

In the event of any inconsistency between the terms of the EEI Agreement and the terms of a Confirmation, the terms of the Confirmation will govern for the particular Transaction, subject to the provisions of Section 2.4 as amended above.