

**FIRST AMENDMENT TO THE SEPTEMBER 14, 2005 MASTER POWER  
PURCHASE AND SALE AGREEMENT BETWEEN GLOBAL COMMON LLC  
AND PACIFIC GAS AND ELECTRIC COMPANY WITH RESPECT TO  
THE CHOWCHILLA BIOMASS FACILITY**

THIS FIRST AMENDMENT ("First Amendment") is entered into by and between PACIFIC GAS AND ELECTRIC COMPANY ("PG&E") and GLOBAL COMMON LLC ("Global"). PG&E and Global are sometimes referred to herein individually as "Party" and collectively as "Parties." All capitalized terms not defined herein shall have the meaning set for the in the PPA, as defined below.

**RECITALS**

Whereas, Global and PG&E are parties to the certain Master Power Purchase and Sale Agreement, dated September 14, 2005, ("PPA") and the Confirmation dated September 14, 2005 captioned "Master Power Purchase and Sale Agreement Confirmation between Global Common LLC and Pacific Gas and Electric Company with Respect to the Chowchilla Biomass Facility" (the "Confirmation").

Whereas, Global has stated that due to rising costs, unless there is a Contract Price increase it will not be able to obtain financing for the Chowchilla Biomass Facility and that it may not achieve the Guaranteed Commercial Operation Date.

WHEREAS PG&E has agreed to amend the PPA and Confirmation in order to reflect an increase in the Contract Price and to extend the Guaranteed Commercial Operation Date.

**NOW THEREFORE**, in consideration of the mutual premises and covenants contained herein, PG&E and Global agree as follows.

**1. Amendment to the PPA**

(a) The definition of "Environmental Attributes" in Article One of the PPA shall be deleted in its entirety and replaced with the following:

"Environmental Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, directly attributable to the generation from the Unit(s) and its displacement of conventional energy generation. Environmental Attributes include but are not limited to: (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;

and (3) the reporting rights to these avoided emissions such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on kWh basis and one Green Tag represents the Environmental Attributes associated with one (1) MWh of energy. Environmental Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Unit(s), (ii) production tax credits associated with the construction or operation of the energy projects and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular pre-existing pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Unit(s) for compliance with local, state, or federal operating and/or air quality permits. If Seller's Unit(s) is a biomass or landfill gas facility and Seller receives any tradable Environmental Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Environmental Attributes to ensure that there are zero net emissions associated with the production of electricity from such facility."

(b) The definition of "Guaranteed Commercial Operation Date" in Article One of the PPA shall be amended by replacing "December 31, 2006" with "December 31, 2007."

(c) Section 3.8(d)(iii)(A) is amended by deleting "July 1, 2006" and adding in place thereof "March 31, 2007."

(d) Article 8.4 (a)(i) in the Cover Sheet of the PPA shall be deleted and replaced in its entirety with the following: "8.4 (a)(i) Project Development Security Amount: Product of \$10 per kW and the Contract Capacity set forth in the Confirmation which shall equal \$90,000."

(e) Article 8.4 (ii) in the Cover Sheet of the PPA shall be deleted and replaced in its entirety with the following: "Project Development Security Amount: Product of \$40/kW and the Contract Capacity set forth in the Confirmation, which shall equal \$360,000."

(f) Article 8.4 (a) (iii) in the Cover Sheet of the PPA shall be deleted and replaced in its entirety with the following: "8.4 (a)(iii) Performance Assurance Amount: six months of assumed average revenues calculated as follows: the product of (a) 50%,

(b) \$86.12, and (c) the Contract Quantity as defined in the Confirmation which equals \$2,821,000.”

(g) A new section, 10.15 (c) of the PPA shall be added as follows:

“Climate Action Registry. Seller shall register the Project with the California Climate Action Registry as may be required by the CPUC pursuant to CPUC Decision 06-02-032 and any subsequent order, but in any event, no later than the Commercial Operation Date.”

(h) Section 11.1 of the PPA shall be amended by adding the words “With the exception of the provisions of Section 8.4 of this Agreement,” at the beginning of the first sentence of Section 11.1.

(i) Section 11.2 of the PPA shall be deleted in its entirety and replaced with the following:

“Failure to Meet All Conditions Precedent. If each Condition Precedent is not satisfied on or before 180 days from the date on which Buyer files this Agreement, as amended by this First Amendment, for CPUC Approval, then either Party may terminate this Agreement, as amended, and the Transaction effective upon receipt of notice by the other Party; provided that such Party has not previously waived in writing this termination right.”

## 2. Amendment of the Confirmation

(a) Section 8.1(b) of the Confirmation shall be deleted in its entirety and replaced with the following:

“(b) Delivery Term Contract Price. Subject to Section 8.1(a) above, the Contract Price for each MWh of Scheduled Energy in each Contract Year shall be as follows:

(i) For Contract Years 1 through and including Contract Year 5 the Contract Price shall be \$78.50/MWh, which is comprised of an energy price of \$38.50/MWh and a capacity price of \$40.00/MWh;

(ii) For Contract Years 6 through and including Contract Year 15, the Contract Price shall increase by \$1.00/MWh to \$79.50/MWh, which is comprised of an energy price of \$38.50/MWh and a capacity price of \$41.00/MWh; and

(iii) For Contract Years 7 through and including Contract Year 15, the Contract Price, which includes the \$1.00 increase provided in subpart (ii) above, shall be escalated by the lesser of 60% of the Consumer Price Index or 1.25% per

year.” The Consumer Price Index will be determined as the “Gross Domestic Product Implicit Price Deflator” for the third quarters of the two previous years as published by the U.S. Department of Commerce in its “Survey of Current Business” or successor publication.

(iv) For Contract Years 11 through and including Contract Year 15, the Contact Price, which includes the \$1.00 increase provided in subpart (ii) above and the escalation in subpart (iii) above, shall increase by \$1.00/MWh. The energy price shall remain at \$38.50/MWh, with the balance of the Contract Price reflected in the capacity price.”

(b) The following Section 8.1(c) shall be added as a new subsection of the Confirmation:

“(c) CEC Energy Adjustment The Parties agree that if (i) the Project qualifies for and receives funds (“CEC Subsidy”) pursuant to the Existing Renewable Facility Program (“ERFP”), as established pursuant to Senate Bill 1038 and implemented in accordance with the CEC Existing Renewable Facility Program Guidebook, as adopted by the CEC on November 30, 2005, as amended from time to time or replaced by a successor implementation mechanism., and (ii) the CEC Subsidy is then discontinued, reduced or revoked solely because the ERFP is changed or terminated and not replaced with a successor or similar program, then during Contract Years 6 through and including Contract Year 15, the Contract Price set forth in subparts (ii), (iii) and (iv) in Section 8.1(b) above shall increase by an amount equal to fifty percent (50%) of the reduction in CEC Subsidy; provided that such Contract Price increase shall not be more than \$5.00/MWh.”

### **3. CPUC Approval Benchmark.**

The Parties agree that for purposes of determining whether CPUC Approval has been obtained within the one hundred eighty (180) day deadline set forth in Section 11.2 of the PPA, the September 28, 2005 advice letter filed by Buyer seeking CPUC Approval of the PPA shall not be the applicable advice letter filing reference. The Parties further agree that the advice letter to be filed with the CPUC subsequent to the execution of this Amendment shall be the applicable filing for purposes of meeting the deadline set forth in Section 11.2 of the PPA.

### **4. No Other Modifications**

No provision of the PPA or the Confirmation other than the terms addressed in this First Amendment shall be deemed modified, amended, waived, or otherwise affected by this First Amendment. If there is a conflict between the terms of the PPA and the Confirmation and those of this First Amendment, this First Amendment shall control.

**IN WITNESS WHEREOF**, each party has caused this First Amendment to be executed by their authorized representatives, effective as of this \_\_\_ day of July, 2006. By signing this First Amendment, the representatives of the Parties warrant that they have the requisite authority to bind their respective principals.

**PACIFIC GAS AND ELECTRIC COMPANY**

  
By: Roy M. Kuga

Title: Vice President, Energy Supply

Date: 7/27/06

**GLOBAL COMMON LLC**

  
By: Robert Foxen

Title: President

Date: 7/20/06