ANCHORAGE ML&P – PROPOSED TERMS

COOK INLET REGION, INC. ("CIRI")
FIRE ISLAND WIND PROJECT
Long Term Power Purchase or Output Share Purchase Agreement
As of August 23, 2010 (supersedes terms proposed on June 3, 2010 and August 16, 2010)

Buyer	Anchorage Municipal Light and Power ("ML&P" or "Buyer").
Seller	Fire Island Wind, LLC ("Seller") Fire Island Wind, LLC is a project development company owned by Cook Inlet Region Inc. ("CIRI"). Fire Island Wind, LLC headquarters are located at 2525 C Street, #500, P.O. Box 93330, Anchorage, AK 99509. Headquarters phone is 907-274-8638. Seller has retained the Summit Wind Alaska FI, LLC, a wholly owned subsidiary of Summit Power Group, Bainbridge Island, WA (http://www.summitpower.com) as developer and marketing agent. Seller's contact person for this proposal is Suzanne Gibson, Sr. Director Energy Development, CIRI (907) 263-5150 sgibson@ciri.com or Dana C. Zentz, P.E., Vice President, Summit Power (509) 448-7589 dzentz@summitpower.com
Product	Seller shall produce and make available, and Buyer shall accept and purchase "as-generated" energy and environmental attributes from the Fire Island Wind Project ("the Project") as more fully described herein. Buyer's right and obligation to receive the project energy as generated shall be exclusive and without restriction. Buyer shall retain ownership of capacity rights (if any) associated with the Project for the Term of the PPA.
Generation Reserves	Pricing herein assumes that Buyer will self-provide generation reserves as needed for its pro-rata share of the Project output, and that Buyer will not require incremental transmission services from the host utility; Chugach Electric Association ("CEA"). Therefore, pricing herein does not include costs (if any) for CEA provided shaping, re-delivery, transmission or transmission related ancillary services.
Regulation and Integration	Seller plans to obtain generation regulation and integration services from Chugach Electric. For the Term, Seller will pass through to Buyer its actual cost of generation regulation and integration services (without mark-up) as provided by CEA. Seller is presently in discussions with CEA regarding provision of generation regulation and integrations services. As of August 3, 2010 Seller has been advised by CEA that regulation and integration services will likely be provided at a cost not to exceed $20/MWh. In the event that integration service costs change over time (likely will decrease), these changes will be passed to Buyer. Further, Seller will as appropriate, support Buyer initiatives to self-provide integration services during the Term.

Term and quantity	Buyer shall purchase 24.2% of the "as generated" energy from the Project. This equates to 12.8 MW of the Project nameplate capacity. Annual (P50) production for the offered product is 40,359 MWH/yr or 4.61 average MW. Term will be 25 years from Commercial Operation Date. Annual degradation in energy production of ¼ of 1% (0.0025) shall apply. For example, contract year 1, the P50 production would be 40,359MWH. Contract year 2 the P50 production would be 0.9975 x 40,359 = 40,258 MWH, etc.
Point of Delivery	Shall be the high voltage (34.5kV) side of the Project collector bus on Fire Island, where power output will be metered for delivery to Buyer.
Project Description	Seller will develop, permit, interconnect, construct, commission and warrant a wind power resource (the Project) with general attributes as follows: 1. Size – 52.8 MW. The Project will consist of 33 wind turbine generators of type GE XLE - 1.6 MW each. 2. Site – the project site lands are controlled by Seller. The site will be Fire Island, which is approximately 3 miles west of Anchorage. The Fire Island project site is 100% Seller owned. Appendix A contains a map and site layout for the project. 3. Commercial Operation Date ("COD") – the COD is targeted at "not later than" December 2012 (assumes executed contract from Buyer by October 30, 2010). 4. Technology – The project will be comprised of 33 each GE Wind Turbine Generators ("WTG") of type XLE. Each WTG shall have 1.6 MW nameplate capacity. Each WTG will be mounted on an 80 meter steel tower and will have a blade length of 38.5 meters. Total blade tip height from foundation surface will be 389 feet. 5. Interconnection – the Project will interconnect at a point within the electric system of Chugach Electric Association ("CEA") and the point of interconnection is on Fire Island at the Point of Delivery. The Project is constructing and CEA will own and operate, a twin cable 34.5 kV line connecting Fire Island to the 34.5 kV bus at the International Substation near the Chugach's headquarter building. Appendix B contains an electrical one line drawing of the project and interconnection. Pricing and terms herein include application of $25,000,000 in grant funds from the State of Alaska to help finance the electrical interconnection, and presumes that the design and construction of the interconnection will be completed within that grant amount and not require additional funds from CIRI or Buyer.

Availability	Project availability will be warranted as such warranties are available from GE and the Project EPC firm. The EPC and GE warranty provisions will be reflected in the definitive agreement for benefit of Buyer. GE warranties and EPC contractor warranties are currently under negotiation.
Annual Production	A preliminary wind resource assessment has been completed for the Project. Appendix C contains a 12 x 24 production estimate for the project and for the proposed product including the pro-rata share described and offered to Buyer herein. Based on a 52.8 MW project size, the expected P50 annual production will initially be 31.13% or 143,985 MWh/year, and degrading at an average of ¼ of 1% per year. Summary of Net Generation by Exceedence Level – Entire Project: P50 Net capacity factor is 31.13% or 143,985 MWh P90 Net capacity factor is 27.87% or 128,901 MWh P99 Net capacity factor is 25.30% or 117,016 MWh Based on the pro-rata project size proposed herein and the warranted availability above, the expected production in MWh and degrading at an average of ¼ of 1% per year will be as follows: Summary of Net Generation by Exceedence[1] Level – **Buyer's Pro-Rata Share**: P50 Net capacity factor is 31.13% or 40,359 MWh P90 Net capacity factor is 27.87% or 36,131 MWh P99 Net capacity factor is 25.30% or 32,800 MWh A final wind assessment and prediction (final wind report) will be completed prior to execution of definitive agreements based on this proposal, and such final wind report will serve as the basis for the contracted quantities of energy. Results of the final wind assessment are not expected to change materially.
Renewable Energy Credits	Buyer shall retain the environmental attributes including Renewable Energy Credits or Green House Gas reduction benefits (such as carbon credits) which can be derived from the Project or its energy output, in the amount of 1 environmental attribute for each MWH purchased: 1. For clarity, if one MWH of generation from the Project creates both a Renewable Energy Credit as well as a Carbon Credit, Buyer shall own both.

[1] Probability that actual Project output will exceed the value stated. P99 production therefore, is a level of energy production that is 99% likely to be exceeded.

Scheduling	Buyer shall act as scheduling coordinator (dispatcher) for the project output. Seller will provide predictions of project availability both hour ahead and day ahead, and will also provide access for Buyer to real time wind speed data from the site and from nearby meteorological stations (as reasonably available).
Assignment of Definitive Agreements	The PPA and/or any related documents derived from this proposal will contain provisions providing that, subject to the approval of the Seller, the documents are assignable by the Buyer to any entity created by the State of Alaska or Railbelt utilities to administer the functions of a regional electrical grid authority (GRETC or similar). The PPA and/or any related documents will also include provisions whereby the Seller may assign the Agreement to a Lender or Equity Investor as is reasonably necessary.
Buyer Curtailments	The proposed Project is a wind resource, and will deliver energy on an intermittent basis. Related to the PPA Pricing Option #1 below: Seller proposes no restriction on Buyer curtailing Project output during times of network emergency provided, however, that the estimated amount of energy curtailed shall be counted toward the Seller's obligation (if any) to supply energy for each year, and shall be paid for (including O&M costs) by Buyer irrespective if such power was delivered. Related to Output Share, Pricing Option #2 capacity based pricing with O&M pass through: Seller will propose no restriction on Buyer curtailments, but curtailments by Buyer will not relieve Buyer from making Output Share and O&M payments otherwise due.
Pricing Option #1 – Traditional Power Purchase Agreement:	Seller proposes the following long term PPA structure. 1. Seller obtains financing to fund construction of Project. 2. Buyer agrees to pay for power from Project as generated for the Term of 25 years. 3. Seller applies for and Receives ITC cash grant = approximately $43.5 M[2] 4. Seller uses ITC cash = $43.5 Million to reduce cost of the financed portion of the Project, thereby reducing the PPA price. 5. Depending on agreement of the Parties, Buyer pays Seller for its pro-rata share of actual O&M expenses as incurred[3] and pursuant to agreed upon and jointly developed annual O&M budgets.

[2] June 3 term sheet indicated that ITC grant would be approx. $51.5 million. Reduction in grant amount herein is due to expectation that the overall project costs will be reduced from the June 2010 levels and so the percentage grant formula calculates a smaller ITC grant amount. The reduction in overall project cost is the result of continuing negotiations primarily related to turbine supply equipment, construction and logistics contracts. Actual results may vary from estimates.

	6. Depending on negotiations of various Project contracts which are underway (Turbine Supply, EPC, Logistics, etc), Total first year cost of **energy** as proposed **$70.70/MWh per MWh**, and escalates at 2.0%/year. This figure does not include estimated **O&M**, which as mentioned above, will be reimbursed at actual cost (without mark-up) by Buyer. O&M costs are expected to be **$28.75 per MWh** and will escalate at the rate of 2.0%/year. 7. Estimated **"all in" power price will therefore be $99.45/MWh**, escalating[4] at approximately 2.0% per year. This is a substantial decrease compared to pricing proposed in June 2010 ($118.08/MWh). 8. At end of PPA Term, remaining life of project is owned by Seller 9. Buyer retains ownership of REC's as outlined herein for Term of PPA. 10. Buyer in addition to above reimburses Seller for actual cost (without mark-up) of generation integration service (expected not to exceed $20/MWh).
Pricing Option #2 – Output Share based pricing alternative:	In lieu of PPA pricing based on MWh produced, Buyer may elect to pay Seller for an output share equal to its proposed PPA amount. This would in practice be similar to "renting" the project share from Seller. In this case, Buyer pays monthly or annual payments and is entitled to receive its pro-rata share of all "as generated" energy from the Project as follows: 1. Seller obtains financing to fund construction of Project. 2. Buyer agrees to pay a defined annual amount (or "rent") each year. In exchange, Buyer receives its pro-rata "Output Share" of energy generated from Project for the Term of 25 years. 3. Seller warrants project availability and performance as agreed by the Parties. 4. Seller applies for and Receives ITC cash grant = approximately $43.5 M. 5. Seller uses ITC cash = $43.5 Million to reduce cost of the financed portion of the Project, thereby reducing the Power price associated with the Output Share. 6. Buyer pays a monthly **Output Share payment** escalating at 2.0%/year. Output share payment will be **$14.05/kw-month** (this equates to **$61.81/MWh** at P50 capacity factor of 31.13%). This figure does not include estimated **O&M**, which as mentioned above, will be reimbursed at actual cost (without mark-up) by Buyer and pursuant to agreed upon and jointly developed O&M

[3] For clarity, O&M expenses shall include all fixed and variable expenses associated with project operation and maintenance and will also include a management fee for Seller as agreed by the Parties. Current budget includes $150K/year asset management expense.

[4] Expected overall escalation is estimated at 2.0% per year, however will vary slightly due to changes in actual O&M costs.

	budget. O&M costs are expected to be **$28.75 per MWh** and will escalate at the rate of 2.0%/year. 7. Proposed **"all in" power costs for this pricing option are $90.56/MWh,** escalating at approximately 2.0% per annum. This also is a significant decrease from pricing proposed in June 2010 ($102.23/MWh). 8. Buyer in addition to above, reimburses Seller for actual cost of generation integration service (expected not to exceed $20/MWh). 9. Buyer may dispatch project as necessary without regard to "makeup" payments or restrictions imposed by Seller. 10. Buyer may "self perform" O&M and in doing so, reduce costs below the proposed levels shown here. 11. At end of PPA Term, remaining life of project is owned by Seller. 12. Buyer retains ownership of REC's as outlined herein for Term of PPA.
Operations and Maintenance	Unless the Parties agree otherwise, Seller shall perform Maintenance and Operation of the Project consistent with Prudent Industry Practices and Standards. In the case of Output Share pricing option #2, Buyer may elect to self-provide O&M, but for PPA pricing option #1, per federal tax requirements, Seller must provide O&M for the entire Project. In either case, Buyer will reimburse Seller for actual costs of O&M (without mark-up) as incurred (only one O&M payment method shall be employed for the Term) and Buyer shall participate in developing and approving the annual O&M budget.
Reliability	In order to enhance reliability, Seller will; 1. Warehouse a reasonable inventory of on-site spare parts 2. Install WTG's with cold weather operations package. 3. Include independent, and conditionally redundant submarine cables from Fire Island to the mainland. 4. Maintain access to a heavy duty, high lift crane to allow for quick response in event major repairs are needed to Nacelle's, Rotors, or Blades relating to the turbine generators.
Warranties	Seller will obtain reasonable and customary warranties on Project hardware, design and workmanship and will operate the project in conformance with Prudent Industry Standards. Seller will therefore negotiate warranties for benefit of Buyer, based on the underlying Project warranties Seller receives, relating to: 1. Project availability 2. Project energy output at rated wind speeds (but shall not warrant the likelihood, velocity or frequency of wind)
Non-	Seller provided information included in this proposal is trade secret and

Disclosure	confidential. Seller therefore requests Buyer to protect this document and its attachments and appendices from disclosure to third parties to the extent possible under law.
Nature of Proposal	This is a proposal only and, except for non-disclosure, shall not be construed to be a binding obligation of either Party. Products described herein are subject to prior sale. Prior to acceptance by buyer, the terms of this proposal may be changed or updated at any time and without notice.

To foregoing proposed terms are intended to be delivered to prospective buyers with following attached:

1. Appendix A – site layout map
2. Appendix B – electrical one-line drawing
3. Appendix C – 12 x 24 average diurnal production table (NCF or MWH/hr)

PROPOSED TERMS

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As of August 23, 2010

APPENDIX – A
SITE LAYOUT MAP


LEGEND:
EXISTING ROADS AND TRAILS
CLEARING LIMIT BOUNDARIES AS LABELED
EDGE OF WATER OR WETLAND DELINEATION, AS LABELED
150' RADIUS BOUNDARY FOR PROPOSED WIND TURBINE
75' RADIUS FOR PERMANENT MET TOWER
EXISTING TEMPORARY MET TOWER
FAA PROPERTY BOUNDARY
USCG PROPERTY BOUNDARY
COOK INLET
NORTH POINT
RACE POINT
COOK INLET
WEST POINT
CRF FIRE ISLAND
FAA
USCG
PM-1
PM-2
A-1
A-2
A-3
A-4
A-6
A-18
A-19
A-22
B-9
B-11
B-12
B-13
B-14
B-15
C-13
C-24
C-27
C-28
C-29
C-31
LITTLE LAKE
OTTER LAKE
GRAPHIC SCALE
2000
0
2000
(IN FEET)
1 inch = 2000 ft.
Fire Island Wind LLC
RESTORATION
Science & Engineering
511 West 8th Avenue, Suite 106
Anchorage, Alaska 99501
PH (907)277-5400 FAX (907)277-5718
REVISIONS
FIRE ISLAND WIND LLC
VERSION 11 TURBINE LOCATIONS
FIRE ISLAND, ALASKA

PROPOSED TERMS

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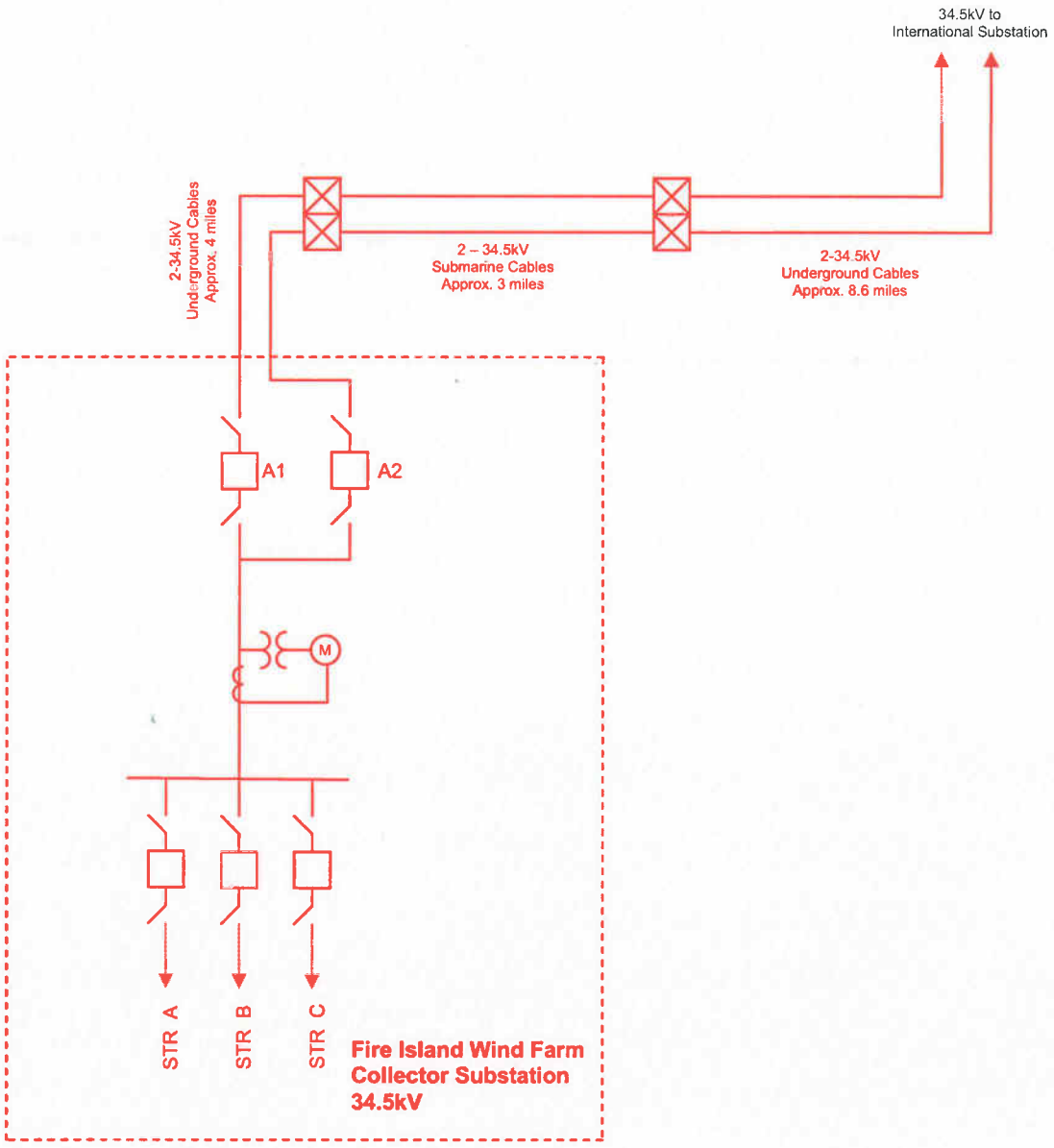
APPENDIX – B
ELECTRICAL ONE LINE DIAGRAM



Cadiente Consulting	DATE: 01/15/10 REV: B	FIRE ISLAND WIND PROJECT ONE-LINE	DWG NO 001

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APPENDIX – C
ENERGY PRODUCTION AND CAPACITY FACTOR ESTIMATES

Fire Island Wind Project – ML&P Proposal

Appendix C

Production Estimates

Table 1 below shows the average hourly Net Capacity Factor for the Project:

Fire Island Wind Project

Average Hourly Net Capacity Factor by Month (%)

Based on 33 each GE XLE 1.6 MW WTG's **August 23, 2010**

Hour	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
0	42.2%	42.9%	40.5%	32.7%	33.4%	25.5%	24.6%	22.0%	32.7%	34.3%	40.0%	42.2%
1	44.0%	43.8%	38.7%	31.8%	29.0%	22.7%	23.8%	22.0%	30.9%	35.2%	40.9%	42.2%
2	45.7%	43.8%	39.6%	30.9%	26.4%	20.9%	21.1%	20.2%	29.1%	34.3%	40.0%	41.3%
3	44.9%	43.8%	39.6%	31.8%	25.5%	18.2%	19.4%	17.6%	29.1%	32.5%	40.9%	42.2%
4	43.1%	43.8%	40.5%	30.9%	23.8%	16.4%	19.4%	15.8%	28.2%	33.4%	40.9%	42.2%
5	42.2%	41.9%	41.3%	29.1%	21.1%	14.5%	19.4%	15.8%	27.3%	34.3%	40.0%	42.2%
6	42.2%	41.9%	41.3%	29.1%	19.4%	12.7%	19.4%	15.0%	27.3%	34.3%	40.9%	43.1%
7	43.1%	41.9%	40.5%	26.4%	17.6%	10.9%	17.6%	14.1%	27.3%	35.2%	40.9%	43.1%
8	43.1%	44.8%	39.6%	25.5%	16.7%	10.0%	15.8%	12.3%	27.3%	34.3%	40.9%	43.1%
9	44.0%	43.8%	36.9%	23.6%	16.7%	11.8%	14.1%	11.4%	27.3%	34.3%	40.0%	44.0%
10	44.0%	42.9%	32.5%	20.9%	17.6%	13.6%	12.3%	10.6%	24.5%	32.5%	39.1%	43.1%
11	43.1%	39.0%	29.9%	20.9%	19.4%	15.5%	13.2%	9.7%	22.7%	31.7%	38.2%	42.2%
12	43.1%	37.0%	27.3%	22.7%	22.0%	16.4%	15.0%	10.6%	20.9%	29.0%	34.5%	41.3%
13	42.2%	35.1%	26.4%	24.5%	24.6%	20.0%	15.8%	10.6%	20.0%	26.4%	33.6%	40.5%
14	42.2%	33.1%	26.4%	26.4%	29.9%	23.6%	16.7%	12.3%	20.9%	26.4%	33.6%	41.3%
15	42.2%	34.1%	29.0%	26.4%	29.9%	25.5%	18.5%	15.0%	24.5%	26.4%	33.6%	42.2%
16	41.3%	33.1%	29.0%	28.2%	32.5%	27.3%	21.1%	15.8%	25.5%	28.1%	33.6%	41.3%
17	40.5%	34.1%	29.0%	32.7%	34.3%	29.1%	22.9%	17.6%	25.5%	28.1%	36.4%	42.2%
18	40.5%	36.0%	31.7%	34.5%	36.9%	30.0%	24.6%	19.4%	27.3%	29.9%	39.1%	42.2%
19	41.3%	37.0%	34.3%	34.5%	37.8%	30.9%	26.4%	20.2%	29.1%	31.7%	39.1%	43.1%
20	41.3%	39.0%	36.9%	35.5%	40.5%	32.7%	26.4%	22.0%	30.0%	32.5%	40.0%	44.9%
21	43.1%	39.0%	38.7%	35.5%	41.3%	32.7%	28.1%	24.6%	31.8%	34.3%	40.9%	42.2%
22	43.1%	39.9%	39.6%	35.5%	37.8%	30.0%	28.1%	25.5%	32.7%	34.3%	40.0%	43.1%
23	43.1%	41.9%	40.5%	33.6%	35.2%	26.4%	26.4%	22.9%	32.7%	35.2%	40.0%	42.2%
	42.74%	**39.73%**	**35.41%**	**29.32%**	27.89%	**21.55%**	**20.42%**	**16.79%**	**27.27%**	**32.03%**	**38.63%**	**42.41%**

Table 2 below shows the expected net average hourly energy production (totaled by month) for the portion of the Project output proposed to ML&P:

Fire Island Wind Project

Average Hourly Net Energy Production by Month (MWh)

Based on Buyer's pro-rate share of 33 each GE XLE 1.6 MW WTG's **August 23, 2010**

Hour	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
0	193.7	177.6	185.7	145.3	153.4	113.0	113.0	100.9	145.3	157.4	177.6	193.7
1	201.8	181.6	177.6	141.3	133.2	100.9	109.0	100.9	137.2	161.4	181.6	193.7
2	209.9	181.6	181.6	137.2	121.1	92.8	96.9	92.8	129.1	157.4	177.6	189.7
3	205.8	181.6	181.6	141.3	117.0	80.7	88.8	80.7	129.1	149.3	181.6	193.7
4	197.8	181.6	185.7	137.2	109.0	72.6	88.8	72.6	125.1	153.4	181.6	193.7
5	193.7	173.5	189.7	129.1	96.9	64.6	88.8	72.6	121.1	157.4	177.6	193.7
6	193.7	173.5	189.7	129.1	88.8	56.5	88.8	68.6	121.1	157.4	181.6	197.8
7	197.8	173.5	185.7	117.0	80.7	48.4	80.7	64.6	121.1	161.4	181.6	197.8
8	197.8	185.7	181.6	113.0	76.7	44.4	72.6	56.5	121.1	157.4	181.6	197.8
9	201.8	181.6	169.5	104.9	76.7	52.5	64.6	52.5	121.1	157.4	177.6	201.8
10	201.8	177.6	149.3	92.8	80.7	60.5	56.5	48.4	109.0	149.3	173.5	197.8
11	197.8	161.4	137.2	92.8	88.8	68.6	60.5	44.4	100.9	145.3	169.5	193.7
12	197.8	153.4	125.1	100.9	100.9	72.6	68.6	48.4	92.8	133.2	153.4	189.7
13	193.7	145.3	121.1	109.0	113.0	88.8	72.6	48.4	88.8	121.1	149.3	185.7
14	193.7	137.2	121.1	117.0	137.2	104.9	76.7	56.5	92.8	121.1	149.3	189.7
15	193.7	141.3	133.2	117.0	137.2	113.0	84.8	68.6	109.0	121.1	149.3	193.7
16	189.7	137.2	133.2	125.1	149.3	121.1	96.9	72.6	113.0	129.1	149.3	189.7
17	185.7	141.3	133.2	145.3	157.4	129.1	104.9	80.7	113.0	129.1	161.4	193.7
18	185.7	149.3	145.3	153.4	169.5	133.2	113.0	88.8	121.1	137.2	173.5	193.7
19	189.7	153.4	157.4	153.4	173.5	137.2	121.1	92.8	129.1	145.3	173.5	197.8
20	189.7	161.4	169.5	157.4	185.7	145.3	121.1	100.9	133.2	149.3	177.6	205.8
21	197.8	161.4	177.6	157.4	189.7	145.3	129.1	113.0	141.3	157.4	181.6	193.7
22	197.8	165.5	181.6	157.4	173.5	133.2	129.1	117.0	145.3	157.4	177.6	197.8
23	197.8	173.5	185.7	149.3	161.4	117.0	121.1	104.9	145.3	161.4	177.6	193.7
	4,706	**3,951**	**3,899**	**3,124**	**3,071**	**2,296**	**2,248**	**1,848**	**2,906**	**3,527**	**4,117**	**4,670**

Table 3 below shows the expected net average monthly energy production for the portion of the Project output proposed to ML&P: