

## EXHIBIT E

### **MANAGE COLOCKUM'S RESOURCES PORTFOLIO**

The District will use commercially reasonable efforts to assist Colockum, at its request, with the management of their power resource portfolio for Wenatchee Works.

- a) The District will use its best available estimates for future Columbia River flows, Rocky Reach unit outages, and other available information to determine the average monthly Rocky Reach Replacement Power available to Colockum. The District can then summarize the total energy estimated to be available on a monthly basis from the 1995 Energy, 2000 Power, eligible BPA energy, along with the Rocky Reach Replacement Power.
- b) The District will also estimate the monthly amount of market purchases/sales with the above mentioned resources and a Wenatchee Works plant load estimate provided by Colockum. The District will inform Colockum as to the then available forward prices for these market purchases/sales and its estimated total monthly power costs/revenues.
- c) At Colockum's request, the District will make market purchases/sales to balance all of the resources with Wenatchee Works plant load. The District and Colockum shall mutually agree upon the amounts and timing for forward and balance of the month sales and purchases. The District will make decisions as to preschedule and real time sales and purchases. Colockum acknowledges that market prices for purchases/sales fluctuate rapidly and that prompt response times and sales confirmations may be crucial to achieving the desired pricing structure.
  - Colockum shall specify in its Forward Sales Request the proposed effective date of each such sale (the "Start Date"), the termination date thereof (which shall not be earlier than the balance of the month, nor later than three (3) months (or other mutually agreeable period) from the date of the Forward Sales Request) (the "End Date"), and the amount of Rocky Reach Replacement Power that it wishes to sell (in increments of not less than 25 MW). The period between the Start Date and the End date is referred to herein as the "Forward Sales Period." During the Shutdown Period, Alcoa and Colockum may not submit Forward Purchase Requests, and during the Operating Period the date so specified shall not be later than the scheduled expiration date of this Agreement.
  - Colockum shall specify in its Forward Purchase Request the proposed effective date of each such purchase (the "Start Date"), the termination date thereof (which shall not be earlier than the balance of the month,

nor later than three (3) months from the date of the Forward Purchase Request) (the “End Date”), and the amount of power that it wishes to purchase (in increments of not less than 25 MW). The period between the Start Date and the End date is referred to herein as the “Forward Purchase Period.” During the Shutdown Period, the termination date so specified may not be later than the date Alcoa and Colockum then anticipate will be the start of the Operating Period, and during the Operating Period the date so specified shall not be later than the scheduled expiration date of this Agreement.

- Colockum will provide the District a list of approved counterparties for these forward purchases/sales. The District makes no representation to Colockum about the creditworthiness of any counterparties or the capacity, reliability or appropriateness of said counterparty for the transactions. Colockum specifically agrees that it is not relying upon the District for any determination of the creditworthiness or capacity, reliability or appropriateness of the counterparties to the transactions.
- If, following a Forward Sales Request or Forward Purchase Request, the District, Alcoa and Colockum reach agreement as to the advisability of such transactions, the District shall use commercially reasonable efforts to effectuate such sales or purchases to one or more parties on a list of counterparties approved in advance by Alcoa and Colockum, in accordance with normal energy sales procedures then in place by the District. Alcoa and Colockum shall bear the full risk of all such sales and purchases.
- The District shall be listed as the source or sink control area on electronic tags.
- The District shall maintain appropriate internal records of the forward purchases/sales of energy so that such forward and balance of the month purchases/sales may be tracked separately from other sales/purchases made by the District.
- The purchase/sales price of the forward transactions shall be the price as evidenced by the confirmation documentation. Broker fees, when applicable, shall be billed to Colockum. All transmission fees/charges associated with the energy transactions will also be charged to Colockum.
- Colockum will pay scheduling fees per the District’s Electric Rate Schedule 4, except to the extent an administrative fee has been charged with respect to such Forward Sales under Sections 4(a)(2)(iii) and 4(b)(2)(iii).

- The District will not be obligated to post any collateral, margin, or other security interest to facilitate the transactions described herein or in Section 3(e) of the Agreement. If the District completes a purchase or sales transaction and subsequently the counterparty requires that such collateral, margin, or other security interest to secure performance under that purchase or sale transaction, it will be the responsibility of Colockum and Alcoa to post any required collateral in a timely fashion and in such form that is acceptable to the counterparty. If Colockum and Alcoa failure to promptly post the required collateral the District may reverse the transaction with the counterparty and charge Colockum and Alcoa for any losses associated with the transaction reversal or termination, together with all unwind costs and expenses.
  - In the event forward sales made by the District are greater either on the high load hours or light load hours than the energy available to Colockum as determined in Exhibit A, the shortfall shall be considered a Supplemental Power Purchase as per Section 3(f), and priced according to provisions of Section 9(b).
- d) Alcoa and Colockum may not submit Forward Sales Requests or Forward Purchase Requests when they are in default under this Agreement.
- e) Colockum will bear all risks associated with purchases/sales including, without limitation, the non-payment risk, the risk of after the fact refunds, price caps or any other downward adjustment to the sales price. The District will, upon request of Colockum, assign to Colockum the contractual rights associated with such purchases/sales. Alcoa and Colockum shall bear the full costs associated with all sales and purchases, including, without limitation, all Losses, non-delivery risk, the non-payment risk, the risk of refunds, price caps or any other downward adjustment to the sales price and all collection and enforcement costs.
- f) Alcoa and Colockum, as a condition to the initiation of any sale or purchase agree to indemnify and hold the District harmless from any and all adverse consequences resulting from any sale or purchase, including, without limitation (A) non-payment, late payments, contract disputes, collection fees, costs and expenses or other difficulties with the counterparties, brokerage fees and penalties and (B) all other losses, costs and expenses associated with such sales and purchases (all such adverse consequences being collectively referred to as "Losses"). Losses shall not include any actual or perceived impact on the District caused by changes in market prices as a result of any sale or purchase. Any losses may be deducted from the Cumulative Credit as set forth in Section 9.

- g) The parties agree that the District shall not be liable to Alcoa and Colockum, and Alcoa and Colockum hereby waive any and all claims, for Losses or damages arising from any miscalculation of the amount of resources available to Colockum, the failure of any counterparty to take or pay for the energy, the failure of any counterparty to deliver energy, whether or not the Power could be sold at higher prices, whether or not the Power could have been purchased at lower prices, or any other losses or damages due to sales or purchases or lack of sales or purchases of said energy by the District, in each case except to the extent such Losses arose from the District's gross negligence or willful misconduct.
- h) In the event of a default by any purchaser of energy from the District's system for preschedule and real time sales, Colockum's share of any revenue derived from such sales, shall be reduced in proportion to their sales in relation to all sales from the District's system in the period of the default. In the event of any recovery of funds after default, Colockum will receive a credit in proportion to their share of the original losses, net of Colockum's share of all costs of collection. In the event of retroactive price caps, rebates, refunds, or any retroactive price reduction or increase imposed on the District, Colockum's respective daily high load and light load sales prices will be reduced or increased to reflect the District's adjusted sales price and a billing adjustment issued.