

AMENDMENT
executed by the
BONNEVILLE POWER ADMINISTRATION
and
ALCOA INC.

This AMENDMENT to the Power Sales Agreement Contract No. 13PM-10978 (Agreement) is executed by the UNITED STATES OF AMERICA, Department of Energy, acting by and through the BONNEVILLE POWER ADMINISTRATION (BPA) and Alcoa Inc. (Alcoa), a corporation organized under the laws of the State of Pennsylvania.

This Amendment No. 1 (Amendment) between BPA and Alcoa amends the terms of the Agreement.

BPA and Alcoa agree:

1. EFFECTIVE DATE

This Amendment takes effect on May 1, 2015.

2. AMENDMENT OF AGREEMENT

BPA and Alcoa agree to amend the Agreement as follows:

(a) Section 2.26 shall be added to the Agreement as follows:

“2.26 “Make Whole Payment” means the established dollar amount Alcoa is obligated to pay BPA as outlined in Table 1 of Section 21.3. Starting May 1, 2015 Alcoa shall pay BPA the referenced amount if Alcoa terminates the Agreement prior to January 2019.”

(b) Section 4.1 (“Firm Power”) of the Agreement shall be deleted and replaced by the following:

“4.1 **Firm Power**

As provided herein, BPA shall make available Firm Power in the amount of 75 aMW, and Alcoa shall purchase such Firm Power on a take-or-pay basis.”

(c) Section 18.8.1 of the Agreement shall be deleted and replaced by the following:

“18.8.1 Notwithstanding anything in this Agreement to the contrary, BPA may require that Alcoa provide BPA with an

irrevocable standby letter of credit in the amount of \$30,000,000, issued in a form and by a bank acceptable to BPA. Such letter of credit shall have an expiration date one year from its date of issuance, and BPA may require replacement letters of credit so that a letter of credit is in place on a continuous basis for the term of this Agreement. The minimum amount of replacement letters of credit will be established by the product of: i) the then prevailing highest monthly average applicable IP rate; ii) 75 MW; iii) 103 days; and iv) 24 hours (e.g. $\$38/\text{MWh} * 75 \text{ MW} * 103 \text{ days} * 24 \text{ hours} = \$7,045,200$).

With the execution of this Amendment, Alcoa's existing letter of credit in the amount of \$30,000,000 shall remain in place as of the time of execution of this Amendment. However, Alcoa may replace this letter of credit with a smaller denomination, provided that the amount of the letter of credit does not drop below a value equal to the sum of: i) the minimum amount of replacement letters of credit and ii) the Make Whole Payment at the time the letter of credit is replaced. The parties may, by mutual agreement, reduce, eliminate or modify the denomination of the letter of credit.

If Alcoa fails to provide any letter of credit requested by BPA pursuant to this section 18.8.1 and 18.8.2, then BPA may terminate this Agreement."

(d) Section 21.3 shall be deleted and replaced by the following:

"21.3 If Alcoa's Termination Effective Date under Section 19.1.1 of this Agreement is prior to January 2019, Alcoa shall pay BPA a Make Whole Payment, as described in this subsection.

Found in Table 1, the Make Whole Payment shall equal the dollar amount listed in the "Make Whole Amount Due to BPA" column that corresponds to the month in which the termination becomes effective.

Table 1		Table 1 continued	
Month Termination is Effective	Make Whole Amount Due to BPA	Month Termination is Effective	Make Whole Amount Due to BPA
May-15	\$ 36,712,072.00	Mar-17	\$ 17,900,063.27
Jun-15	\$ 36,223,607.57	Apr-17	\$ 17,151,608.39
Jul-15	\$ 35,675,897.93	May-17	\$ 16,451,012.55
Aug-15	\$ 34,924,882.70	Jun-17	\$ 15,824,130.98
Sep-15	\$ 34,203,688.47	Jul-17	\$ 15,252,947.06
Oct-15	\$ 33,548,564.41	Aug-17	\$ 14,479,758.06
Nov-15	\$ 32,562,203.64	Sep-17	\$ 13,598,279.51
Dec-15	\$ 31,553,670.84	Oct-17	\$ 12,710,069.80
Jan-16	\$ 30,462,551.36	Nov-17	\$ 11,784,092.70
Feb-16	\$ 29,437,600.94	Dec-17	\$ 10,858,400.65
Mar-16	\$ 28,475,334.71	Jan-18	\$ 9,857,822.01
Apr-16	\$ 27,583,454.15	Feb-18	\$ 8,859,634.99
May-16	\$ 26,741,012.97	Mar-18	\$ 7,958,023.50
Jun-16	\$ 26,027,821.33	Apr-18	\$ 7,162,156.10
Jul-16	\$ 25,409,362.15	May-18	\$ 6,395,259.05
Aug-16	\$ 24,457,650.22	Jun-18	\$ 5,754,380.75
Sep-16	\$ 23,369,569.58	Jul-18	\$ 5,215,134.27
Oct-16	\$ 22,258,707.04	Aug-18	\$ 4,378,837.59
Nov-16	\$ 21,402,146.24	Sep-18	\$ 3,426,813.10
Dec-16	\$ 20,545,411.97	Oct-18	\$ 2,477,989.22
Jan-17	\$ 19,632,293.62	Nov-18	\$ 1,663,565.51
Feb-17	\$ 18,727,813.00	Dec-18	\$ 810,558.18

Payment under this section does not relieve Alcoa of any other payment obligations under the Agreement including Liquidated Damages under Section 19.1.1.

21.3.1 For clarification purposes the Make Whole Payment is intended to place BPA in the same economic position that would have occurred had Alcoa's termination notice, dated March 31, 2015, remained in effect. The starting Make Whole Payment is \$36,712,072."

e) Section 21.4 shall be added to the Agreement as follows:

“21.4 BPA shall have no obligation to compensate Alcoa in any manner for any amount under this section.”

3. SIGNATURES

The Parties have executed this Amendment as of the last date indicated below.

ALCOA INC.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By /s/ Simon Baker

By /s/ Elliot E. Mainzer

Name Simon Baker
(Print/Type)

Name Elliot E. Mainzer
(Print/Type)

Title President Global Energy

Title Administrator and CEO

Date April 29, 2015

Date April 30, 2015