



**Pacific Gas and  
Electric Company®**

245 Market Street, MC: N13C  
San Francisco, CA 94105

415.973.7000

November 27, 2007

VIA PDF EMAIL

Bill Barnes  
President  
CalRENEW-1 LLC  
50 California Street, Suite 1500  
San Francisco, CA 94111  
[REDACTED]@cleantechamerica.com

**RE: Advice 3074-E and CalRENEW-1 Project**

Dear Mr. Barnes,

CalRENEW-1 LLC ("Seller") and Pacific Gas and Electric Company ("PG&E") are Parties to that certain Power Purchase and Sale Agreement for As-Available Product dated June 25, 2007 ("PPA"). All capitalized terms used but not defined herein shall have the meanings provided to them in the PPA.

PG&E filed the PPA with the California Public Utilities Commission ("CPUC") on June 27, 2007 ("CPUC Filing Date") as part of Advice Letter 3074-E. The Parties acknowledge that each has been advised by the CPUC that the CPUC needs an additional thirty (30) days to review the PPA Advice Letter filing.

Under Section 11.2 of the PPA, if CPUC Approval (which is a final and non-appealable order as defined in the PPA) is not received within one hundred eighty (180) days from the CPUC Filing Date ("CPUC Approval Deadline"), either Party may terminate the PPA. The Parties desire to avoid termination of the PPA under Section 11.2 and agree to extend the CPUC Approval Deadline for an additional thirty (30) days, from December 24, 2007 to January 23, 2008.

Seller has informed PG&E that the delay in receiving CPUC Approval will impact Seller's ability to achieve the Guaranteed Construction Start Date of November 1, 2008 and the Guaranteed Commercial Operation Date of April 30, 2009. Accordingly, PG&E agrees to refrain from collecting Daily Delay Damages to which it may be entitled under Section 3.9(c)(iv) of the PPA if the Construction Start Date (CSD) occurs no later than December 1, 2008 and the Commercial Operation Date (COD) occurs no later than May 30, 2009; provided that, the December 1, 2008 CSD and the May 30, 2009 COD may each be extended on a day for day basis by Force Majeure up to one hundred twenty (120) days.

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The Parties further agree that the commencement date for each cure period under Section 3.9(c)(iv) shall be delayed for thirty (30) days, and Seller shall not be in default under Section 5.1(b)(iii) of the PPA if Seller meets the applicable December 1, 2008 CSD and May 30, 2009 COD, subject to the applicable cure period (delayed as described above).

In the event that the Project's CSD occurs after December 1, 2008 or the COD occurs after May 30, 2009, PG&E shall be entitled to collect Daily Delay Damages in accordance with Section 3.9(c)(iv) for each day or portion of a day that the CSD occurs after December 1, 2008 or the COD occurs after May 30, 2009 (as each may be extended by Force Majeure as described above); provided that, the May 30, 2009 COD shall be extended day for day for each day on which Daily Delay Damages are paid during the applicable cure period for Seller's failure to meet the December 1, 2008 CSD.

If Seller meets the applicable May 30, 2009 COD, Seller shall be entitled to the return of any Daily Delay Damages collected by PG&E as a result of Seller's failure to meet the applicable December 1, 2008 CSD. For avoidance of doubt, Buyer shall retain all Daily Delay Damages collected by Buyer as a result of Seller's failure to meet the applicable December 1, 2008 CSD and May 30, 2009 COD, if Seller fails to meet the applicable May 30, 2009 COD.

This letter is not intended to be nor shall it be construed as a waiver of any of PG&E's rights or remedies under the PPA at law or in equity.

PG&E requests that Seller confirm its agreement to the foregoing by executing this letter, faxing an executed copy to me at [REDACTED] and returning the original, executed letter to me at the above-referenced address.

If you have any questions, I can be reached at [REDACTED]

Sincerely,

A handwritten signature in black ink that reads 'Garrett P. Jeung'.

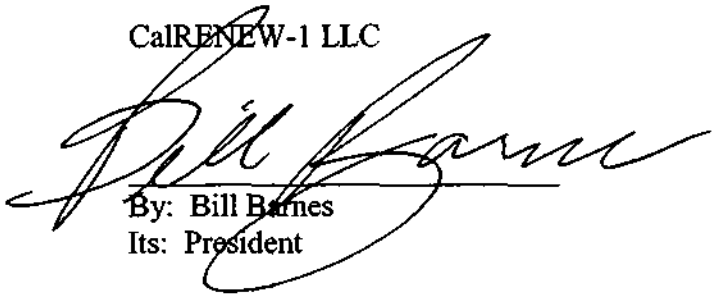
**Garrett P. Jeung**  
Director, Structured Transactions

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Agreed to by: CalRENEW-1 LLC

Date: 11/27/2007

CalRENEW-1 LLC



By: Bill Barnes  
Its: President

**SECOND AMENDMENT TO THE JUNE 25, 2007 POWER PURCHASE AND SALE AGREEMENT BETWEEN CALRENEW-1 LLC AND PACIFIC GAS AND ELECTRIC COMPANY**

THIS SECOND AMENDMENT ("Second Amendment") is entered into by and between CalRENEW-1 LLC ("Seller") and Pacific Gas and Electric Company ("Buyer"). Seller and Buyer are sometimes referred to herein individually as "Party" and collectively as "Parties."

**RECITALS**

A. Seller and Buyer are parties to that certain Power Purchase and Sale Agreement, dated June 25, 2007 ("Purchase Agreement").

B. Buyer and Seller desire to amend the Purchase Agreement to conform certain terms and conditions with the California Public Utilities Commission's Decision (D.) 07-11-025, dated November 16, 2007.

In consideration of the mutual promises and covenants contained herein, the Parties agree to amend the Purchase Agreement as follows:

1. **Rules of Construction.** Capitalized terms used herein and not otherwise defined shall be used as defined in the Purchase Agreement.

2. **Amendments to Purchase Agreement.**

a. Section 1.33 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

"CPUC Approval" means a final and non-appealable order of the CPUC, without conditions or modifications unacceptable to the Parties, or either of them, which contains the following terms:

(a) approves this Agreement in its entirety, including payments to be made by the Buyer, subject to CPUC review of the Buyer's administration of the Agreement; and

(b) finds that any procurement pursuant to this Agreement is procurement from an eligible renewable energy resource for purposes of determining Buyer's compliance with any obligation that it may have to procure eligible renewable energy resources pursuant to the California Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.), Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing such findings becomes final and non-appealable.

b. Section 1.53 of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

“Eligible Renewable Energy Resource” or “ERR” has the meaning set forth in California Public Utilities Code Section 399.12 and California Public Resources Code Section 25741, as either code provision is amended or supplemented from time to time.

c. Section 3.2, “Green Attributes,” of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.

d. Section 5.1(b)(vi) of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

if the representation and warranty made by Seller in Section 10.2(b) is false or misleading in any material respect when made or becomes false or misleading in any material respect during the Delivery Term; provided however that, if a change in law occurs after execution of this Agreement that causes the representation and warranty made by Seller in Section 10.2(b) to be materially false or misleading, such breach of the representation or warranty in Section 10.2(b) shall not be an Event of Default provided that Seller has used commercially reasonable efforts to comply with such change in law during the Delivery Term in order to make the representation and warranty no longer false or misleading.

e. Section 10.2(b) of the Purchase Agreement is hereby deleted in its entirety and replaced with the following:

Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project’s output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially

false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

3. **CPUC Approval.**

This Second Amendment shall become effective upon satisfaction of the following conditions precedent:

a. CPUC Approval; and

b. PG&E's receipt of a final and non-appealable CPUC order that finds that PG&E's entry into the Purchase Agreement as amended by this Second Amendment is reasonable and that payments to be made by PG&E under the Purchase Agreement as amended by this Second Amendment are recoverable in rates.

4. **No Other Modifications.** Except as otherwise expressly modified hereby, the Purchase Agreement remains in full force and effect. If there is a conflict between the terms of the Purchase Agreement and those of this Second Amendment, this Second Amendment shall control.

5. **Miscellaneous.**

a. **Governing Law.** This Second Amendment shall be governed by Section 10.12 of the Purchase Agreement. The Parties agree to comply with Article Twelve of the Purchase Agreement with respect to any dispute relating to this Second Amendment.

b. **Headings.** Headings in this Second Amendment are included herein for convenience of reference only and shall not constitute a part of this Second Amendment for any other purpose.

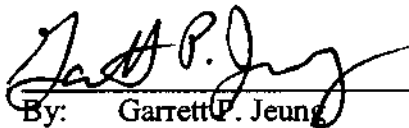
c. **Counterparts.** This Second Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signature provided via facsimile shall have the same legal effect as an original.

d. **Any Amendments or Modifications.** This Second Amendment may only be amended or otherwise modified in writing signed by each of the Parties.

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed by their duly authorized representatives, effective as of the latest date set forth in the signature block below. By signing this Second Amendment, the representatives of the Parties warrant that they have the requisite authority to bind their respective principals.

**PACIFIC GAS AND ELECTRIC  
COMPANY**

**CALRENEW-1 LLC**



By: Garrett P. Jeung  
Title: Director, Structured Transactions  
Date: 11/27/07



By: Bill Barnes  
Title: Chief Executive Officer  
Date: 11-27-2007