

**AMENDMENT TO
POWER PURCHASE AGREEMENT (PG&E LOG #16C054)**

THIS AMENDMENT TO POWER PURCHASE AGREEMENT (PG&E LOG #16C054) (this "Amendment") is made by and between Thermal Energy Development Partnership, LP ("TEDP") and Pacific Gas and Electric Company ("PG&E"), who are parties to the above-referenced Power Purchase Agreement, as amended in August, 1985, by which the Agreement was assigned to TEDP, and from time to time thereafter amended (the "Agreement"). The Agreement provides for the purchase by PG&E of the output from TEDP's 21,000 kW biomass facility (the "Facility"), located near Tracy, California. PG&E and TEDP are sometimes referred to in this Amendment individually as a "Party" and collectively as the "Parties".

RECITALS

A. PG&E entered into the Agreement with Power Resource Development Corporation on June 26, 1985.

B. The Facility was placed on probation pursuant to Appendix E-2 of the Agreement in August 2014. The Facility ceased deliveries of energy and capacity in November 2014.

C. If the Facility does not demonstrate the Firm Capacity (as defined in the Agreement) within fifteen months of August 2014, then the Firm Capacity will be derated pursuant to the terms of the Agreement and the provisions of the Agreement providing for the assessment of "minimum damages" will apply.

D. Because the payments for capacity during May through October account for approximately eighty percent (80%) of the annual capacity payments available under the Agreement, TEDP has a strong incentive to operate during the months of May through October to avoid a deration of the Firm Capacity and assessment of "minimum damages" that otherwise would become due under the Agreement.

E. However, PG&E anticipates that, if TEDP operates the Facility, payments under the Agreement would be greater than the replacement cost of energy, capacity and green attributes from other sources.

NOW, THEREFORE, the Parties, intending to be legally bound, agree as follows:

1. Understandings of the Parties

- a. TEDP represents and warrants as of the date of this Amendment that:
 - i. The Facility is physically capable of delivering capacity and energy during the entire Shutdown Period (as hereinafter defined), and
 - ii. TEDP has access to sufficient fuel to operate the Facility under the Agreement to achieve performance comparable with historic operation throughout the Shutdown Period, and

- iii. TEDP anticipates that it would incur losses if it operated consistent with historic operation, but these losses would be less than the costs of the “minimum damages.”
- b. PG&E is entering into this Amendment in reliance on Seller’s representation and warranty set forth above.

2. Terms of agreement

- a. TEDP and PG&E agree that, notwithstanding anything to the contrary in the Agreement, TEDP shall have no responsibility to deliver energy or capacity from the Facility to PG&E or to any third party from 00:00 Pacific Prevailing Time (“PPT”) on May 1, 2015 through 23:59 PPT on October 31, 2015 (“Shutdown Period”).
- b. TEDP and PG&E agree that, notwithstanding anything to the contrary in the Agreement, PG&E shall have no responsibility to accept or pay for energy or capacity from the Facility during the Shutdown Period.
- c. Notwithstanding anything to the contrary in the Agreement, (i) PG&E shall not have any rights or remedies under the Agreement in respect of TEDP not delivering energy or capacity from the Facility to PG&E during the Shutdown Period; and (ii) TEDP shall not have any rights or remedies under the Agreement in respect of PG&E not accepting or paying for energy or capacity from the Facility during the Shutdown Period.
- d. For all Agreement administrative purposes, the Shutdown Period shall be excluded from any calculations for the determination of Firm Capacity pursuant to the Agreement. For the avoidance of doubt, the Facility will remain on probation during and after the Shutdown Period unless and until TEDP cures probation by demonstrating Firm Capacity after the Shutdown Period and prior to September 1, 2016.
- e. This Amendment will terminate at 23:59:59 PPT on October 31, 2015.

3. General Provisions

- a. This Amendment shall be effective upon execution by both Parties.
- b. Except as expressly set forth in this Amendment, the Agreement remains unchanged and in full force and effect.
- c. This Amendment constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, understandings and agreements between the Parties respecting the subject matter of this Amendment.
- d. This Amendment may not be modified, amended, abrogated or superseded by a subsequent agreement unless such subsequent agreement is in the form of a written instrument signed by the authorized representatives of both Parties.

- e. Captions are included herein for ease of reference only. The captions are not intended to affect the meaning of the contents or scope of this Amendment.
- f. Both Parties are represented by legal counsel and this Amendment has been prepared by the Parties jointly.
- g. This Amendment shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.
- h. No term or provision herein shall be deemed waived and no breach excused unless such waiver or consent is in writing and signed by the Party claimed to have so waived or excused.
- i. All notices under this Amendment shall be addressed and delivered in accordance with the Agreement.
- j. This Amendment may be executed in one or more counterparts, each of which will be deemed to be an original of this Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Amendment and of signature pages by facsimile transmission or by other electronic means shall constitute effective execution and delivery of this Amendment as to the Parties and may be used in lieu of the original Amendment for all purposes. Signatures of the Parties transmitted by facsimile or by other electronic means shall be deemed to be their original signatures for all purposes.
- k. Capitalized terms that are not defined this Amendment shall have the meaning defined in the Agreement.

IN WITNESS WHEREOF:

TEDP and PG&E have caused this Amendment to be executed by their duly authorized representatives as of the last date set forth below.

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation

THERMAL ENERGY DEVELOPMENT PARTNERSHIP, LP, a Delaware limited partnership

By: Marino Monard

By: Hugh Smith

Name: Marino Monard

Name: Hugh Smith

Title: Director

Title: President

Date: 27 Feb 2015

Date: 2/26/15