

## **AMENDMENT TO POWER PURCHASE AND SALE AGREEMENT**

THIS AMENDMENT TO POWER PURCHASE AND SALE AGREEMENT is entered into by and between PACIFIC GAS AND ELECTRIC COMPANY ("PG&E" or "Buyer") and BOTTLE ROCK POWER LLC ("Bottle Rock" or "Seller") dated September 21, 2007 ("Amendment"). PG&E and Bottle Rock are sometimes referred to herein individually as "Party" and collectively as "Parties". All capitalized terms not defined herein shall have the meaning set forth in the PPA.

### **RECITALS**

A. Whereas, Bottle Rock and PG&E are parties to the certain Power Purchase and Sale Agreement, dated May 2, 2006 ("PPA");

B. Whereas, Bottle Rock was not able to achieve Commercial Operation by the Guaranteed Commercial Operation Date as set forth in the Section 3.9(c)(iv) of the PPA; and

C. Whereas, PG&E and Bottle Rock have reached an agreement to amend the PPA to accommodate such failure to meet the Guaranteed Commercial Operation Date.

Now therefore, in consideration of the mutual promises and covenants contained herein, PG&E and Bottle Rock agree as follows:

### **AGREEMENT**

1. Section 3.1(f)(iii) is amended by inserting the following between "(B)" and "increase" in the 13<sup>th</sup> line: "for increases in the Declared Capacity equal to 17 MWs or higher,".
2. The first sentence of Section 3.1(j)(i) is amended by deleting "14.45 MW" in the first sentence and replacing it with "10 MW".
3. Section 3.9(c)(iii)(B) is deleted in its entirety and replaced with the following: "By October 1, 2007 ("Guaranteed Commercial Operation Date"), Seller shall have demonstrated Commercial Operation. However, the Commercial Operation Date may occur prior to the Guaranteed Commercial Operation Date should Seller be able to demonstrate, in accordance with the definition of Commercial Operation Date, a Net Rated Output Capacity of at least 10 MW."

4. Section 3.9(c)(iv) is deleted in its entirety and replaced with the following:  
“Seller shall cause the Project to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date (as may be delayed on a day for day basis for one or more events of Force Majeure up to an aggregate of one hundred and eighty (180) days). Failure to do so shall: (a) entitle Buyer to Daily Delay Damages in the amount of \$2,312,231 (based on \$38,537.19 per day for sixty (60) days) and (b) be deemed, at the election of Buyer in its sole decision, a Section 5.1 Event of Default, and all such rights available to Buyer as the Non-Defaulting Party under Section 5.2 shall be available to Buyer.”
5. The following paragraph shall be added to the beginning of Section 3.1(f)(iii):  
“By December 31, 2007, Seller shall cause the Project to achieve a Net Rated Output Capacity of 14.45 MW. Failure to do so shall: (a) entitle Buyer to collect Daily Delay Damages for a total of 90 days (which Buyer may satisfy in whole or part by drawing upon Delivery Term Security), where the Contract Quantity used for the Daily Delay Damages Calculation is based on the difference between the hourly average of actual net generation for the twenty-four (24) hour period of December 31, 2007 and 14.45 MW; and (b) be deemed, at the election of Buyer in its sole decision, a Section 5.1 Event of Default, and all such rights available to Buyer as the Non-Defaulting Party under Section 5.2 shall be available to Buyer.
6. By December 31, 2008 (as such date may be extended on a day for day basis due to one or more events of Force Majeure up to an aggregate of one hundred and eighty (180) days), Seller shall cause the Project to achieve a Net Rated Output Capacity of 16.15 MW. Failure to do so shall: (a) entitle Buyer to Daily Delay Damages (which Buyer may satisfy in whole or part by drawing upon Delivery Term Security) for each day or portion of a day that the failure continues up to a total of ninety (90) days, based upon the difference between the hourly average of actual net generation for the twenty-four (24) hour period of December 31, 2008 and 16.15 MW; and (b) be deemed, at the election of Buyer in its sole discretion, a Section 5.1 Event of Default, and all such rights available to Buyer as the Non-Defaulting Party under Section 5.2 shall be available to Buyer.”
7. The following is added immediately after the chart in Section 4.1:  
“Notwithstanding the foregoing, the Contract Price for each MWh of Scheduled Energy for the period of time prior to the date that the Project achieves a Net Rated Output Capacity of 14.45 MW shall be \$61.65.”
8. Section 8.4 of the PPA Cover Sheet shall be deleted in its entirety and replaced with the following:

8.4 Project Development Security; Delivery Term Security

- Applicable  
 Not Applicable

If Applicable:

The following is the "Project Development Security"

8.4 (a)(i) Project Development Security Amount: \$340,000.00

8.4 (a)(ii) Project Development Security Amount: \$1,052,071.00

Type of Project Development Security: cash or Letter of Credit

The following is the "Delivery Term Security"

8.4(a)(iii) Delivery Term Security Amount: \$2,841,627.00. However, upon Seller reaching a Declared Contract Capacity of 17 MW or a Net Rated Output Capacity of 14.45 MW in accordance with Section 3.1(f)(iii), the Delivery Term Security Amount shall be reduced to: \$2,129,556.00.

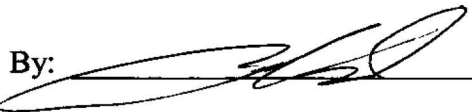
Type of Delivery Term Security: cash or Letter of Credit

9. The heading to Section 8.4 shall be deleted in its entirety and replace with the following: "Security and Performance Assurance"
10. A new Section 8.4(f) is added as follows: "Buyer shall be entitled to draw upon Delivery Term Security for Daily Delay Damages incurred by Buyer subsequent to the Commercial Operation Date."
11. This Amendment shall become effective upon execution by the Parties hereto. Except as set forth herein, no other provisions of the PPA shall be deemed modified, amended, waived, or otherwise affected by this Amendment. If there is a conflict between the terms of the PPA and those contained in this Amendment, the terms of this Amendment shall prevail.
12. This Amendment may be executed in counterparts and upon execution by each signatory, each executed counterpart shall have the same force and effect as an original instrument and as if all signatories had signed the same instrument. Any signature page of this Amendment may be detached from any counterpart of this Amendment without impairing the legal effect of any signature thereon, and may be attached to another counterpart of this Amendment identical in form hereto by having attached to it one or more signature pages.

IN WITNESS WHEREOF, each Party causes this Amendment to be executed by its authorized representative, effective as of this 21 day of September, 2007. By signing this Amendment, the representative of the Party warrants that he or she has the requisite authority to bind his or her respective principals.

**BUYER: PACIFIC GAS AND  
ELECTRIC COMPANY**

**SELLER: BOTTLE ROCK POWER  
LLC**

By: 

By: 

Name: Roy M. Kuga

Name: Ronald E. Suess

Title: VP- Energy Supply

Title: President

Date: Sept 21, 2007

Date: 19 September 2007

