

**FIFTH AMENDMENT  
TO  
POWER PURCHASE AGREEMENT**

(Forks of Butte Project, PG&E Log No. 10H013)

THIS FIFTH AMENDMENT, dated as of February 8, 2002, is by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("PG&E"), and HYPOWER, INC., a California corporation ("Seller"). PG&E and Seller are sometimes referred to herein individually as a "Party" and collective as the "Parties."

The Fifth Amendment amends the interim Standard Offer No. 4 Power Purchase Agreement ("PPA"), signed November 5, 1984 by PG&E and signed October 31, 1984 by Energy Growth Group and Energy Growth Partnership ("EGG/EGP"), Seller's predecessors in interest, for the hydroelectric project located in the northwest quarter of Section 10, Township 23N, Range 3e, MDB&M, near DeSabra City in Butte County, California ("the Facility").

**RECITALS**

WHEREAS, PG&E and Seller (or Seller's predecessor, as applicable) entered into a Power Purchase Agreement (as amended, the "PPA"), pursuant to which PG&E purchases electric power from Seller and Seller sells electric power to PG&E;

WHEREAS, PG&E and Seller entered into the First Amendment to the PPA ("First Amendment"), effective February 27, 1989, which, among other things, changed the original energy price provisions for a certain number of years;

WHEREAS, PG&E and Seller entered into the Second Amendment to the PPA ("Second Amendment"), effective August 14, 1991, which, among other things, added Article 13, requiring Seller to provide security for the pricing modifications specified in the First Amendment;

WHEREAS, PG&E and Seller entered into the Fourth Amendment to the PPA (“Fourth Amendment”), effective March 2, 1993, which, among other things, defined the non-firm, economy energy price, and specified that price for energy deliveries associated with production from the Forks of Butte Facility above 11,600 kW;

WHEREAS, on April 6, 2001, PG&E filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code in the San Francisco Division of the United States Bankruptcy Court for the Northern District of California (the “PG&E Bankruptcy Court”) (*In re Pacific Gas and Electric Company*, Bankr. Case No. 01-03923).

WHEREAS, Seller and PG&E have reached an agreement on the calculation of the non-firm, economy energy price for certain deliveries made by Seller between January 1, 2001 and April 6, 2001; and

WHEREAS, Seller and PG&E now wish to amend the PPA in accordance with the term set forth below.

#### AMENDMENT

NOW, THEREFORE, in consideration of the above Recitals and the mutual promises and covenants contained herein PG&E and Seller agree to modify the PPA as follows:

1. Article 13 for “Security to Protect Ratepayer Benefits Obtained by the First Amendment” is hereby deleted from the PPA. No provision of the PPA, other than the deletion of Article 13, is or shall be deemed to be modified, amended, waived, or otherwise affected by this Fifth Amendment.
2. Nothing in this Fifth Amendment shall constitute an admission, waiver or compromise of either Party’s rights, claims or obligations in the PG&E Bankruptcy Court, except as such rights, claims or obligations may be expressly waived in the Assumption Agreement, all of which are expressly preserved and reserved, and this Amendment shall have no precedential value in the PG&E Bankruptcy Court.

IN WITNESS WHEREOF, PG&E and Seller have caused this Fifth Amendment to be executed by their authorized representatives, effective as of the date of the last signature set forth below. By signing this Fifth Amendment below, the representatives of the Parties warrant that they have the requisite authority to bind their respective principals.

HYPOWER, INC.,  
a California corporation

PACIFIC GAS & ELECTRIC COMPANY,  
a California corporation

BY: Matthew Mao  
Name: MATTHEW MAO  
Title: CFO  
Date: 2-8-2002

BY: Joseph C. Henne  
Name: JOSEPH C. HENNE  
Name: Director USPM  
Date: 2/12/2002