

SECOND AMENDMENT TO THE  
THERMAL POWER PLANT SITE CERTIFICATE

for the  
HERMISTON GENERATING COMPANY

This Second Amendment to the Thermal Power Plant Site Certificate for the Hermiston Generating Company (the "Second Amendment") is made and entered into this        day of May, 1996 in the manner provided by ORS Chapter 469 and as provided by the Oregon Administrative Rules Chapter 345 Division 27 in effect on May 10, 1996, by and between the State of Oregon (State), acting by and through its Energy Facility Siting Council (EFSC) and Hermiston Generating Company, L.P. (HGC), a Delaware limited partnership.

The State and HGC agree that the Thermal Power Plant Site Certificate dated March 11, 1994 by and between the State and HGC, and amended on August 12, 1994 (the "First Amendment") is amended in the following particular respects. The sections below are excerpted from the Site Certificate, as previously amended. Additions are denoted by an underline and deletions are denoted by strikeout:

1.        Site Certificate Section I(A) (First Paragraph)

To the extent authorized by State law and subject to those warranties and conditions set forth herein, the State approves and authorizes the construction, operation and retirement by HGC of a natural gas-fired combustion turbine energy facility, together with certain related or supporting facilities, at the site near Hermiston in Umatilla County, Oregon, in the manner described in HGC's application for site certificate. "Facility", as used in this site certificate, consists of the energy facility and the related or supporting facilities described in HGC's application for site certificate, except where otherwise stated or where the context clearly indicates otherwise. As used in this site certificate, the "application for site certificate", includes those changes and/or additions to the Facility described in HGC's Request for Amendment No. 1, dated June 3, 1994, attached to the First Amendment as Exhibit 1. The facts, reasoning, conclusions and conditions relied on for approval are set out in EFSC's final orders dated March 11, 1994, ~~and~~ August 10, 1994 and May 10, 1996, which by this reference are incorporated herein.

2.        Section III.B (Warranty)

"HGC warrants that it has the ability to take those actions necessary to ensure that the facility is constructed, operated and retired in a manner consistent with ~~its representations made in the application for site certificate, in this proceeding leading to the execution of the site certificate, and with the terms and conditions of this agreement~~ and with the facts, reasoning, conclusions, and conditions set out in EFSC's final orders dated March 11,

3. Section IV.A.3 (Conditions Required by OAR Chapter 345, Division 27)

"HGC shall design, construct, operate and retire the facility substantially as described in the application for site certificate, in EFSC contested case proceedings and in documents and representations made by HGC in support of the application for site certificate, amendments to the site certificate and the EFSC final orders which are incorporated therein, except as the design, construction, operation or retirement of the facility may be modified or amended pursuant to OAR Chapter 345, Division 27. HGC may request that modifications or amendments to the design, construction, operation or retirement of the facility be considered pursuant to the Division 27 rules in effect at the time the amendment is filed. A request to have the amendment considered pursuant to a later adopted version of Division 27 rules will be granted unless the EFSC finds that applying the later adopted rules would create a significant threat to public health, safety or the environment. A request by HGC to amend the site certificate shall be considered in accordance with the process set forth in OAR 345-27-050 through 345-27-080, as in effect as of May 10, 1996. A request by HGC to apply later adopted rules to this site certificate shall be considered in accordance with OAR 345-27-095, as in effect as of May 10, 1996."

4. Section IV. F Conditions Added in Accordance with OAR 345-27-020(11)

Pursuant to OAR 345-27-020(11) as in effect on May 10, 1996, the Department has reviewed the ASC and identified statements and representations that it deems to be binding commitments. The provisions of OAR 345-27-020(2)(a), as in effect as of November 1995, shall apply to the following condition unless specifically noted within the particular condition. In the event of a conflict between the ASC and Amendment #1 to the Site Certificate, Amendment # 1 to the Site Certificate shall be deemed controlling.

Exhibit A

(1) The department shall be notified of any modification to the identity of the partners to the partnership agreement, or to the ownership of the controlling interest of the partnership

(2) Any change to the identity of the operator (USOSC) shall be reported to the Department.

Exhibit B

(1) HGC shall construct and operate a zero discharge system as described on pages B-12.a.2 through B-14.a.2 of the ASC, as amended by the "Amendment to Application for Site Certificate" dated December 24, 1993 (at pages 1 and 4) and as further amended by the "request for Amendment" at pages 6-8, submitted on June 3, 1994.

(2) HGC shall design and construct Roof and Stormwater Discharge systems as described in a letter from Ray Hanley to Adam Bless, dated April 3, 1996, and as reproduced below:

"The stormwater system for the site consists of two separate components. The first component relates to all process work areas where there is the potential for chemical releases. Each of these areas is drained to an oil/water separator and then to the cooling tower basin for reuse as cooling water make-up.

The second component of the stormwater systems relates to the non-process portions of the site. Stormwater from these areas (where there is no chemical storage or potential for stormwater contact with chemicals), is channeled to a detention basin designed to detain runoff from the 100 year, 24-hour storm event with approximately a 50 percent surplus capacity. Water from the detention basin will either evaporate, percolate into the ground, or will be discharged to the cooling tower basin to be used as cooling water make-up. There will be no stormwater discharge from the energy facility site to a public stormwater system."

(3) The facility shall be designed and constructed in compliance with the commitment of pages B-23a through the first paragraph on page B-26a, except that the reference in the ASC to NFPA 580 shall be replaced by the Uniform Fire Code, 1991 edition, with Oregon Amendments. Notwithstanding the provisions of OAR 345-27-020(2)(a), as effective November 1995, HGC shall comply with the terms of this condition specifically as expressed herein.

#### Exhibit E

(1) HGC shall accompany any amendment request with an updated list of the names and mailing addresses of all owners of record, as shown on the most recent property tax assessment roll, of property located within the site. The list shall substantially meet the requirements of OAR 345-21-010(e) as in effect on May 10, 1996.

#### Exhibit F

(1) Solid waste material shall be handled and disposed of as described under "Solid Waste Materials, as stated on page F-4a.2 of the ASC.

(2) Constituents in the cooling tower effluent will primarily be higher concentrations of native impurities. Concentrations of other additives should be below detectable levels, as stated on page F-4a.2 of the ASC.

(3) Chemicals associated with the SCR system and other chemicals shall be stored and handled as described on the last four paragraphs of p F-4a.2 and the first four paragraphs of page F-5a.2 of the ASC. HGC shall comply with the terms of this condition

specifically as expressed herein, notwithstanding the provisions of OAR 345-27-020(2)(a).

(4) HGC shall store compressed gases as described in the last paragraph of page F-5a.2 and Amendment #1 to the site certificate.

Exhibit U

(1) The Project will obtain process and cooling water from the Port of Umatilla's regional supply system, as stated on p U-12a.2 of the ASC

(2) Water for domestic use will be supplied by Lamb Weston's existing water supply system. Lamb Weston's system will not require any modification to supply water to the Hermiston Generating Project other than a supply line from their facility to the Project, as stated on p U-13a.2 of the ASC.

(3) Fuel Oil will not be required for the project, as stated on p U-17a.2 of the ASC.

Exhibit V

(1) HGC shall conduct periodic audits to ensure compliance with and evaluate the effectiveness of the waste minimization and recycling programs as described on page V-3a.2 of the ASC.

(2) HGC shall utilize water saving measures as practical, as described on pages V-4a.2 and V-5a.2 of the ASC.

5/10/96

Date

Melvin D. Ferguson

Melvin Ferguson, Chair  
Energy Facility Siting Council

5/10/96

Date

[Signature]

President, Hermiston Generating Company  
AUTHORIZED Representative