

North Star Solar provided a revised pricing proposal to PG&E on June 14, 2011. The revised proposal includes changes to the Contract Quantity, Guaranteed Commercial Operation Date and Contract Price. The price reduction is an approximately 16% decrease from the pre-TOD price in the executed PPA. North Star Solar has represented that it was able to reduce its price by lowering developer return and getting price concessions from its panel provider (REC) and EPC contractor (Siemens) in contract negotiations. North Star Solar has further indicated that contract negotiations with both REC and Siemens are virtually complete.

North Star Solar has requested a delay in the Guaranteed Commercial Operation Date to December 31, 2013 due to delays in obtaining final and non-appealable CPUC Approval. The Project expects to finalize its LGIA and permits in late third quarter/early fourth quarter 2011.

Below is a summary of the original PPA and revised price proposal with the net market value using the September 2010 and May 2011 curves. The September 2010 forward curves were used in Advice Letter 3759-E filed November 12, 2010.

	COD	Term	MW	GW h	Levelized Pre-TOD (\$/MWh)	Levelized Post-TOD (\$/MWh)	Net Market Value (\$/MWh)	Levelized Pre-TOD (\$/MWh)	Levelized Post-TOD (\$/MWh)	Net Market Value (\$/MWh)
<b>September 2010 Curves</b>					<b>Without Transmission Adder (up to \$6/MWh)</b>			<b>Maximum PPA Price</b>		
North Star Solar in Filing	6/30/2013	20 yr	60	119	135.64	167.12	(46.70)	141.64	173.12	(52.70)
North Star Solar Revised Offer	12/31/2013	20 yr	60	136	113.85	137.15	(19.51)	119.85	143.15	<b>(25.51)</b>
<b>May 2011 Curves</b>										
North Star Solar in Filing	6/30/2013	20 yr	60	119	135.64	167.12	(59.13)	141.64	173.12	(65.13)
North Star Solar Revised Offer	12/31/2013	20 yr	60	136	113.85	137.15	(33.72)	119.85	143.15	<b>(39.72)</b>

On June 16, 2011 North Star Solar verbally offered to remove the Transmission adder, if the revised price was increased by \$5.50/MWh based on their expected transmission costs. North Star would retain the ability to terminate the PPA if upgrade costs were to exceed \$50 million, which is the upgrade cost that would have triggered the maximum \$6/MWh transmission adder.