



October 4, 2010

Hatchet Ridge Wind, LLC  
Pier 1, Bay 3  
San Francisco CA 94111  
Attention: Mr. Daniel Elkort

**RE: Letter Agreement for the Hatchet Ridge Wind, LLC Power Purchase and Sale Agreement**

Dear Mr. Elkort,

Hatchet Ridge Wind, LLC (“Seller”) and Pacific Gas and Electric Company (“PG&E”) are Parties to that certain Power Purchase and Sale Agreement (“Agreement”) dated November 20, 2008. All capitalized terms used but not defined herein shall have the meanings provided to them in the Agreement or, if not defined therein, the CAISO Tariff.

The Parties acknowledge and agree that, as a result of the manner in which the Project will be constructed, portions of the Project will be available to deliver the Product before the Commercial Operation Date for the Project. The Parties further acknowledge that the CAISO may not publish EIRP forecasts until at least 60 days after the synchronization of the first increment of the Project. Notwithstanding anything to the contrary in Section 3.1(b) of the Agreement, from the synchronization of the first increment of the Project to the CAISO Grid, which occurred on July 17, 2010 (the “Test Energy Commencement Date”), until the occurrence of the Initial Energy Delivery Date, the Parties agree to the following:

- a. Seller, or Seller’s SC, shall not submit Self-Schedules into the CAISO Day-Ahead Market, unless Seller utilizes Inter-SC Trades as described in the Agreement. If Seller utilizes Inter-SC Trades, the scheduling and imbalance provisions of the Agreement shall govern.
- b. For any hour in which Seller does not utilize Inter-SC Trades, Buyer shall pay for Delivered Energy at 75% of the Contract Price (as adjusted by the TOD Factors provided in Section 4.3 of the Agreement) , net of the CAISO Real-Time Revenues for such hour. CAISO Real-Time Revenues shall be calculated for each hour in which Seller does not utilize Inter-SC Trades by taking Delivered Energy for such hour, multiplied by the simple average of the Resource-Specific Settlement Interval LMPs for each Settlement Interval in that hour.
- c. Billing and payment of amounts due to Seller pursuant to this Letter Agreement shall be performed in accordance with Article Six of the Agreement, provided that such billing and payment will begin 10 days after the execution of this Letter Agreement instead of the second month of the first Contract Year. Seller shall provide the records and invoices referred to therein with respect to the period commencing on the Test Energy Commencement Date and ending on August 31, 2010. Seller shall invoice Buyer on or about

Mr. Daniel Elkort  
October 4, 2010  
Page 2

- the 10<sup>th</sup> day of the month for each successive month during the Test Energy Period and Delivery Term, in accordance with Article Six of the Agreement.
- d. Upon Buyer's request, Seller shall provide Buyer CAISO settlement data in a form reasonably acceptable to Buyer.
  - e. Section 4.6 of the Agreement shall be suspended.

The Parties further agree that Section 3.1(j) of the Agreement is hereby deleted in its entirety and replaced with the following:


(j) Greenhouse Gas Emissions Reporting. During the Term, Seller acknowledges that a Governmental Authority may require Buyer to take certain actions with respect to greenhouse gas emissions attributable to the generation of Energy, including, but not limited to, reporting, registering, or tracking such emissions. Promptly following Buyer's written request, Seller agrees to provide any and all documents or information available to the Seller in the ordinary course of business with respect to generation by the Project reasonably necessary to permit Buyer to comply with such requirements, if any.

Except as otherwise expressly modified hereby, the Agreement remains in full force and effect. This Letter Agreement is not intended to be nor shall it be construed as a waiver of any of either Party's rights or remedies under the Agreement at law or in equity.


PG&E requests that Seller confirm its agreement to the foregoing by executing this Letter Agreement and returning the original, executed Letter Agreement to me at the above-referenced address.

If you have any questions, I can be reached at 415-973-5481.

**HATCHET RIDGE ENERGY, LLC**, a  
limited liability company

Signature:   
Name: **Daniel M. Elkort**  
Title: **Authorized Signatory**  
Date: 10/11/10

**PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation

Signature:   
Name: **Garrett P. Jeung**  
Title: **Sr. Director, Renewable Energy**  
Date: Oct 6, 2010

CC: Mike Gonzales  
Sandy Burns  
Linda Torres