AMENDMENT TO POWER PURCHASE AGREEMENT

This Amendment is agreed to by Pacific Gas and Electric Company (PG&E) and Wheelabrator Shasta Energy Company ("Seller"), each of which is a Party and who, taken together, are the Parties. This Amendment modifies the Power Purchase Agreement between PG&E and Seller, dated October 22nd, 1984, as amended (PG&E Log # 13P045) (the "PPA").

1. Purpose. This Amendment is intended to provide operational flexibility to PG&E in the form of curtailments of generation by Seller upon PG&E's request, to ensure system reliability, minimize hydro spill, over-generation conditions, and accommodate minimum load conditions.

2. Term. The term of this Amendment shall be from the date of full execution until July 1, 2011.

3. Curtailment Process.

3.1. <u>Curtailment Requests</u>. PG&E may request curtailment of generation by Seller upon receiving notification from the CAISO in accordance with Section 7.8 of the CAISO Tariff. A curtailment request may be for immediate curtailment by Seller or may be issued by PG&E up to two (2) hours in advance of the Curtailment Period.

Curtailment requests may be made by PG&E during all hours except those defined in the PPA as "Peak" and "Partial Peak" hours. As part of its request, PG&E shall specify the MW level of generation to which Seller should curtail for the Curtailment Period.

The PG&E curtailment request shall be provided via telephone with a follow-up electronic communication.

Phone: Control Room Operator - (530) 339-7609 Second number: Bryan Booth, Operations Manager – (530) 356-8613 Email addresses: <u>rmortensen@wm.com</u> – Plant Manager <u>bbooth@wm.com</u> – Operations Manager <u>ddeldott@wm.com</u> - Controller

3.2. <u>Seller Discretion</u>. Seller may agree to or reject any particular curtailment request made by PG&E, based on the needs of its Host Load or other mechanical constraints. Seller's acceptance or rejection of a curtailment request shall be given within ten (10) minutes of receipt of PG&E's request. If Seller agrees to a requested curtailment, the curtailment becomes an Agreed-Upon Curtailment.

Seller's acceptance or rejection of a curtailment request shall be either: at the time of PG&E's request or via telephone with a follow up electronic communication.

PG&E's Contact Information Phone: 415-973-5789 Second number: 415-973-4500 Email addresses: realtime@pge.com

3.3. <u>Curtailment Period</u>. Each requested curtailment shall be for at least thirty (30) minutes in duration; provided that, the period of any Agreed-Upon Curtailment that continues into the hour before a "Partial Peak" period, as defined in the PPA, shall automatically terminate at the start of the Partial Peak period. The Curtailment Period for each Agreed-Upon Curtailment shall commence at the time specified by PG&E and terminate at the earlier of thirty (30) minutes after PG&E's notification to Seller to resume its normal generation profile or at the start of the next Partial Peak hour.

3.4 Curtailment Capacity and Expected Output. Seller's offered curtailment is subject to the following conditions:

(a) For the period commencing on the date hereof through May 22,
2011, Seller shall not be required to reduce minimum electrical output below 20 MW; and

(b) For the period commencing May 22, 2011 through July 1, 2011, Seller shall not be required to reduce minimum electrical output below 30 MW.

(c) Seller is expecting to operate at 32 MW per hour from May 1-May 22, 2011 due to planned down time, after which point the expectation is to return to normal operating conditions at around 50 MW per hour.

3.4. <u>Recording</u>. The Parties agree to recording of curtailment requests and acceptances, and each such recording shall comprise the confirmation of the Agreed-Upon Curtailment, including its start time, level of acceptable generation by Seller, and duration. Similarly, a recording may confirm PG&E's notification of the time the Curtailment Period terminates.

4. Compensation.

4.1. <u>For Curtailments</u>. PG&E will compensate Seller for each thirty (30) minute PG&E Meter Settlement Interval ("Settlement Interval") of the Agreed-Upon Curtailment using the following formula in lieu of the Seller's energy payment as defined in the PPA:

[39.14%% of Seller's currently-applicable TOU-adjusted energy price (\$/MWh) x (Average of paid generation output (MW) in the Settlement Interval before the Agreed-Upon Curtailment period – Average of paid generation output (MW) in each Settlement Interval of Agreed-Upon Curtailment period] + (Seller's currently-applicable TOU-adjusted energy price (\$/MWh) x Average of paid

generation output (MW) in each Settlement Interval of Agreed-Upon Curtailment period)

4.2. If the Agreed-Upon Curtailment Period begins or ends prior to 15 minutes of the Settlement Interval elapsing, the beginning of the Settlement Interval will constitute the beginning of the Agreed-Upon Curtailment period for settlement purposes. If the Agreed-Upon Curtailment Period begins or ends after 15 minutes of the Settlement Interval has elapsed, the beginning of the next Settlement Interval will constitute the beginning of the Agreed-Upon Curtailment Period for settlement purposes.

4.3 Payment of Curtailment Payment. PG&E shall pay Seller the amount of any Curtailment Payment in accordance with the procedures and on the schedule set forth for payments in the Sellers existing PPA,

5. Deviations From An Agreed-Upon Curtailment. PG&E shall not be obligated to accept or pay for any deliveries from Seller that exceed 1 MW above the specified generation level of an Agreed-Upon Curtailment; provided that if the Facility's generation at a level in excess of the sum of the generation level set forth in the Agreed-Upon Curtailment and 1 MW is caused by permitting, safety, or operating needs, consistent with Good Utility Practice and the Seller notifies PG&E, via any of the methods described in Paragraph 3.2, of such circumstances within fifteen (15) minutes from the beginning of an Agreed-Upon Curtailment.

6. Entire Agreement. This Amendment sets forth the entire agreement of the Parties with respect to the matters set forth herein and supersedes any and all prior agreements, discussions, and understandings between the Parties on the matters set forth herein. Any modification of amendment of this Amendment may only be made in writing, signed by both Parties.

7. Counterparts. This Amendment may be executed in counterparts, which, taken together, shall comprise the complete agreement of the Parties. A photocopy or facsimile of the signature page shall have the same legal effect as an original.

For PG&E:

By: Man Mond. Title: Dicector

Date: May 19, 2011

For Seller:

Bv:

Title: VICE PRESIDENT

Date: 05.20,2011