

Execution Version

POWER PURCHASE AND SALE AGREEMENT

between

PACIFIC GAS AND ELECTRIC COMPANY

(as “Buyer”)

and

CALRENEW-1 LLC

(as “Seller”)

As-Available Product

POWER PURCHASE AND SALE AGREEMENT

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Appendix III, Milestones

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Appendix V, Form of Certification

Appendix VI, Commercial Operation Certification Procedure

Appendix VII, Form of Monthly Progress Report

Appendix VIII, Outage Notification Form

Appendix IX, Counterparty Notification Requirements for Outages and Generation Schedules

Appendix X, Resource Adequacy

Appendix XI, Contract Quantity Degradation

POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Power Purchase and Sale Agreement* ("Agreement") is made as of the following date: June 25, 2007 ("Execution Date"). Seller and Buyer listed below are each individually considered a "Party" and collectively are considered the "Parties" to the Agreement.

Name: **CalRENEW-1 LLC**, a Delaware limited liability company ("Seller")
All Notices:

Delivery Address:
50 California Street, Suite 1500
San Francisco, CA 94111

Mail Address:
Same as above

Attn: Bill Barnes
[REDACTED]@cleantechamerica.com)
President, CalRENEW-1 LLC
Phone: [REDACTED]
Facsimile: [REDACTED]

Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

Invoices:

Attn: Bob Welch
[REDACTED]@cleantechamerica.com)
Secretary, CalRENEW-1 LLC
Phone: [REDACTED]
Facsimile: [REDACTED]

Scheduling:

Attn: Bill Barnes
[REDACTED]@cleantechamerica.com)
President, CalRENEW-1 LLC
Phone: [REDACTED]
Facsimile: [REDACTED]

Payments:

Attn: Bob Welch
[REDACTED]@cleantechamerica.com)
Secretary, CalRENEW-1 LLC
Phone: [REDACTED]

Name: **Pacific Gas and Electric Company**, a California corporation ("Buyer" or "PG&E")
All Notices:

Delivery Address:
77 Beale Street, Mail Code N12E
San Francisco, CA 94105-1702

Mail Address:
P.O. Box 770000, Mail Code N12E
San Francisco, CA 94177

Attn: Kelly A. Everidge [REDACTED]@pge.com)
Director, Contract Mgmt & Settlements

Phone: [REDACTED]
Facsimile: [REDACTED]

Duns: [REDACTED]
Federal Tax ID Number: [REDACTED]

Invoices:

Attn: Alice Gong [REDACTED]@pge.com)
Manager, Bilateral Settlements
Phone: [REDACTED]
Facsimile: [REDACTED]

Scheduling:

Attn: Kevin F. Coffee [REDACTED]@pge.com)
Manager, Electric Trading
Phone: [REDACTED]
Facsimile: [REDACTED]

Payments:

Attn: Alice Gong [REDACTED]@pge.com)
Manager, Bilateral Settlements
Phone: [REDACTED]

Facsimile: [REDACTED]

Facsimile: [REDACTED]

Wire Transfer:

BNK: Bank of America
ABA: [REDACTED]
ACCT: [REDACTED]

Wire Transfer:

BNK: Mellon Trust of New England, N.A.
ABA: [REDACTED]
ACCT: [REDACTED]
Account Title: PG&E Master

Credit and Collections:

Attn: Nancy Bott [REDACTED]@bottassoc.com)
Nancy R. Bott & Associates
Phone: [REDACTED]
Facsimile: [REDACTED]

Credit and Collections:

Attn: Jack Foley [REDACTED]@pge.com)
Manager, Credit Risk Management
Phone: [REDACTED]
Facsimile: [REDACTED]

With additional Notices of an Event of Default to Contract Manager:

Attn: Bill Barnes
[REDACTED]@cleantechamerica.com)
President, CalRENEW-1 LLC
Phone: [REDACTED]
Facsimile: [REDACTED]

Contract Manager:

Attn: Jeannette Woo [REDACTED]@pge.com)
Manager, Contract Management
Phone: [REDACTED]
Facsimile: [REDACTED]

With additional Notices of an Event of Default to:

PG&E Law Department
Attn: Renewables Portfolio Standard attorney
Phone: (415) 973-4377
Facsimile: (415) 972-5952

The Parties agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Article Three

New Generation Facility

Add Section 3.9.
If not checked, inapplicable.

Article Eight

Credit and Collateral Requirements

8.2 Seller Financial Information:

Option A
 Option B Specify:

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: \$15,000

8.4(a)(ii) Project Development Security Amount: \$100,000 per
8.4(a)(ii)(A) and \$175,000 per 8.4(a)(ii)(B)

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: \$1,700,000

Type of Delivery Term Security: Cash or Letter of Credit

Article 10

10.1 No Fault Termination

(a) Seller Termination Right

Not Applicable

Applicable

(b) PGC Funding Termination

Not Applicable

Applicable

(c) Energy Tax Credit

Not Applicable

Applicable

10.7 Confidentiality

Confidentiality Applicable
If not checked, inapplicable.

Confidentiality Notification: If checked on the Cover Sheet, Seller has waived its right to notification in accordance with Section 10.7(v).

The following Appendices are attached hereto and made a part of this Agreement:

Appendix I, Form of Letter of Credit

Appendix II, Initial Energy Delivery Date Confirmation Letter

Appendix III, Milestones

Appendix IV, Project Description Including Description of Site

Appendix V, Form of Certification

Appendix VI, Commercial Operation Certification Procedure

Appendix VII, Form of Monthly Progress Report

Appendix VIII, Outage Notification Form

Appendix IX, Counterparty Notification Requirements for Outages and Generation Schedules

Appendix X, Resource Adequacy

Appendix XI, Contract Quantity Degradation

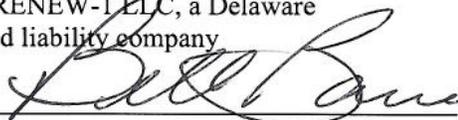
Execution Version

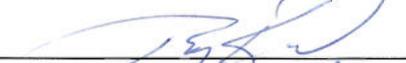
Agreement Execution

In WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the dates set forth below:

CALRENEW-1 LLC, a Delaware
limited liability company

PACIFIC GAS AND ELECTRIC
COMPANY, a California Corporation

By: 

By: 

CMW

Name: BILL BARNES

Name: Raj M. Rupa

Title: PRESIDENT

Title: VP Energy Supply

Date: 6-6-07

Date: 6/25/07

GENERAL TERMS AND CONDITIONS

ARTICLE ONE: GENERAL DEFINITIONS

1.1 “10-Minute Settlement Interval Average Price” means the Imbalance Price as published by the CAISO every ten (10) minutes in order to reflect prices for Imbalance Energy.

1.2 “AAA” means the American Arbitration Association.

1.3 “Affiliate” means, with respect to any person, any other person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.4 “Agreement” means this Power Purchase and Sale Agreement between Buyer and Seller, which is comprised of the Cover Sheet, these General Terms and Conditions, and all appendices, schedules and any written supplements attached hereto and incorporated herein by references, as well as all written and signed amendments and modifications thereto.

1.5 “Arbitration” has the meaning set forth in Section 12.3.

1.6 “As-Available Product” means a Product for which, subject to the terms of this Agreement, (i) Seller is obligated to sell and deliver and (ii) Buyer is obligated to purchase and receive the Energy component of the Product from the Project whenever such Energy is capable of being generated from the Project.

1.7 “Bankrupt” means with respect to any entity, such entity that (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (b) makes an assignment or any general arrangement for the benefit of creditors, (c) otherwise becomes bankrupt or insolvent (however evidenced), (d) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (e) is generally unable to pay its debts as they fall due.

1.8 “Bid Price” means the price as bid by Seller in response to the RFP or such other price as may be arrived at through negotiation.

1.9 “Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday and shall be between the hours of 8:00 a.m. and 5:00 p.m. local time for the relevant Party’s principal place of business where the relevant Party, in each instance unless otherwise specified, shall be the Party from whom the Notice, payment or delivery is being sent and by whom the Notice or payment or delivery is to be received.

1.10 “Buyer” has the meaning set forth on the Cover Sheet.

1.11 “CAISO” means the California Independent System Operator Corporation or any successor entity performing similar functions.

1.12 “CAISO Grid” means the system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the CAISO’s operational control.

1.13 “CAISO Penalties” has the meaning set forth in Section 4.8.

1.14 “CAISO Protocols” means all applicable CAISO protocols.

1.15 “CAISO Tariff” means the CAISO FERC Electric Tariff, First Replacement Volume No. 1, as it may be amended, supplemented or replaced (in whole or in part) from time to time.

1.16 “California Renewables Portfolio Standard” means the renewable energy program and policies established by Senate Bill 1038 and 1078, codified in California Public Utilities Code Sections 399.11 through 399.16 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

1.17 “Capacity Attributes” means any current or future defined characteristic, certificate, tag, credit, or ancillary service attribute, whether general in nature or specific as to the location or any other attribute of the Project, intended to value any aspect of the capacity of the Project to produce Energy or ancillary services, including, but not limited to, any accounting construct so that the full Contract Capacity of the Project may be counted toward a Resource Adequacy Requirement or any other measure by the CPUC, the CAISO, the FERC, or any other entity invested with the authority under federal or state law, to require Buyer to procure, or to procure at Buyer’s expense, Resource Adequacy or other such products.

1.18 “CEC” means the California Energy Commission or its successor agency.

1.19 “CEC Certification and Verification” means that the CEC has certified (or, with respect to periods before the Project has been constructed, that the CEC has pre-certified) that the Project is an ERR for purposes of the California Renewables Portfolio Standard and that all Energy produced by the Project qualifies as generation from an ERR for purposes of the Project.

1.20 “Claims” means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination or expiration of this Agreement.

1.21 “Commercial Operation” means the Project is operating and able to produce and deliver Energy to Buyer pursuant to the terms of this Agreement.

1.22 “Commercial Operation Date” means the date on which Seller (a) notifies Buyer that Commercial Operation has occurred and (b) provides a certification of Licensed Professional Engineer, substantially in the form attached hereto as Appendix V, demonstrating satisfactory completion of the Commercial Operation Certification Procedure as provided in Appendix VI hereto.

1.23 “Condition(s) Precedent” has the meaning set forth in Section 11.1

1.24 “Construction Cure Period” has the meaning set forth in Section 3.9(c)(iv).

1.25 “Construction Start Date” means the later to occur of the date on which Seller delivers to Buyer (i) a copy of the Notice to Proceed that Seller has delivered to the EPC Contractor for the Project, and (ii) a written Certification substantially in the form attached hereto as Appendix V.

1.26 “Contract Capacity” means the generation capacity designated for the Project in Section 3.1(f), net of all auxiliary loads, station electrical uses, and Electrical Losses.

1.27 “Contract Price” means the price in \$U.S. (unless otherwise provided for) to be paid by Buyer to Seller for the purchase of the Product, as specified in Section 4.1.

1.28 “Contract Quantity” means the quantity of expected Delivered Energy to be delivered by Seller during each Contract Year as set forth in Section 3.1(e)(i) net of all Electrical Losses.

1.29 “Contract Year” means a period of twelve (12) consecutive months. The first Contract Year shall commence on the Initial Energy Delivery Date and each subsequent Contract Year shall commence on the anniversary of the Initial Energy Delivery Date.

1.30 “Costs” means, with respect to the Non-Defaulting Party, (a) brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace a Terminated Transaction; and (b) all reasonable attorneys’ fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

1.31 “Cover Sheet” means the multi-page document that precedes Article One: General Definitions to this Agreement.

1.32 “CPUC” or “Commission or successor entity” means the California Public Utilities Commission, or successor entity.

1.33 “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;

(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; and

(c) finds that any procurement pursuant to this Agreement constitutes incremental procurement or procurement for baseline replenishment by Buyer from an eligible renewable energy resource for purposes of determining Buyer’s compliance with any obligation to increase its total procurement of eligible renewable energy resources that it may have pursuant to the California Renewables Portfolio Standard, CPUC 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.

1.34 “Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P or Moody’s.

1.35 “Cure” has the meaning set forth in Section 8.5(a).

1.36 “Daily Delay Damages” means with respect to a Guaranteed Project Milestone, an amount equal to (a) the Project Development Security Amount posted as of the first date that Daily Delay Damages are payable under this Agreement with respect to such Guaranteed Project Milestone, divided by (b) 120.

1.37 “Day Ahead Schedule” has the meaning set forth in the CAISO Tariff.

1.38 “Defaulting Party” means the Party that is subject to an Event of Default.

1.39 “Delivered Energy” means all Energy produced from the Project as measured in MWh at the CAISO revenue meter of the Project based on a power factor of precisely one (1) and net of all Electrical Losses.

1.40 “Delivery Point” means the point at which Buyer receives Seller’s Product, as set forth in Section 3.1(d).

1.41 “Delivery Term” has the meaning set forth in Section 3.1(c).

1.42 “Delivery Term Security” shall mean the Performance Assurance that Seller is required to maintain, as specified in Article Eight, to secure performance of its obligations during the Delivery Term.

1.43 “Disclosing Party” has the meaning set forth in Section 10.7.

1.44 “Disclosure Order” has the meaning set forth in Section 10.7.

1.45 “Dispatch Down Period” means (a) curtailments ordered from the CAISO or the Participating Transmission Owner pursuant to the CAISO Tariff or the Participating TO Tariff, respectively, or (b) scheduled or unscheduled maintenance on the Participating Transmission Owner’s transmission facilities that prevents (i) Buyer from receiving or (ii) Seller from delivering Delivered Energy at the Delivery Point.

1.46 “Distribution Loss Factor” is a multiplier factor that reduces the amount of Delivered Energy produced by a Project connecting to PG&E’s distribution system to account for the electrical distribution losses, including those related to distribution and transformation, occurring between the point of Interconnection, as defined in the PG&E Wholesale Distribution Interconnection Tariff, at the point where PG&E’s meter is physically located, and the first point of Interconnection, as defined in the CAISO Tariff, with the CAISO Grid.

1.47 “Distribution Owner” means PG&E or other applicable entity owning distribution facilities or having firm contractual rights to use distribution facilities.

1.48 “DUNS” means the Data Universal Numbering System, which is a unique nine character identification number provided by Dun and Bradstreet.

1.49 “Early Termination Date” has the meaning set forth in Section 5.2.

1.50 “Effective Date” shall mean the date on which all of the Conditions Precedent set forth in Section 11.1 have been satisfied or waived in writing by both Parties.

1.51 “EIRP” or “Eligible Intermittent Resource Program” means the Eligible Intermittent Resource Protocol, as may be amended from time to time, as set forth in the CAISO Tariff.

1.52 “Electrical Losses” means all applicable losses, including, but not limited to, the following: (a) any transmission or transformation losses between the CAISO revenue meter and the Delivery Point; (b) the applicable GMM or any successor method to account for losses or congestion established by the CAISO (or successor organization) and assigned to the Delivery Point for the Project; and (c) the applicable Distribution Loss Factor, if applicable.

1.53 “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; provided that, for purposes of Section 10.2(b), the code provisions shall not be amended or supplemented from time to time with respect to the definition of Eligible Renewable Energy Resource.

1.54 “Energy” means electric energy measured in megawatt hours (“MWh”) and net of auxiliary loads and station electrical uses (unless otherwise specified).

1.55 “Energy Tax Credit” means the tax credit for property described in Section 48(a)(3)(A)(i) for solar energy property of the Internal Revenue Code of 1986, as it may be amended from time to time.

1.56 “EPC Contract” means the Seller’s engineering, procurement and construction contract with the EPC Contractor.

1.57 “EPC Contractor” means an engineering, procurement and construction contractor selected by Seller with substantial experience in the engineering, procurement and construction of power plants of the same type of facility as the Seller’s.

1.58 “Equitable Defenses” means any bankruptcy, insolvency, reorganization or other laws affecting creditors’ rights generally and, with regard to equitable remedies, the discretion of the court before which proceedings may be pending to obtain same.

1.59 “Event of Default” has the meaning set forth in Section 5.1.

1.60 “Execution Date” has the meaning set forth on the first page of the Cover Sheet.

1.61 “Executive(s)” has the meaning set forth in Section 12.2(a).

1.62 “Exercise Date” has the meaning set forth in Section 10.1(b)(ii)(B).

1.63 “Exercise Period” has the meaning set forth in Section 10.1(b)(ii)(A).

1.64 “FERC” means the Federal Energy Regulatory Commission or any successor government agency.

1.65 “Force Majeure” means any event or circumstance which wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, but only if and to the extent (i) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (ii) the Party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures in order to prevent or avoid such event or mitigate the effect of such event on such Party’s ability to perform its obligations under this Agreement and which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (iii) such event is not the direct or indirect result of the negligence or the failure of, or caused by, the Party seeking to have its performance obligations excused thereby.

(a) Subject to the foregoing, events that could qualify as Force Majeure include, but are not limited to, the following:

(i) unusual flooding, lightning, landslide, earthquake, fire, drought, explosion, epidemic, quarantine, storm, hurricane, tornado, other natural disaster or unusual or extreme adverse weather-related events;

(ii) war (declared or undeclared), riot or similar civil disturbance, acts of the public enemy (including acts of terrorism), sabotage, blockage, insurrection, revolution, expropriation or confiscation;

(iii) except as set forth in subpart (b)(vii) below, strikes, work stoppage or other labor disputes (in which case the affected Party shall have no obligation to settle the strike or labor dispute on terms it deems unreasonable); or

(iv) emergencies declared by a forced curtailment required by the Transmission Provider or any other authorized successor or regional transmission organization or any state or federal regulator or legislature making it impossible for the Transmission Provider to transmit Energy, including Energy to be delivered pursuant to this Agreement.

(b) Force Majeure shall not be based on:

(i) Buyer’s inability economically to use or resell the Product purchased hereunder;

(ii) Seller’s ability to sell the Product at a price greater than the price set forth in this Agreement;

(iii) Seller’s inability to obtain permits or approvals of any type for the construction, operation, or maintenance of the Project;

(iv) Seller’s inability to obtain sufficient fuel, power or materials to operate the Project, except if Seller’s inability to obtain sufficient fuel, power or materials is

caused solely by an event of Force Majeure of the specific type described in any of subsections (a)(i) through (a)(iv) above;

(v) Seller's failure to obtain additional funds, including funds authorized by a state or the federal government or agencies thereof, to supplement the payments made by Buyer pursuant to this Agreement;

(vi) a Forced Outage except where such Forced Outage is caused by an event of Force Majeure of the specific type described in any of subsections (a)(i) through (a)(iv) above;

(vii) a strike, work stoppage or labor dispute limited only to any one or more of Seller, Seller's Affiliates, the EPC Contractor or subcontractors thereof or any other third party employed by Seller to work on the Project; or

(viii) any equipment failure except if such equipment failure is caused solely by an event of Force Majeure of the specific type described in any of subsections (a)(i) through (a)(iv) above.

1.66 "Forced Outage" means any unplanned reduction or suspension of the electrical output from the Project or unavailability of the Project in whole or in part from a Unit in response to a mechanical, electrical, or hydraulic control system trip or operator-initiated trip in response to an alarm or equipment malfunction and any other unavailability of a Unit for operation, in whole or in part, for maintenance or repair that is not a Planned Outage and not the result of Force Majeure.

1.67 "Funding Termination Deadline" has the meaning set forth in Section 10.1(a)(i).

1.68 "Gains" means with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of the Transaction for the remaining Delivery Term, determined in a commercially reasonable manner, subject to Section 5.2 hereof. Factors used in determining economic benefit may include, without limitation, reference to information either available to it internally or supplied by one or more third parties, including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, market price referent, market prices for a comparable transaction, forward price curves based on economic analysis of the relevant markets, settlement prices for a comparable transaction at liquid trading hubs (e.g., NYMEX), all of which should be calculated for the remaining Delivery Term and include the value of Green Attributes.

1.69 "GMM" means the Generation Meter Multiplier as defined in the CAISO Tariff.

1.70 "GWh" means gigawatt-hour.

1.71 "Good Utility Practice" has the meaning provided in the CAISO Tariff.

1.72 "Governmental Approval" means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any governmental entity and shall include those siting and operating permits and licenses, and any of the foregoing under any applicable environmental law, that are required for the use and operation of the Project.

1.73 “Governmental Authority” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.

1.74 “Governmental Charges” has the meaning set forth in Section 9.2.

1.75 “Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its displacement of conventional Energy generation. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, 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 a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any Energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project 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 preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or landfill gas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

1.76 “Guaranteed Commercial Operation Date” has the meaning set forth in Section 3.9(c)(iii)(B).

1.77 “Guaranteed Construction Start Date” has the meaning set forth in Section 3.9(c)(iii)(A).

1.78 “Guaranteed Energy Production” means an amount of Energy, as measured in MWh, equal to the product of (i) and (ii), where (i) is sixty percent (60%) of the Contract Quantity for the applicable Contract Year, as set forth in Appendix XI, and (ii) is the difference between (A) and (B), with the difference divided by (A), where (A) is the number of hours in the applicable Performance Measurement Period and (B) is the aggregate number of Seller Excuse Hours in the applicable Performance Measurement Period.

1.79 “Guaranteed Project Milestones” are the Guaranteed Construction Start Date and the Guaranteed Commercial Operation Date set forth in Section 3.9(c)(iii).

1.80 “Hour Ahead” has the meaning set forth in the CAISO Tariff.

1.81 “Imbalance Energy” means the amount of Energy, in any given hour, by which the amount of Delivered Energy deviates from the amount of Scheduled Energy.

1.81.1. “Imbalance Price” has the meaning set forth in Section 4.6(a).

1.82 “Initial Energy Delivery Date” has the meaning set forth in Section 3.1(c).

1.83 “Initial Negotiation End Date” has the meaning set forth in Section 12.2(a).

1.84 “Interconnection Facilities” means the facilities, which include all apparatus installed pursuant to the Participating Transmission Owner’s, Transmission Provider’s or Distribution Owner’s facility connection requirements, required to enable Seller to interconnect and deliver Energy from the Project to and at the Delivery Point, including, but not limited to, connection, transformation, switching, metering, communications, control, and safety equipment, such as equipment required pursuant to Good Utility Practices and in accordance with any agreements entered into by Seller necessary for interconnection to protect the Participating Transmission Owner’s electric system (or other systems to which the Participating Transmission Owner’s, Transmission Provider’s or Distribution Owner’s electric system is connected, including the CAISO Grid) and the Participating Transmission Owner’s, Transmission Provider’s or Distribution Owner’s, as applicable, customers from faults occurring at the Project.

1.85 “Interest Amount” means with respect to an Interest Period, the amount of interest calculated as follows: (i) the sum of (a) the principal amount of Performance Assurance in the form of cash held by Buyer during that Interest Period, and (b) the sum of all accrued and unpaid Interest Amounts accumulated prior to such Interest Period; (ii) multiplied by the Interest Rate in effect for that day; (iii) multiplied by the number of days in that Interest Period; (iv) divided by 360.

1.86 “Interest Payment Date” means the last Business Day of each calendar year.

1.87 “Interest Period” means the monthly period beginning on the first day of each calendar month and ending on the last day of each month.

1.88 “Interest Rate” means the rate per annum equal to the “Monthly” Federal Funds Rate (as reset on a monthly basis based on the latest month for which such rate is available) as reported in Federal Reserve Bank Publication H.15-519, or its successor publication.

1.89 “Law” means any statute, law, treaty, rule, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Execution Date, and which becomes effective during the Delivery Term; or any binding interpretation of the foregoing.

1.90 “Letter(s) of Credit” means one or more irrevocable, non-transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such

bank having a credit rating of at least A from S&P or A2 from Moody's, substantially in the form as contained in Appendix I to this Agreement.

1.91 "Licensed Professional Engineer" means a person acceptable to Buyer in its reasonable judgment who (i) is licensed to practice engineering in California, (ii) has training and experience in the power industry specific to the technology of the Project, (iii) has no economic relationship, association, or nexus with Seller or Buyer, other than to meet the obligations of Seller pursuant to this Agreement, (iv) is not a representative of a consultant, engineer, contractor, designer or other individual involved in the development of the Project or of a manufacturer or supplier of any equipment installed at the Project, and (v) is licensed in an appropriate engineering discipline for the required certification being made.

1.92 "Losses" means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from the termination of the Transaction for the remaining Delivery Term, determined in a commercially reasonable manner, subject to Section 5.2 hereof. Factors used in determining the loss of economic benefit may include, without limitation, reference to information either available to it internally or supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, market price referent, market prices for a comparable transaction, forward price curves based on economic analysis of the relevant markets, settlement prices for a comparable transaction at liquid trading hubs (e.g. NYMEX), all of which should be calculated for the remaining term of the Transaction to determine the value of the Product. If the Non-Defaulting Party is the Seller, then "Losses" shall exclude any loss of any Energy Tax Credit or other federal or state tax credits related to the Project or generation therefrom.

1.93 "Lost PGC Funds" has the meaning set forth in Section 10.1(b)(ii)(A).

1.94 "Manager" has the meaning set forth in Section 12.2(a).

1.95 "Market Price Referent" means the market price referent applicable to this Agreement, as determined by the CPUC in accordance with Public Utilities Code Section 399.15(c).

1.96 "Milestones" has the meaning set forth in Section 3.9(c)(i).

1.97 "Monthly Progress Report" means the report similar in form and content attached hereto as Appendix VII.

1.98 "Monthly Period" has the meaning set forth in Section 4.2.

1.99 "Monthly TOD Payment" has the meaning set forth in Section 4.3(b).

1.100 "Moody's" means Moody's Investor Services, Inc., or its successor.

1.101 "MRTU" or "Market Redesign and Technology Upgrade" means the locational marginal pricing market system to be governed by the CAISO MRTU Tariff approved by FERC.

1.102 "MWh" means megawatt-hour.

1.103 "Negative Imbalance Energy" has the meaning set forth in Section 4.5.

1.104 “NERC” means the North American Electric Reliability Council or a successor organization that is responsible for establishing reliability criteria and protocols.

1.105 “NERC Holiday” has the meaning set forth in Section 4.2.

1.106 “New Generation Facility” means a project that (a) previously has not been operational and able to produce and deliver Energy to another entity or (b) must be re-powered or expanded in order to deliver the Product pursuant to the terms set forth in this Agreement.

1.107 “Non-Defaulting Party” has the meaning set forth in Section 5.2.

1.108 “Notice” shall, unless otherwise specified in the Agreement, mean written communications by a Party to be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail).

1.109 “Notice to Proceed” means the notice provided by Seller to the EPC Contractor following execution of the EPC Contract between Seller and such EPC Contractor and satisfaction of all conditions to performance of such contract, by which Seller authorizes such EPC Contractor to begin construction of the Project without any delay or waiting periods.

1.110 “Obligor” means the Party breaching the terms of this Agreement.

1.111 “Option” has the meaning set forth in Section 10.1(b)(ii)(A).

1.112 “Option Approval” has the meaning set forth in Section 10.1(b)(ii)(B).

1.113 “Outage Notification Form” means the notice form attached hereto as Appendix VIII, which shall be submitted by Seller to Buyer in accordance with the relevant provisions of Section 3.7. PG&E reserves the right to revise or change the form upon written Notice to Seller.

1.114 “Participating Transmission Owner” or “Participating TO” means an entity that (a) owns, operates and maintains transmission lines and associated facilities and/or has entitlements to use certain transmission lines and associated facilities and (b) has transferred to the CAISO operational control of such facilities and/or entitlements to be made part of the CAISO Grid. For purposes of this Agreement, the Participating Transmission Owner is Pacific Gas and Electric Company.

1.115 “Party” or “Parties” means the Buyer or Seller individually, or to both collectively.

1.116 “Performance Assurance” means collateral provided by Seller to Buyer to secure Seller’s obligations hereunder and includes Project Development Security and Delivery Term Security.

1.117 “Performance Measurement Period” has the meaning set forth in Section 3.1(e)(ii).

1.118 “PGC Fund Amount” has the meaning set forth in Section 10.1(a)(i).

1.119 “PGC Funding Award” means the final award of allocated PGC Funds from the CEC to Seller, pursuant to Section 25743(a) of the California Public Resource Code, as shall be modified or amended from time to time.

1.120 “PGC Funding Confirmation” means a written notice from the CEC to Seller acknowledging Seller’s request for PGC Funds and the availability of such funds for Seller in a future PGC Funding Award.

1.121 “PIRP” or “Participating Intermittent Resource Program” shall have the meaning set forth in the CAISO Tariff.

1.122 “Planned Outage” means the removal of equipment from service availability for inspection and/or general overhaul of one or more major equipment groups. To qualify as a Planned Outage, the maintenance (a) must actually be conducted during the Planned Outage, and in Seller’s sole discretion must be of the type that is necessary to reliably maintain the Project, (b) cannot be reasonably conducted during Project operations, and (c) causes the generation level of the Project to be reduced by at least ten percent (10%) of the Contract Capacity.

1.123 “Positive Imbalance Energy” has the meaning set forth in Section 4.5.

1.124 “Product” means the Energy, capacity and all ancillary products, services or attributes similar to the foregoing which are or can be produced by or associated with the Project, including, without limitation, renewable attributes, Renewable Energy Credits, Capacity Attributes and Green Attributes.

1.125 “Project” means all of the Unit(s), the Site at which the generating facility is located and the other assets, tangible and intangible, that compose the generation facility as more particularly described on Appendix IV.

1.126 “Project Cure Period” has the meaning set forth in Section 3.9(c)(iv).

1.127 “Project Development Security” is the collateral required of Seller, as specified in the Cover Sheet, and referred to in Section 8.4(a), together with any Additional Project Development Security delivered by Seller to Buyer pursuant to Section 3.9(c)(iv).

1.128 “Prolonged Outage” is any period of more than 30 consecutive days during which the Project is or will be unable, for whatever reason, to provide at least 60% of the Contract Capacity.

1.129 “Public Goods Charge Funding” or “PGC Funds” means any supplemental energy payments, pursuant to Public Utilities Code Section 399.15, as may be modified or amended from time to time.

1.130 “Qualifying Protocols” has the meaning set forth in Section 3.4(b)(i).

1.131 “RA Capacity” means the maximum megawatt amount that the CAISO recognizes from a Project that qualifies for Buyer’s Resource Adequacy Requirements and is associated with the Project’s Capacity Attributes.

1.132 “Recording” has the meaning set forth in Section 2.4.

- 1.133 “Reductions” has the meaning set forth in Section 3.1(d).
- 1.134 “Referral Date” has the meaning set forth in Section 12.2(a).
- 1.135 “Remedial Action Plan” has the meaning provided in Section 3.9(c)(ii).
- 1.136 “Renewable Energy Credit” has the meaning set forth in the California Public Utilities Code Section 399.12(g), as may be amended from time to time or as further defined or supplemented by Law.
- 1.137 “Resource Adequacy” means the procurement obligation of load serving entities, including Buyer, as such obligations are described in CPUC Decisions D.04-10-035 and D. 05-10-042 and subsequent CPUC decisions addressing Resource Adequacy issues, as those obligations may be altered from time to time in the CPUC Resource Adequacy Rulemakings (R.) 04-04-003 and (R.) 05-12-013 or by any successor proceeding, and all other Resource Adequacy obligations established by any other entity, including the CAISO.
- 1.138 “Resource Adequacy Requirements” has the meaning set forth in Section 3.3.
- 1.139 “Restructuring Event” has the meaning set forth in Section 3.1(d).
- 1.140 “RFP” means the solicitation from which this Agreement is the result.
- 1.141 “Revocation Notice” has the meaning set forth in Section 10.1(b)(i).
- 1.142 “S&P” means the Standard & Poor’s Rating Group (a division of McGraw-Hill, Inc.) or its successor.
- 1.143 “Schedule”, except as used in Section 3.1(f), has the meaning set forth in the CAISO Tariff. For purposes of Section 3.1(f), “Schedule” means the actions of Seller, Buyer and/or their designated representatives, or Scheduling Coordinator, including each Party’s Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity and type of Product to be delivered on any given day or days during the Delivery Term at a specified Delivery Point.
- 1.144 “Scheduling Coordinator” or “SC” means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in “Responsibilities of a Scheduling Coordinator”, of the CAISO Tariff, as amended from time-to-time.
- 1.145 “Scheduled Energy” shall have the meaning set forth in Section 3.4(d)(i).
- 1.146 “SEC” means the U.S. Securities and Exchange Commission.
- 1.147 “Seller” shall have the meaning set forth on the Cover Sheet.
- 1.148 “Seller Excuse Hours” means those hours during which Seller is unable to schedule or deliver Delivered Energy to Buyer as a result of (a) a Force Majeure event, (b) Buyer’s failure to perform, or (c) Dispatch Down Period.

1.149 “Settlement Amount” means, with respect to the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of the liquidation of a Terminated Transaction pursuant to Section 5.2.

1.150 “Site” shall mean the location of the Project as described in Appendix IV.

1.151 “Term” shall have the meaning provided in Section 2.5 of this Agreement.

1.152 “Terminated Transaction” means the Transaction terminated in accordance with Section 5.2 of this Agreement.

1.153 “Termination Payment” has the meaning set forth in Section 5.2.

1.154 “TOD” means time of delivery of Scheduled Energy from Seller to Buyer.

1.155 “TOD Factors” shall have the meaning set forth in Section 4.3(a).

1.156 “TOD Period” has the meaning set forth in Section 4.2.

1.157 “Transaction” means the particular transaction described in its entirety in Section 3.1(b) of this Agreement.

1.158 “Transmission Owner” means PG&E or other applicable entity owning transmission facilities or having firm contractual rights to use transmission facilities.

1.159 “Transmission Provider” means any entity or entities transmitting or transporting the Product on behalf of Seller or Buyer to or from the Delivery Point. For purposes at this Agreement the Transmission Provider is the CAISO.

1.160 “Transmission Upgrades” means any additions and/or reinforcements to an electric transmission system that are required as the result of the interconnection of the Project to the Participating Transmission Owner’s electric system and/or to permit delivery of the Product to Buyer’s Load, as defined in the CAISO Tariff, safely and reliably, in the quantities and at the times at which delivery of such Product may be required under this Agreement, up to and including quantities that can be produced utilizing all of the Contract Capacity of the Project.

1.161 “Unit” means the arrays of photovoltaic panels, used to produce the Products, which are identified in Appendix IV for the Transaction entered into under this Agreement.

1.162 “WECC” means the Western Electricity Coordinating Council or successor agency.

1.163 “WREGIS” means the Western Renewable Energy Generating Information System or any successor renewable energy tracking program.

1.164 “Work” means (a) work or operations performed by a Party or on a Party’s behalf, and (b) materials, parts or equipment furnished in connection with such work or operations, including (i) warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “a Party’s work”, and (ii) the providing of or failure to provide warnings or instructions.

ARTICLE TWO: GOVERNING TERMS AND CONDITIONS

2.1 Entire Agreement. This Agreement, together with the Cover Sheet and each and every appendix, attachment, amendment, schedule and any written supplements hereto, if any, between the Parties constitutes the entire agreement between the Parties.

2.2 Interpretation. The following rules of interpretation shall apply:

(a) The term “month” shall mean a calendar month unless otherwise indicated, and a “day” shall be a 24-hour period beginning at 12:00:01 a.m. Pacific Prevailing Time and ending at 12:00:00 midnight Pacific Prevailing Time; provided that a “day” may be 23 or 25 hours on those days on which daylight savings time begins and ends.

(b) Unless otherwise specified herein, all references herein to any agreement or other document of any description shall be construed to give effect to amendments, supplements, modifications or any superseding agreement or document as then existing at the applicable time to which such construction applies.

(c) Capitalized terms used in this Agreement, including the appendices hereto, shall have the meaning set forth in Article One, unless otherwise specified.

(d) Unless otherwise specified herein, references in the singular shall include references in the plural and vice versa, pronouns having masculine or feminine gender will be deemed to include the other, and words denoting natural persons shall include partnerships, firms, companies, corporations, joint ventures, trusts, associations, organizations or other entities (whether or not having a separate legal personality). Other grammatical forms of defined words or phrases have corresponding meanings.

(e) References to a particular article, section, subsection, paragraph, subparagraph, appendix or attachment shall, unless specified otherwise, be a reference to that article, section, subsection, paragraph, subparagraph, appendix or attachment in or to this Agreement.

(f) Any reference in this Agreement to any natural person, Governmental Authority, corporation, partnership or other legal entity includes its permitted successors and assigns or to any natural person, Governmental Authority, corporation, partnership or other legal entity succeeding to its functions.

(g) All references to dollars are to U.S. dollars.

2.3 Authorized Representatives. Each Party shall provide Notice to the other Party of the persons authorized to nominate and/or agree to a schedule or dispatch order for the delivery or acceptance of the Product or make other Notices on behalf of such Party and specify the scope of their individual authority and responsibilities, and may change its designation of such persons from time to time in its sole discretion by providing Notice.

2.4 Recording. Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording (“Recording”) of all telephone conversations between the Parties to this Agreement, and that any such Recordings will be retained in confidence, secured from improper access, and may be submitted in evidence in any proceeding or action relating to this Agreement.

Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees.

2.5 Term. The Term shall commence upon the satisfaction of the Conditions Precedent set forth in Section 11.1 of this Agreement and shall remain in effect until the conclusion of the Delivery Term or unless terminated sooner pursuant to Section 5.2, Section 10.1(a), (b) or (c), or Section 11.2 of this Agreement (the “Term”); provided however, that this Agreement shall remain in effect until (i) the Parties have fulfilled all obligations with respect to the Transaction, including payment in full of amounts due for the Products delivered prior to the end of the Term, the Settlement Amount, indemnification payments or other damages (whether directly or indirectly such as through set-off or netting) and (ii) the undrawn portion of the Project Development Security or Delivery Term Security, as applicable, is released and/or returned as applicable (if any is due). All indemnity rights shall survive the termination or expiration of this Agreement for twelve (12) months.

2.6 Binding Nature. This Agreement shall be effective and binding as of the Execution Date only to the extent required to give full effect to, and enforce, the rights and obligations of the Parties under Section 8.4(a)(i), Section 5.1(a)(ii) only with respect to Section 10.2, and Article Eleven. Upon occurrence of the Effective Date, this Agreement shall be in full force and effect, enforceable and binding in all respects.

ARTICLE THREE: OBLIGATIONS AND DELIVERIES

3.1 Seller’s and Buyer’s Obligations.

(a) Product. The Product to be delivered and sold by Seller and received and purchased by Buyer under this Agreement is an As-Available Product.

(b) Transaction. Unless specifically excused by the terms of this Agreement during the Delivery Term, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, the Product at the Delivery Point, and Buyer shall pay Seller the Contract Price in accordance with the terms hereof. In no event shall Seller have the right to procure any element of the Product from sources other than the Project for sale or delivery to Buyer under this Agreement except with respect to Imbalance Energy pursuant to Section 4.6. Buyer shall have no obligation to receive or purchase Product from Seller prior to or after the Delivery Term. Seller shall be responsible for any costs or charges imposed on or associated with the Product or its delivery of the Product up to and at the Delivery Point. Buyer shall be responsible for any costs or charges imposed on or associated with the Product after its receipt from the Delivery Point. The Parties agree that Seller shall arrange and pay independently for any and all necessary costs under any interconnection agreement with the Participating Transmission Owner. In accordance with Section 3.4, the Parties agree that Seller shall arrange and pay independently for any and all necessary electrical interconnection, Scheduling, distribution and/or transmission (and any regulatory approvals required for the foregoing), sufficient to allow Seller to deliver the Product to the Delivery Point for sale pursuant to the terms of this Agreement. Each Party agrees to act in good faith in the performance of its obligations under this Agreement.

(c) Delivery Term. The Parties shall specify and agree to the period of Product delivery for the “Delivery Term,” as defined herein, by checking one of the following boxes:

- Delivery shall be for a period of ten (10) Contract Years.
- Delivery shall be for a period of fifteen (15) Contract Years.
- Delivery shall be for a period of twenty (20) Contract Years.
- Non-standard Delivery shall be for a period of ____ Contract Years.

[If the “Non-standard Delivery” Delivery Term is selected, Parties need to apply to the CPUC justifying the need for non-standard delivery.] As used herein, “Delivery Term” shall mean the period of Contract Years specified above beginning on the first date that Seller delivers Product to Buyer from the Project (“Initial Energy Delivery Date”) in connection with this Agreement and continuing until the end of the twentieth (20th) Contract Year unless terminated as provided by the terms of this Agreement. The Initial Energy Delivery Date shall occur as soon as practicable once all of the following have been satisfied: (i) the Commercial Operation Date shall have occurred; (ii) Buyer shall have received and accepted the Delivery Term Security in accordance with the relevant provisions of Article Eight of the Agreement, as applicable, and (iii) all of the applicable Conditions Precedent in Article Eleven of the Agreement have been satisfied or waived in writing. As evidence of the Initial Energy Delivery Date, the Parties shall execute and exchange the “Initial Energy Delivery Date Confirmation Letter” attached hereto as Appendix II on the Initial Energy Delivery Date.

(d) Delivery Point. The Delivery Point shall be NP-15. If the current NP-15 zonal delivery point, which is part of the zonal market structure established by the CAISO that exists as of the date of this Agreement, is materially modified or replaced by the CAISO as a result of MRTU or a successor program (“Restructuring Event”), then the Delivery Point shall be the Interconnection Point with the CAISO Grid as specified in Section 3.1(i)(i) herein. The following applies to any net financial benefit that Seller receives or is provided with from the CAISO as a result of any exemption from, reimbursement for or refund or credit against congestion charges or losses, whether due to congestion revenue rights or any other hedging instruments associated with the delivery of Product in accordance with the terms of this Agreement (collectively, any such refunds, credits or benefits are referred to as “Reductions”): if Seller would not be entitled to receive or be provided with any such Reductions as of the Execution Date then, at Buyer’s option, either (i) Seller shall transfer any such Reductions and their related rights to Buyer; or (ii) Buyer shall reduce payments due to Seller under this Agreement in amounts equal to the Reductions and Seller shall retain the Reductions.

(e) Contract Quantity and Guaranteed Energy Production.

(i) Contract Quantity. The Contract Quantity during the first Contract Year is expected to be at least 9,455 MWh. The Contract Quantity during each Contract Year thereafter is expected to be at least the MWh amount specified in Appendix XI, attached hereto, for that Contract Year (“Contract Quantity”). As set forth in Appendix XI, the Contract Quantity is expected to degrade on a cumulative basis at the rate of one percent (1%) per year.

(ii) Guaranteed Energy Production. Throughout the Delivery Term, Seller shall be required to deliver to Buyer no less than the Guaranteed Energy Production in one of any two consecutive Contract Years during the Delivery Term (“Performance Measurement Period”). If Seller delivers less than the Guaranteed Energy Production in each of any two consecutive Contract Years in a Performance Measurement Period, then within one hundred

twenty (20) days after the last day of the last month of such Performance Measurement Period, Buyer shall notify Seller of such failure and provide Seller with an opportunity to cure, as provided below. If Seller does not cure within the specified time period provided below, Buyer may, at its option, declare an Event of Default within sixty (60) days after the expiration of Seller's specified time period to cure. If Buyer opts not to declare an Event of Default with respect to Seller's failure to meet the Guaranteed Energy Production requirement, then Buyer shall waive its right to declare an Event of Default based on Seller's failure with respect to the Performance Measurement Period that served as the basis for the default. For sake of certainty, in the event that Buyer waives its right to declare an Event of Default with respect to the Performance Measurement Period that served as the basis for such default, Buyer shall again have the right to declare an Event of Default, subject to the conditions set forth in this subpart (e), if as of the last day of the month following such Performance Measurement Period or any subsequent month, Seller again fails to achieve the Guaranteed Energy Production requirement for such subsequent Performance Measurement Period. Notwithstanding the foregoing, if Seller produces less than the Guaranteed Energy Production in each of two consecutive Contract Years, Seller nevertheless shall be deemed to have met the Guaranteed Energy Production requirement if Seller pays liquidated damages to Buyer within five (5) Business Days after Seller's receipt of written notice from Buyer of Seller's failure to deliver the Guaranteed Energy Production in the second consecutive Contract Year. The amount of liquidated damages shall be equal to the product of (i) the Contract Price, and (ii) the difference between (A) the Guaranteed Energy Production and (B) the higher of the amount of Delivered Energy in either of the relevant two (2) consecutive Contract Years. Seller's cure by payment of liquidated damages with respect to the first or second Contract Year in such two-year Performance Measurement Period shall be deemed to be achievement of the Guaranteed Energy Production in the second consecutive Contract Year and the next following Contract Year shall be the first year in a new two-year Performance Measurement Period.

(f) Contract Capacity. The Contract Capacity of the Project shall be five (5) MW. Throughout the Delivery Term, Seller shall sell and Schedule all Product produced by the Project solely to Buyer and in no event shall Buyer be obligated to receive or pay for, in any hour, any Delivered Energy or Scheduled Energy, that exceeds the Contract Capacity.

(g) Project. All Product provided by Seller pursuant to this Agreement shall be supplied from the Project only. Seller shall not make any alteration or modification to the Project which results in a change to the Contract Capacity of the Project without Buyer's prior written consent. The Project is further described in Appendix IV.

(h) Buyer's Right of First Refusal Regarding Any New Project. The Parties intend to enable the advancement and commercialization of next generation photovoltaic technology, such as high concentration, low concentration, and thin film, through the development of this Project and expect that further development of such technology may lead to future cost and price reductions. The Parties intend to provide Buyer's customers with the ability to capture such future benefits through the right of first refusal set forth in this Section 3.1(h).

(i) If Seller or any of its Affiliates (including Cleantech America, LLC) (A) executes a power purchase agreement to sell power to a third party (each a "Third Party PPA") from a new photovoltaic solar-powered generation facility with a nameplate capacity equal to or greater than one (1) MW (each a "New Project") that (1) achieves or is scheduled to achieve commercial operation within ten (10) years from the Execution Date and (2) such New Project delivers or will deliver Energy within Buyer's electric and/or gas service territory, then no later than two (2) Business Days following the date of Seller's execution of the Third Party PPA,

Seller shall offer the same terms and conditions of that Third Party PPA to Buyer at the same site for the Third Party PPA or at a comparable site that is mutually agreeable to Seller and Buyer (“Seller’s Offer”).

(ii) Buyer shall have the right, but not the obligation, to accept Seller’s Offer by giving Notice to Seller within twenty (20) Business Days of receipt of Seller’s Offer (“Buyer’s Notice”). If Buyer provides Buyer’s Notice within such time period, then Seller and Buyer shall execute a power purchase agreement based on Seller’s Offer within ninety (90) days from the date of Buyer’s Notice and Seller shall, at its option, either (1) double the size of the New Project to effect and comply with the power purchase agreement with Buyer and the Third Party PPA, or (2) construct a substantially similar New Project at a mutually agreeable comparable site.

(iii) If Buyer does not provide Buyer’s Notice within twenty (20) Business Days of receipt of Seller’s Offer, then Buyer shall have no further rights to enter into a power purchase agreement based on Seller’s Offer; provided that, in the event any material change or modification is made to the Third Party PPA after Buyer receives Seller’s Offer, Seller again shall comply with the requirements of this Section 3.1(h) with respect to the modified Third Party PPA.

(iv) If Buyer is conducting a request for proposal process under the California Renewables Portfolio Standard Program (“Buyer’s RPS Solicitation”) at the time Seller is obligated to make an offer to Buyer for a New Project under subsection (i) above, and if participation in Buyer’s RPS Solicitation is required in order for the Seller to be eligible for PGC Funds in connection with the New Project due to the price being higher than the applicable MPR, Seller shall satisfy its obligations under subsection (i) above by submitting Seller’s Offer through Buyer’s RPS Solicitation. In such case, Buyer’s right to accept or reject Seller’s Offer, including the time period in which to accept Seller’s Offer, shall be governed by the schedule in Buyer’s RPS Solicitation, but in any event, Buyer will respond no later than ninety (90) days after receiving Seller’s Offer.

(v) Notwithstanding the requirements set forth in Section 10.7 below, Seller may disclose the requirements of this Section 3.1(h) to potential third party purchasers.

(i) Interconnection Facilities.

(i) Interconnection Point. The interconnection point is either the Panoche or Mendota substation, depending on which of these locations is where the Project connects to the CAISO Grid.

(ii) Seller Obligations. Seller shall, at its sole expense, be obligated to (A) maintain the Interconnection Facilities, including metering facilities; and (B) perform all necessary (1) Transmission Upgrades and (2) Network Upgrades, as defined in the CAISO Tariff, which shall include Delivery Network Upgrades and Reliability Network Upgrades, as such terms are defined in the CAISO Tariff, in order to satisfy Seller’s Transmission Upgrade obligation in subpart (B)(1) of this Section 3.1(i).

(j) Performance Excuses.

(i) Seller Excuses. Seller shall be excused from achieving the Guaranteed Energy Production for the applicable time period during Seller Excuse Hours.

(ii) Buyer Excuses. The performance of Buyer to receive or pay for the Product shall be excused only (A) during periods of Force Majeure, (B) by Seller's failure to perform or (C) during Dispatch Down Periods.

(iii) Dispatch Down/Curtailment. Notwithstanding Section 3.1(b) and this Section 3.1(j), Seller shall reduce delivery amounts as directed by the CAISO or by the Participating Transmission Owner in accordance with the Participating Transmission Owner's tariff(s) or the interconnection agreement between the Participating Transmission Owner and Seller during any Dispatch Down Period.

(iv) No Excuse. Except for a failure or curtailment resulting from a Force Majeure or during a Dispatch Down Period, the failure of electric transmission service shall not excuse performance with respect to either Party for the delivery or receipt of Energy to be provided under this Agreement.

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

(l) WREGIS. Prior to the Commercial Operation Date, Seller shall register the Project in the Western Renewable Energy Generating Information System or any successor renewable energy tracking program ("WREGIS"), and take all other actions necessary to ensure that the Energy or Green Attributes produced from the Project are issued and tracked for purposes of satisfying the requirements of the California Renewable Portfolio Standard and transferred to Buyer. In the event that WREGIS is not in operation as of the Commercial Operation Date, Seller shall perform its obligations, as required per this subsection, as soon as WREGIS is in operation.

(m) Prevailing Wage. To the extent applicable, Seller shall comply with the prevailing wage requirements of California Public Utilities Code Section 399.14, subdivision (h).

(n) Obtaining and Maintaining CEC Certification and Verification. Seller shall take all necessary steps, including, but not limited to, making or supporting timely filings with the CEC to obtain and maintain CEC Certification and Verification throughout the Term.

3.2 Green Attributes. Seller hereby provides and conveys all Green Attributes 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.

3.3 Resource Adequacy. During the Delivery Term, Seller grants, pledges, assigns and otherwise commits to Buyer all of the Project's Contract Capacity, including Capacity Attributes, from the Project to enable Buyer to meet its Resource Adequacy or successor program requirements, as the CPUC, CAISO or other regional entity may prescribe ("Resource Adequacy Requirements"). Seller understands that the CPUC is currently in the process of developing requirements for Resource Adequacy and these requirements and the implementation thereof have not been finalized. Seller agrees that during the Delivery Term Seller shall, at a minimum, comply with the terms set forth in Appendix X to enable Buyer to use all of the capacity, including Capacity Attributes, to be committed by Seller to Buyer pursuant to this Agreement to meet Buyer's Resource Adequacy Requirements; provided, however, Seller shall not be obligated

to incur more than \$67,000 in out-of-pocket costs, excluding administrative costs, over the Delivery Term in order to comply with this Section 3.3 unless Buyer agrees to compensate Seller for such costs. Seller makes no representation or warranty that the Project will satisfy any Resource Adequacy Requirements.

3.4 Transmission and Scheduling.

(a) Transmission.

(i) Seller Obligations. During the Delivery Term, Seller shall arrange and be responsible for transmission service, including risk of transmission outage or curtailment, to and at the Delivery Point and bear all risks and costs associated with such transmission service, including, but not limited to, any transmission outages or curtailment. Subject to Sections 3.4(c)(i) and 4.8, Seller shall be responsible for all CAISO costs and charges, including imbalance charges due to deviations from the “Schedule” (as such term is defined in the CAISO Tariff), regardless of the cause thereof, electric transmission losses and congestion to and at the Delivery Point. Seller shall fulfill all contractual, metering and applicable interconnection requirements, including those set forth in Participating Transmission Owner’s applicable tariffs, the CAISO Tariff and implementing CAISO standards and requirements, including, but not limited to, executing applicable interconnection agreements, Participating Generator Agreement, Meter Service Agreement and PTO Generator Special Facilities Agreements, if applicable, so as to be able to deliver Energy to the CAISO Grid.

(ii) Buyer Obligations. During the Delivery Term, Buyer shall arrange and be responsible for transmission service, including risk of transmission outage or curtailment, from the Delivery Point and bear all risks and costs associated with such transmission service, including, but not limited to, any transmission outages or curtailment. During the Delivery Term, Buyer shall Schedule or arrange for Scheduling Coordinator services with its Transmission Providers to receive the Product at the Delivery Point. During the Delivery Term, Buyer shall be responsible for all CAISO costs and charges, electric transmission losses and congestion from the Delivery Point.

(b) EIRP Requirements.

(i) Participating Intermittent Resource. The intent of this Agreement is that the Project shall be a certified Participating Intermittent Resource (as such term is defined in the CAISO Tariff). The Parties acknowledge that as of the Execution Date, the CAISO has not yet established protocols for scheduling solar power to permit solar projects or technologies to participate in EIRP (“Qualifying Protocols”). As soon as practicable, but not more than ninety (90) days after Qualifying Protocols are finalized and made effective by the CAISO, Seller shall cause the Project to become certified as a Participating Intermittent Resource including negotiating and executing all necessary documents to become a Participating Intermittent Resource (each as defined by the CAISO Tariff and collectively, the “Program Agreements”). Seller shall provide Buyer with a copy of the notice from the CAISO certifying the Project as a Participating Intermittent Resource as soon as practicable after Seller’s receipt of such notice of certification. Following certification and whenever applicable, Seller and Buyer shall comply with EIRP and all additional protocols issued by the CAISO relating to Participating Intermittent Resources during the Delivery Term.

(ii) Material Changes to EIRP. If either, (a) EIRP is no longer in effect, or (b) EIRP is materially changed, then the Parties shall use commercially reasonable

efforts to negotiate a mutually acceptable successor arrangement and modify this Agreement, as necessary, to arrive at a mutually agreeable amendment that will provide a scheduling or other arrangement for the delivery of Energy from the Project to Buyer during the Delivery Term. Unless and until such mutually agreeable amendment is executed and effective, each of the Parties' obligations under this Agreement shall continue in full force and effect.

(c) If Qualifying Protocols Have Not Been Established. If Qualifying Protocols have not yet been established for solar projects or technologies as of the Commercial Operation Date, then Seller and Buyer shall use commercially reasonable efforts to minimize the costs resulting or arising from deviations between Scheduled Energy and Delivered Energy for any period in which Seller is unable to participate in EIRP. Such costs shall be those assessed by the CAISO relating to or arising from (1) changes between Day Ahead ("DA") schedules and Hour Ahead Scheduling Process/Real-Time Market ("HASP/RT") schedules and (2) deviations between HASP/RT schedules and Delivered Energy.

(i) Cost Responsibility. With respect to the costs described in Section 3.4(c) above, Seller shall be responsible for the first \$17,000 of such costs and thereafter Seller and Buyer shall each be responsible for fifty percent (50%) of any costs in excess of the first \$17,000; provided however, Buyer shall not reimburse Seller for any such costs arising out of a Forced Outage of the Project.

(ii) Scheduling Requirements. In the absence of Qualifying Protocols, and based on the applicable CAISO Tariff provisions then in effect, which may include, but are not limited to, a DA scheduling requirement for Buyer's load and resources, Buyer and Seller shall use commercially reasonable efforts to reach agreement upon whether the DA schedule and Inter-SC Trade described in Section 3.4(d) below is required. If a DA schedule is not required, Buyer and Seller shall schedule an Inter-SC Trade in HASP/RT. However, if a DA schedule and Inter-SC Trade is required, Seller and Buyer shall submit such schedules and then shall modify the DA schedule, as necessary, in the HASP/RT Market, and Seller shall cooperate with Buyer to submit a compensating Inter-SC Trade adjustment in sufficient time to comply with the CAISO Tariff and CAISO Protocols.

(d) Scheduling.

(i) Scheduling Coordinator. Each of Seller and Buyer shall be its own Scheduling Coordinator with respect to this Transaction or designate a qualified third party to fulfill such role. Throughout the Delivery Term, Seller shall designate an Inter-SC Trade in the DA Market and/or the HASP/RT Market, as applicable, for delivery of Energy generated from the Project, up to the Contract Capacity, solely to Buyer's SC, based on a final Schedule ("Scheduled Energy"). During the Delivery Term, each Party or each Party's SC shall conduct all Scheduling in full compliance with the applicable CAISO Tariff, CAISO Protocols and scheduling practices for Energy in the DA Market or HASP/RT Market, as applicable, as such terms are defined in the CAISO Tariff. Conduct of deliveries through Inter-SC Trades shall be in compliance with the CAISO Tariff. Whenever EIRP is applicable, Seller shall submit Schedules and any updates to such Schedules to the CAISO based on the most current forecast of Scheduled Energy consistent with EIRP.

(ii) Annual Forecast of Delivery Schedules. No later than forty-five (45) days before (A) the first day of the first Contract Year of the Delivery Term and (B) the beginning of each calendar year for every subsequent Contract Year during the Delivery Term,

Seller shall provide a non-binding forecast of each month's average-day Scheduled Energy, by hour, for the following calendar year.

(iii) Monthly Forecast of Delivery Schedules. Ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide a non-binding forecast of each day's average Scheduled Energy, by hour, for the following month ("Monthly Delivery Forecast").

(iv) Daily Delivery Schedules. During the Delivery Term, Seller shall provide the Day-Ahead Schedule, which shall be non-binding if Seller is participating in EIRP or if mutually agreed upon by the Parties in writing, to Buyer via Buyer's internet site, as provided in Appendix IX, no later than fourteen (14) hours before the beginning of the "Preschedule Day" as defined by the WECC. The current industry standard Preschedule Day timetable in the WECC is as follows:

- (A) Monday – Preschedule Day for Tuesday
- (B) Tuesday – Preschedule Day for Wednesday
- (C) Wednesday – Preschedule Day for Thursday
- (D) Thursday – Preschedule Day for Friday and Saturday
- (E) Friday – Preschedule Day for Sunday and Monday

Exceptions to this standard Monday through Friday Preschedule Day timetable are presently set forth by the WECC in order to accommodate holidays, monthly transitions and other events. Exceptions are posted on the WECC website (www.wecc.biz) under the document title, "Prescheduling Calendar." Each Day-Ahead Schedule shall clearly identify, for each hour, Seller's best estimate of all amounts of Energy to be delivered and sold to Buyer pursuant to this Agreement. Seller shall deliver Energy in accordance with its Day-Ahead Schedule, which shall accurately reflect the expected generation of the Project, subject to the applicable CAISO Tariff, and may not change such schedule past the deadlines provided in this Section except in the event of a Forced Outage or Schedule change imposed by Buyer or the CAISO. Seller shall promptly provide Buyer with a copy of any and all updates to such Schedule indicating a change in Scheduled Energy from the then-current Schedule which is provided to the CAISO, including, whenever EIRP is applicable, under EIRP and scheduling protocols issued by the CAISO. These notices and changes to the Schedules shall be sent to both Buyer's internet site and Day-Ahead Trading Desk email notification address:

Day-Ahead Trading Desk
Phone: 415-973-6222
Fax: 415-973-0400
Email: daenergy@pge.com

If Seller fails to provide Buyer with a Day-Ahead Schedule as required herein, then for such unscheduled delivery period only Buyer shall rely on the delivery schedule provided in the Monthly Delivery Forecast and Seller shall be liable for such delivery based on the Monthly Delivery Forecast.

(v) Hourly Delivery Schedules. During the Delivery Term, within fifteen (15) minutes of receipt of an EIRP forecast, if applicable, Seller's SC will provide Buyer with either electronic access to the source of the EIRP forecast or an electronic copy of such EIRP forecast and the resulting Schedule. Seller also will provide Buyer with access to the EIRP website where the EIRP forecasts reside. Other than as required as part of Seller's participation in EIRP, in the event that Seller changes its Schedule on the actual date of delivery of Energy for any reason, including a Forced Outage or a scheduling change imposed by the Participating Transmission Owner or CAISO pursuant to their applicable tariffs, which results in a change to the Project's deliveries (whether in part or in whole), Seller shall notify Buyer as soon as practicable by calling Buyer's on-duty Scheduling Coordinator to provide any and all changes to the Day-Ahead Schedule and to provide a revised schedule as soon as possible, but in no event later than (1) hour before Buyer's Scheduling Coordinator is required to submit Hour-Ahead schedules to the CAISO. Seller may modify the Day-Ahead Schedule in the Hour Ahead market so long as Sellers notifies Buyer no later than one (1) hour before Buyer's Scheduling Coordinator is required to submit Hour-Ahead schedules to the CAISO. With respect to any Forced Outage, Seller shall (a) use commercially reasonable efforts to notify Buyer, orally, of such outage within ten (10) minutes of the occurrence of such outage, (b) provide a written estimate of the expected duration of such outage within one (1) hour after submittal of the initial notification pursuant to clause (a) of this Section, and (c) submit an Outage Notification Form, as provided in Appendix VIII of this Agreement, to Buyer in accordance with the instructions shown on the form. Seller shall keep Buyer informed of any developments that will affect either the duration of such outage or the availability of the Unit during or after the end of such outage. These notices and changes to the Schedule shall be sent to both Buyer's internet site and Hour-Ahead Trading Desk email notification address:

Hour-Ahead Trading Desk
Phone: 415-973-7900
Fax: 415-972-5340
Email: realtime@pge.com

3.5 Standards of Care.

(a) General Operation. Seller shall comply with all applicable requirements of Law, the CAISO, NERC and WECC relating to the Project (including those related to construction, ownership and/or operation of the Project).

(b) CAISO and WECC Standards. Each Party shall perform all generation, scheduling and transmission services in compliance with all applicable (i) operating policies, criteria, rules, guidelines, tariffs and protocols of the CAISO, (ii) WECC scheduling practices and (iii) Good Utility Practices.

(c) Reliability Standard. Seller agrees to abide by all (i) NERC, WECC and CAISO reliability requirements, including Resource Adequacy Requirements and, if applicable, CPUC General Order No.167, "Enforcement of Maintenance and Operation Standards for Electrical Generating Facilities", and (ii) all applicable requirements regarding interconnection of the Project, including the requirements of the interconnected Participating Transmission Owner. Seller shall enter into and comply with the WECC Reliability Management System (Generator) Agreement, or successor agreement, as of the Commercial Operation Date and throughout the Delivery Term.

3.6 Metering. All output from the Project per the terms of this Agreement must be delivered through a single CAISO revenue meter and that meter must be dedicated exclusively to the Project described herein. All Product purchased under this Agreement must be measured by the Project's CAISO revenue meter to be eligible for payment under this Agreement. Seller shall bear all costs relating to all metering equipment installed to accommodate the Project. In addition, Seller hereby agrees to provide all meter data to Buyer in a form acceptable to Buyer, and consents to Buyer obtaining from the CAISO the CAISO meter data applicable to the Project and all inspection, testing and calibration data and reports. Seller shall grant Buyer the right to retrieve the meter reads from the CAISO Operational Meter Analysis and Reporting (OMAR) web and/or directly from the CAISO meter(s) at the Project site. If the CAISO makes any adjustment to any CAISO meter data for a given time period, Seller agrees that it shall submit revised monthly invoices, pursuant to Section 6.2, covering the entire applicable time period in order to conform fully such adjustments to the meter data. Seller shall submit any such revised invoice no later than thirty (30) days from the date on which the CAISO provides to Seller such binding adjustment to the meter data.

3.7 Outage Notification.

(a) CAISO Approval of Outage(s). Seller is responsible for securing CAISO approvals for Project outages, including securing changes in its outage schedules when CAISO disapproves Seller's schedules or cancels previously approved outages. Seller shall communicate any CAISO-required changes to Buyer in a timely manner, in accordance with the provisions set forth in Appendix IX.

(b) Planned Outages. Seller shall notify Buyer of its proposed Planned Outage schedule for the Project for the following calendar year by submitting a completed Outage Notification Form in accordance with the provisions set forth in Appendix IX no later than August 1st of each year during the Delivery Term. The Planned Outage schedule is subject to Buyer's approval, which approval may not be unreasonably withheld or conditioned. Notwithstanding the submission of the Outage Notification Form described in the previous sentence, Seller shall also submit a completed Outage Notification Form in accordance with the provisions set forth in Appendix IX hereto no later than fourteen (14) days prior to each Planned Outage. Seller shall not conduct Planned Outages during the months of January, June through September, and December. During all other months, Seller shall not schedule Planned Outages without the prior written consent of Buyer, which consent may not be unreasonably withheld or conditioned. Seller shall contact Buyer with any requested changes to the Planned Outage schedule if Seller believes the Project must be shut down to conduct maintenance that cannot be delayed until the next scheduled Planned Outage consistent with Good Utility Practices. Seller shall not change its Planned Outage Schedule without Buyer's approval, not to be unreasonably withheld or conditioned. Seller shall not substitute Energy from any other source for the output of the Project during a Planned Outage. After any Planned Outage has been scheduled, at any time up to the commencement of work for the Planned Outage, Buyer may request that Seller change its outage schedule. Seller shall notify Buyer of any incremental costs associated with such schedule change and an alternative schedule change, if any, that would entail lower incremental costs. If Buyer agrees to pay the incremental costs, Seller shall use commercially reasonable efforts to accommodate Buyer's request. Unless Buyer is transmitting a CAISO order to Seller once a Planned Outage schedule has been finalized by Buyer and Seller, Buyer may not change Seller's Planned Outage schedule without Seller's approval.

(c) Forced Outages. Seller shall, in accordance with the provisions set forth in Appendix IX, (i) use commercially reasonable efforts to notify Buyer of any Forced Outage

within ten (10) minutes of the occurrence of such outage, (ii) provide a written estimate of its expected duration of the outage within one (1) hour thereafter, and (iii) submit a completed Outage Notification Form to Buyer in accordance with the instructions provided therein. Seller shall not substitute Energy from any other source for the output of the Project during a Forced Outage.

(d) Prolonged Outages. Seller shall notify Buyer of a Prolonged Outage as soon as practicable under the circumstances by submitting a completed Outage Notification Form in accordance with the provisions set forth in Appendix IX, and provide an estimate of the duration of the outage therein. Seller shall notify Buyer in writing when the Project is again capable of meeting its Contract Quantity on a *pro rata* basis. Seller shall not substitute Energy from any other source for the output of the Project during a Prolonged Outage.

(e) Force Majeure. Within forty-eight (48) hours of commencement of an event of Force Majeure, the non-performing Party shall provide the other Party with oral notice of the event of Force Majeure, and within two (2) weeks of the commencement of an event of Force Majeure the non-performing Party shall provide the other Party with Notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure claim. Failure to provide timely Notice constitutes a waiver of a Force Majeure claim. An outage resulting from an event of Force Majeure claimed by Seller that prevents the Project from delivering at least fifty percent (50%) of the Contract Quantity in each of two consecutive Contract Years shall, at the election of Buyer, constitute an Event of Default. Notwithstanding the forgoing, Seller may cure such Event of Default by paying liquidated damages to Buyer within five (5) Business Days after Seller's receipt of written notice from Buyer of Seller's failure to deliver at least fifty percent (50%) of the Contract Quantity in the second consecutive Contract Year. The amount of liquidated damages shall be equal to the product of (i) the Contract Price, and (ii) the difference between (A) the Contract Quantity and (B) the higher of the annual amount of Delivered Energy delivered to Buyer in the preceding two consecutive Contract Years. Seller's cure by payment of liquidated damages with respect to the first or second Contract Year in such consecutive two-year period shall be deemed to be achievement of the Contract Quantity in the second Contract Year. Seller shall not substitute Products from any other source for the output of the Project during an outage resulting from Force Majeure. The suspension of performance due to a claim of Force Majeure must be of no greater scope and of no longer duration than is required by the Force Majeure. Buyer shall not be required to make any payments for any Products that Seller fails to deliver or provide as a result of Force Majeure during the term of a Force Majeure.

(f) Outage Procedures. The agreement of the Parties with respect to the procedures for (i) providing notice (ii) communicating during an Outage and (iii) testing of the Project during an Outage shall be set forth in Appendix VIII and Appendix IX.

(g) Communications with CAISO. Seller shall be responsible for all outage coordination communications with CAISO outage coordination personnel and CAISO operations management, including submission to CAISO of updates of outage plans, submission of clearance requests, and all other outage-related communications. Seller shall timely provide PG&E with copies of all outage plans and clearance requests submitted to CAISO, and shall promptly inform PG&E of all clearance approvals and disapprovals and other communications with CAISO pertaining to the status of planned or in-progress Project outages. Seller shall maintain a summary of clearance information associated with all current and planned maintenance, including information on then current outages, and make this available to Buyer and the Participating Transmission Owner upon request. If either Party receives information through CAISO or

directly from the Participating Transmission Owner regarding maintenance that will directly affect the Project, it will provide this information promptly to the other Party.

(h) Changes to Operating Procedures. Notwithstanding any language to the contrary contained in Sections 3.4, 3.6, 3.7 or 3.8 or Appendix IX, Seller understands and acknowledges that Buyer's standard specifications for transmission and scheduling mechanisms, metering requirements, outage notification procedures and operating procedures are subject to change by Buyer from time to time and, upon receipt of Notice of any such changes, Seller agrees to use commercially reasonable efforts to implement any such changes as reasonably deemed necessary by Buyer.

3.8 Operations Logs and Access Rights.

(a) Operations Logs. Seller shall maintain a complete and accurate log of all material operations and maintenance information on a daily basis. Such log shall include, but not be limited to, information on power production, fuel consumption, efficiency, availability, maintenance performed, outages, results of inspections, manufacturer recommended services, replacements, electrical characteristics of the generators, control settings or adjustments of equipment and protective devices. Seller shall provide this information electronically to Buyer within thirty (30) days of Buyer's request.

(b) Access Rights. Buyer, its authorized agents, employees and inspectors shall have the right of ingress to and egress from the Project on reasonable advance notice during normal business hours and for any purposes reasonably connected with this Agreement or the exercise of any and all rights secured to Buyer by law, or its tariff schedules, PG&E Interconnection Handbook, Electric Rule 21, and rules on file with the CPUC. Buyer shall make reasonable efforts to coordinate its emergency activities with the Safety and Security Departments, if any, of the Project operator. Seller shall keep Buyer advised of current procedures for contacting the Project operator's Safety and Security Departments.

3.9 New Generation Facility.

(a) Seller, at no cost to Buyer, shall be responsible to:

(i) Design and construct the Project.

(ii) Perform all studies, pay all fees, obtain all necessary approvals and execute all necessary agreements with the CAISO and the Participating Transmission Owner for the Interconnection Facilities to Schedule and deliver the Product.

(iii) Acquire all permits and other approvals necessary for the construction, operation, and maintenance of the Project.

(iv) Complete all environmental impact studies necessary for the construction, operation, and maintenance of the Project.

(v) At Buyer's request, provide to Buyer Seller's electrical specifications and design drawings pertaining to the Project for Buyer's review prior to finalizing design of the Project and before beginning construction work based on such specifications and drawings. Seller shall provide to Buyer reasonable advance Notice of any changes in the Project and provide to Buyer specifications and design drawings of any such changes.

(vi) Within fifteen (15) days after the close of each month from CPUC Approval until the Commercial Operation Date, provide to Buyer a Monthly Progress Report and agree to regularly scheduled meetings between representatives of Buyer and Seller to review such monthly reports and discuss Seller's construction progress. The Monthly Progress Report shall identify the Milestones and indicate whether Seller has met or is on target to meet such Milestones.

(b) Buyer shall have the right, but not the obligation, to:

(i) Notify Seller in writing of the results of the review within thirty (30) days of Buyer's receipt of all specifications for the Project, including a description of any flaws perceived by Buyer in the design.

(ii) Inspect the Project's construction site or on-site Seller data and information pertaining to the Project during business hours upon reasonable notice.

(c) Construction Milestones.

(i) The Parties agree time is of the essence in regards to the Transaction. As such, the Parties also agree certain milestones for the construction of the Project as set forth in Appendix III hereto ("Milestones") must be achieved in a timely fashion or Buyer will suffer damages. Seller shall provide Buyer with any requested documentation to support the achievement of Milestones within ten (10) Business Days of receipt of such request by Seller.

(ii) If Seller misses three (3) or more Milestones, other than a Guaranteed Project Milestone, or misses any one (1) by more than ninety (90) days, except as the result of Force Majeure, Seller shall submit to Buyer, within ten (10) Business Days of such missed Milestone completion date, a remedial action plan ("Remedial Action Plan"), which shall provide a detailed description of Seller's course of action and plan to achieve the missed Milestones and all subsequent Milestones by the Guaranteed Commercial Operation Date; provided, that delivery of any Remedial Action Plan shall not relieve Seller of its obligation to meet any subsequent Milestones and the Guaranteed Commercial Operation Date. If the missed Milestone(s) is a Guaranteed Project Milestone, then subsection (iv) below shall apply. Failure to meet one or more Milestone(s) other than a Guaranteed Project Milestone shall not constitute an Event of Default.

(iii) "Guaranteed Project Milestones" are as follows:

(A) The Construction Start Date shall occur no later than November 1, 2008 (the "Guaranteed Construction Start Date"); and

(B) Seller shall have demonstrated Commercial Operation per the terms of Appendix VI no later than April 30, 2009, (the "Guaranteed Commercial Operation Date").

(iv) Seller shall cause the Project to achieve the Commercial Operation Date by the Guaranteed Commercial Operation Date; provided, however, that the Commercial Operation Date shall not occur more than one hundred eighty (180) days prior to the Guaranteed Commercial Operation Date. If the Commercial Operation Date occurs after the Guaranteed Commercial Operation Date or the Construction Start Date occurs after the Guaranteed Construction Start Date, as applicable (as may be delayed on a day by day basis by

Force Majeure up to one hundred twenty (120) days for either Guaranteed Project Milestone), Buyer shall be entitled to draw upon the Project Development Security for liquidated damages equal to Daily Delay Damages for each day or portion of a day that (A) the Commercial Operation Date occurs after the Guaranteed Commercial Operation Date for up to a total of sixty (60) days (“Project Cure Period”); or (B) the Construction Start Date occurs after the Guaranteed Construction Start Date, as applicable, up to a total of one hundred twenty (120) days (“Construction Cure Period”). In the event that Buyer draws upon the Project Development Security during the Construction Cure Period, the Guaranteed Commercial Operation Date shall be extended day for day for each day on which Daily Delay Damages are paid. Each Party agrees and acknowledges that (I) the damages that Buyer would incur due to delay in achieving either Guaranteed Project Milestone would be difficult or impossible to predict with certainty, and (II) the Daily Delay Damages are an appropriate approximation of such damages. Seller shall be entitled to the return of all Daily Delay Damages collected by Buyer as a result of Seller’s failure to meet the Guaranteed Construction Start Date, only if Seller meets the Guaranteed Commercial Operation Date (as may be extended by Force Majeure as described above), as provided further in Section 8.4(c) of this Agreement. For sake of certainty, Buyer shall retain all Daily Delay Damages drawn as a result of Seller’s failure to meet the Guaranteed Commercial Operation Date (as may be extended by Force Majeure, as described above) and the Guaranteed Construction Start Date, if Seller fails to meet the Guaranteed Commercial Operation Date. Daily Delay Damages shall be Buyer’s sole remedy for any failure by Seller to meet the Guaranteed Construction Start Date or the Guaranteed Commercial Operation Date within the Construction Cure Period and the Project Cure Period, respectively, so long as there is no separate or additional Event of Default by Seller under Section 5.1. Notwithstanding anything herein to the contrary, Seller’s liability prior to the Commercial Operation Date shall be limited to the full amount of the Project Development Security under Section 8.4(a)(ii).

ARTICLE FOUR: COMPENSATION; MONTHLY PAYMENTS

4.1 Contract Price; Bid Price.

(a) The Contract Price for each MWh of Scheduled Energy in each Contract Year shall be \$85.86/MWh, which is the applicable Market Price Referent established by the CPUC for twenty (20) year Power Purchase Agreements beginning in 2009, pursuant to CPUC Resolution E-4049, dated December 14, 2006.

**Table 1
Contract Price**

Contract Year	Contract Price (\$/MWh)
First through Twentieth	\$85.86/MWh

(b) The Bid Price for each MWh of Scheduled Energy in each Contract Year shall be \$179.00/MWh.

(c) If prior to the Funding Termination Deadline (i) the California state legislature enacts and makes effective legislation that eliminates the CEC’s authority to award supplemental energy payments in accordance with Section 25743(a) of the California Public Resources Code, in effect as of the Execution Date, and (ii) Seller has not obtained a PGC Funding Confirmation or PGC Funding Award or Seller has obtained

a PGC Funding Confirmation or PGC Funding Award but such confirmation or award is revoked, then the Seller Termination Right specified in Section 10.1(a) shall be deemed waived in its entirety and the Contract Price shall become equal to the Bid Price specified in Section 4.1(b).

4.2 TOD Periods. The time of delivery periods (“TOD Periods”) specified below shall be referenced by the following designations:

**Table 2
TOD Periods**

Monthly Period	TOD Period		
	1. Super-Peak	2. Shoulder	3. Night
A. June – September	A1	A2	A3
B. Oct. – Dec., Jan. & Feb.	B1	B2	B3
C. Mar. – May	C1	C2	C3

Monthly Period Definitions. The Monthly Periods are defined as follows:

- A. June – September;
- B. October, November, December, January and February; and
- C. March - May.

TOD Period Definitions. The TOD Periods are defined as follows:

1. **Super-Peak** (5x8) = hours ending 13 – 20 (Pacific Prevailing Time (PPT)) Monday – Friday (*except* NERC Holidays) in the applicable Monthly Period.
2. **Shoulder** = hours ending 7 – 12, 21 and 22 PPT Monday – Friday (*except* NERC Holidays); and hours ending 7 – 22 PPT Saturday, Sunday and all NERC Holidays in the applicable Monthly Period.
3. **Night** (7x8) = hours ending 1 - 6, 23 and 24 PPT all days (including NERC Holidays) in the applicable Monthly Period.

“NERC Holidays” mean the following holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Three of these days, Memorial Day, Labor Day, and Thanksgiving Day, occur on the same day each year. Memorial Day is the last Monday in May; Labor Day is the first Monday in September; and Thanksgiving Day is the fourth (4th) Thursday in November. New Year’s Day, Independence Day, and Christmas Day occur on the same date each year, but in the event any of these holidays occur on a Sunday, the “NERC Holiday” is celebrated on the Monday immediately following that Sunday; and if any of these holidays occur on a Saturday, the “NERC Holiday” remains on that Saturday.

Notwithstanding anything to the contrary in this Section 4.2, NERC Holidays shall be calculated as “Shoulder” hours for all non-“Night” hours and any remaining hours shall be calculated as “Night” hours.

4.3 TOD Factors and Monthly TOD Payment.

(a) TOD Factors. In accordance with all other terms of this Article Four, the Contract Price for Scheduled Energy shall be adjusted by the following Time of Delivery Factors (“TOD Factors”) for each of the specified TOD Periods in which Scheduled Energy is delivered:

**Table 3
TOD Factors for Each TOD Period**

Period	1. Super-Peak	2. Shoulder	3. Night
A. June – September	1.959	0.903	0.626
B. Oct. – Dec.; Jan. & Feb.	1.471	1.03	0.731
C. Mar. – May	1.319	0.843	0.584

(b) Monthly TOD Payment. For each month, Buyer shall pay Seller for Scheduled Energy in each TOD Period (“Monthly TOD Payment”) the amount resulting from multiplying the Contract Price times the TOD Factor for the applicable TOD Period, times the Scheduled Energy in each hour:

$$Monthly\ TOD\ Payment = \sum_{hour=1}^n Contract\ Price\ \$ * TOD\ Factor * Scheduled\ Energy\ MW_{hour}$$

4.4 Excess Scheduled Energy. In any Contract Year, if Seller delivers Scheduled Energy in excess of 120 percent (120%) of the annual Contract Quantity amount, the Contract Price for such Energy in excess of such 120 percent (120%) shall be adjusted to be 75 percent (75%) of the applicable Contract Price.

4.5 Imbalance Energy. Seller shall be responsible for settlement of Imbalance Energy with the CAISO. Seller shall also be responsible for any imbalance penalties or other charges that CAISO may assess in connection with Imbalance Energy. For any CAISO settlement time interval where Seller is unable to participate in EIRP as a Participating Intermittent Resource, Seller and Buyer agree to use the Imbalances Energy prices that the CAISO has posted on the fifth (5th) day of the month, following the delivery month and to settle the Imbalance Energy calculations pursuant to Section 4.7(c) below, if such day is not a Business Day, then such prices posted on the next following Business Day. Buyer and Seller recognize that from time to time the amount of Delivered Energy will deviate from the amount of Scheduled Energy. When Delivered Energy minus Scheduled Energy is a positive amount, it shall be considered “Positive Imbalance Energy;” when Delivered Energy minus Scheduled Energy is a negative amount, the absolute (i.e., positive) value of that amount shall be considered the “Negative Imbalance Energy.” Seller

shall comply with all CAISO rules, including the CAISO Tariff and CAISO Protocols, and shall not intentionally create imbalances in contravention of such rules.

4.6 Treatment of Imbalance Energy When Seller is Not Eligible or Does Not Participate in EIRP. For any CAISO settlement time interval that Seller is not eligible for or does not participate in EIRP as a Participating Intermittent Resource, and there is an imbalance between Scheduled Energy and Delivered Energy, the following adjustments shall be made. No adjustments under this Section 4.6 shall be made if Seller is participating in EIRP as a Participating Intermittent Resource or is participating in any successor to EIRP.

(a) Imbalance Price. For each CAISO settlement time interval in any month in which there is Positive Imbalance Energy, the Imbalance Price shall be the 10-Minute Settlement Interval Average Price as published by the CAISO with respect to positive uninstructed imbalance energy charges for the applicable CAISO settlement time interval. For each CAISO settlement time interval in any month in which there is Negative Imbalance Energy, the Imbalance Price shall be the 10-Minute Settlement Interval Average Price as published by the CAISO with respect to negative uninstructed imbalance energy charges for the applicable time interval and zone.

(b) True Up Adjustment for Positive Imbalance Energy (Over Deliveries). For each CAISO settlement time interval in which there is Positive Imbalance Energy and the Imbalance Price is higher than the product of the Contract Price and the applicable TOD Factor, Buyer shall deduct from the Monthly TOD Payment to Seller an amount equal to the product of (i) the quantity of Positive Imbalance Energy and (ii) the difference between (A) the Imbalance Price and (B) the product of the Contract Price and the applicable TOD Factor.

$$\begin{aligned} \text{True - Up Adjustment for Positive Imbalance Energy}_{\text{month}} = & \\ \sum_{\text{hour}=1}^n & \left(\text{Imbalance Price}_{10\text{-Minutes}} - (\text{Contract Price} * \text{TOD Factor}) \right) \\ & * \text{Positive Imbalance Energy}_{\text{hour}} \\ \text{where } \text{Imbalance Price}_{10\text{-Minutes}} & > (\text{Contract Price} * \text{TOD Factor}) \end{aligned}$$

(c) True Up Adjustment for Negative Imbalance Energy (Under Deliveries). For each CAISO Settlement time interval in which there is Negative Imbalance Energy and the Imbalance Price is lower than the product of the Contract Price and the applicable TOD Factor, Buyer shall deduct from Monthly TOD Payment to Seller an amount equal to the product of (i) the quantity of the Negative Imbalance Energy and (ii) the difference between (A) the Imbalance Price and (B) the product of the Contract Price and the applicable TOD Factor.

$$\begin{aligned} \text{True - Up Adjustment for Negative Imbalance Energy}_{\text{month}} = & \\ \sum_{\text{hour}=1}^n & \left((\text{Contract Price} * \text{TOD Factor}) - \text{Imbalance Price}_{10\text{-Minutes}} \right) \\ & * \text{Negative Imbalance Energy}_{\text{hour}} \\ \text{where } (\text{Contract Price} * \text{TOD Factor}) & > \text{Imbalance Price}_{10\text{-Minutes}} \end{aligned}$$

4.7 Payment and Imbalance Energy Procedures.

(a) Records of Payments. On or about the tenth (10th) day of each month, beginning with the second month of the first Contract Year and continuing every month thereafter, including the first month following the end of the Delivery Term, Seller shall provide to Buyer complete

records for the applicable settlement interval of Delivered Energy and Scheduled Energy for the preceding month, including, pursuant to Section 6.1 of this Agreement, an invoice for all Scheduled Energy delivered to Buyer. Buyer shall receive all Green Attributes for all Delivered Energy received by Buyer during the Delivery Term, regardless of whether any or all of such Product was sold to Buyer directly pursuant to an Inter-SC Trade.

(b) Billing. Monthly billing for Imbalance Energy, as defined above, shall be accomplished using the Imbalance Price and formulae described in this Article Four. Beginning in the first month in which the Imbalance Price becomes available for the applicable month, there shall be a true-up adjustment for the Imbalance Price payable for the Imbalance Energy, as provided herein, in the monthly invoice, provided pursuant to Section 6.1 of this Agreement.

(c) Imbalance Energy Adjustments. Because the Parties recognize that the Imbalance Prices retrieved from the CAISO on or about the fifth (5th) day of each month, as provided in Sections 4.5 and 4.6 above, may not be the final posted price, either Party shall have the right to request a true-up on the Imbalance Energy calculations once the CAISO has posted the final price for that month, which shall not be more than ninety (90) days from the date on which the initial Imbalance Price was retrieved. Any such adjustment shall be netted against the next following invoice.

4.8 CAISO Charges. Seller shall assume all liability and pay for all congestion charges up to and at the Delivery Point. Seller shall also assume all liability and reimburse Buyer for any and all charges, including CAISO Penalties, as defined below, incurred by Buyer as a result of Seller's failure to abide by the CAISO Tariff and CAISO Protocols. Seller shall cooperate to minimize such charges and imbalances to the extent possible. Seller shall promptly notify Buyer as soon as possible of any material imbalance that is occurring or has occurred. Such notification shall not alter Seller's responsibilities for payment for all imbalance and congestion charges and CAISO Penalties, as defined below, under this Agreement. As used herein, "CAISO Penalties" means any fees, liabilities, assessments, or similar charges assessed by the CAISO. Buyer shall assume all liability and reimburse Seller for any CAISO Penalties incurred by Seller as a result of Buyer's failure to abide by the CAISO Tariff and CAISO Protocols.

4.9 Additional Compensation. To the extent not otherwise provided for in this Agreement, in the event that Seller is compensated by a third party for any Products produced by the Project, including, but not limited to, compensation for Resource Adequacy or Green Attributes, Seller shall remit all such compensation directly to Buyer; provided that, for avoidance of doubt, nothing herein precludes Seller from retaining credits related to Transmission Upgrades as contemplated in Section 3.1(i)(ii) or revenues received by the CAISO with respect to Imbalance Energy except as provided in Section 4.6.

ARTICLE FIVE: EVENTS OF DEFAULT; PERFORMANCE REQUIREMENT; REMEDIES

5.1 Events of Default. An "Event of Default" shall mean,

(a) with respect to a Party that is subject to the Event of Default the occurrence of any of the following:

(i) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within five (5) Business Days after written Notice is received by the Party failing to make such payment;

(ii) any representation or warranty made by such Party herein is false or misleading in any material respect when made;

(iii) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default), if such failure is not remedied within thirty (30) days after written Notice;

(iv) such Party becomes Bankrupt; or

(v) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party.

(b) with respect to Seller as the Defaulting Party, the occurrence of any of the following:

(i) if at any time during the Term of Agreement, Seller delivers or attempts to deliver to the Delivery Point for sale under this Agreement Energy that was not generated by the Project, except with respect to Imbalance Energy;

(ii) an Event of Default pursuant to Section 3.7(e) hereof, subject to the cure provisions of Section 3.7(e);

(iii) failure by Seller to meet either of the Guaranteed Project Milestones, set forth in Section 3.9(c)(iii), in each case after the applicable cure period has expired;

(iv) failure to achieve the Guaranteed Energy Production requirement as set forth in Section 3.1(e) of this Agreement;

(v) failure by Seller to satisfy the creditworthiness/collateral requirements agreed to pursuant to Sections 8.3, 8.4, or 8.5 of this Agreement; or

(vi) 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 such representation and warranty becomes false or misleading in any material respect during the Delivery Term solely because (i) the Project cannot qualify and cannot be certified by the CEC as an Eligible Renewable Energy Resource pursuant to California Public Utilities Code Section 399.12 and California Public Resources Section 25741 as amended after the Effective Date of this Agreement and (ii) the Project's output delivered to Buyer will not qualify under the requirements of the California Renewables Portfolio Standard pursuant to California Public Utilities Code Sections 399.11 through 399.16 and California Public

Resources Code Sections 25740 through 25751 as amended after the Effective Date of this Agreement, then this Section 5.1(b)(vi) shall not apply.

5.2 Declaration of Early Termination Date. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (“Non-Defaulting Party”) shall have the right (a) to send Notice, designating a day, no earlier than the day such Notice is deemed to be received and no later than twenty (20) days after such Notice is deemed to be received, as an early termination date of this Agreement (“Early Termination Date”), (b) to accelerate all amounts owing between the Parties, terminate the Transaction and end the Delivery Term effective as of the Early Termination Date and collect liquidated damages (“Termination Payment”), which shall be calculated in accordance with Section 5.3 below; (ii) withhold any payments due to the Defaulting Party under this Agreement; (c) suspend performance; and (d) exercise any other right or remedy available at Law or in equity to the extent otherwise permitted under this Agreement. The Termination Payment will be the aggregate of all Settlement Amounts netted into a single amount, where the “Settlement Amount” is equal to the Losses or Gains, and Costs, which the Non-Defaulting Party incurs as a result of the termination of this Agreement. If the Non-Defaulting Party’s aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Termination Payment shall be zero. Disputes regarding the Termination Payment shall be determined in accordance with Article Twelve.

5.3 Calculation of Termination Payment. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for the Terminated Transaction as of the Early Termination Date. Third parties supplying information for purposes of the calculation of Gains or Losses may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. If the Non-Defaulting Party uses the market price for a comparable transaction to determine the Gains or Losses, such price should be determined by using the average of market quotations provided by three (3) or more bona fide unaffiliated market participants. If the number of available quotes is three, then the average of the three quotes shall be deemed to be the market price. Where a quote is in the form of bid and ask prices, the price that is to be used in the averaging is the midpoint between the bid and ask price. The quotes obtained shall be: (a) for a like amount, (b) of the same Product, (c) at the same Delivery Point, and (d) for the remaining Delivery Term, or in any other commercially reasonable manner. The Gains and Losses shall be calculated as the difference, plus or minus, between the economic value of the remaining Delivery Term of the Terminated Transaction and the equivalent quantities and relevant market prices for the same term that either are quoted by a bona fide market participant, as provided above, or which are reasonably expected to be available in the market for a replacement contract for the Transaction. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, indirect or business interruption damages. The Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount.

5.4 Notice of Payment of Termination Payment. As soon as practicable after a liquidation, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount and the sources for such calculation. The Termination Payment shall be made to the Non-Defaulting Party, as applicable, within ten (10) Business Days after such Notice is effective.

5.5 Disputes With Respect to Termination Payment. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute.

5.6 Rights And Remedies Are Cumulative. The rights and remedies of a Party pursuant to this Article Five shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

ARTICLE SIX: PAYMENT

6.1 Billing and Payment; Remedies. On or about the tenth (10th) day of each month beginning with the second month of the first Contract Year and every month thereafter, and continuing through and including the first month following the end of the Delivery Term, Seller shall provide to Buyer (a) records of metered data, including CAISO metering and transaction data sufficient to document and verify the generation of Product by the Project for any CAISO settlement time interval during the preceding months, (b) access to any records, including invoices or settlement data from CAISO, necessary to verify the accuracy or amount of any Reductions; and (c) an invoice, in the format specified by Buyer, covering the services provided in the preceding month determined in accordance with Section 4.3, as adjusted for Imbalance Energy pursuant to Sections 4.5 and 4.6 (which may include preceding months). Buyer shall pay the undisputed amount of such invoices on or before the later of the twenty-fifth (25th) day of each month and fifteen (15) days after receipt of the invoice. If either the invoice date or payment date is not a Business Day, then such invoice or payment shall be provided on the next following Business Day. Each Party will make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any undisputed amounts not paid by the due date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full. Invoices may be sent by facsimile or e-mail.

6.2 Disputes and Adjustments of Invoices. In the event an invoice or portion thereof or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with Notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Subject to Section 3.6, in the event adjustments to payments are required as a result of inaccurate meter(s), Buyer shall use corrected measurements to recompute the amount due from Buyer to Seller for the Product delivered under the Transaction during the period of inaccuracy. The Parties agree to use good faith efforts to resolve the dispute or identify the adjustment as soon as possible. Upon resolution of the dispute or calculation of the adjustment, any required payment shall be made within fifteen (15) days of such resolution along with interest accrued at the Interest Rate from and including the due date, but excluding the date paid. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment, but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in accordance with this Section 6.2 within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance under the Transaction occurred, the right to payment for such performance is waived.

ARTICLE SEVEN: LIMITATIONS

7.1 Limitation of Remedies, Liability and Damages. THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED, UNLESS THE PROVISION IN QUESTION PROVIDES THAT THE EXPRESS REMEDIES ARE IN ADDITION TO OTHER REMEDIES THAT MAY BE AVAILABLE. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 10.5 (INDEMNITIES), IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

ARTICLE EIGHT: CREDIT AND COLLATERAL REQUIREMENTS

8.1 Buyer Financial Information. If requested by Seller, Buyer shall deliver to Seller (a) within one hundred twenty days after the end of each fiscal year with respect to PG&E Corporation, a copy of PG&E Corporation's annual report containing audited consolidated financial statements for such fiscal year and (b) within sixty days after the end of each of PG&E Corporation's first three fiscal quarters of each fiscal year, a copy of PG&E Corporation's quarterly report containing unaudited consolidated financial statements for each accounting period prepared in accordance with generally accepted accounting principles. Buyer shall be deemed to have satisfied such delivery requirement if the applicable report is publicly available on www.pge-corp.com or on the SEC EDGAR information retrieval system; provided however, that should such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default, so long as such statements are provided to Seller upon their completion and filing with the SEC.

8.2 Seller Financial Information. The applicable financial information shall be provided as specified on the Cover Sheet:

Option A: If requested by Buyer, Seller shall deliver to Buyer (i) within one hundred twenty days following the end of each fiscal year, a copy of Seller's annual report containing audited consolidated financial statements for such fiscal year and (ii) within sixty days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Party's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as such Party diligently pursues the preparation, certification and delivery of the statements.

Option B: If requested by Buyer, Seller shall deliver to Buyer (i) within one hundred twenty days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year for the party(s) specified on the Cover Sheet and (ii) within sixty days after the end of each of its first three fiscal quarters of each fiscal year, a copy of quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements.

8.3 Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent Seller delivers the Project Development Security or Delivery Term Security, as applicable, hereunder, Seller hereby grants to Buyer, as the secured party, a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all such Performance Assurance posted with Buyer in the form of cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, Buyer. Seller agrees to take such action as Buyer reasonably requires in order to perfect a first-priority security interest in, and lien on (and right of setoff against), such Performance Assurance and any and all proceeds resulting therefrom or from the liquidation thereof. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default or an Early Termination Date, Buyer, as the Non-Defaulting Party, may do any one or more of the following: (a) exercise any of the rights and remedies of a secured party with respect to all Project Development Security or Delivery Term Security, as applicable, including any such rights and remedies under law then in effect; (b) exercise its rights of setoff against any and all property of Seller, as the Defaulting Party, in the possession of the Buyer or Buyer's agent; (c) draw on any outstanding Letter of Credit issued for its benefit; and (d) liquidate all Project Development Security or Delivery Term Security, as applicable, then held by or for the benefit of Buyer free from any claim or right of any nature whatsoever Seller, including any equity or right of purchase or redemption by the Seller. The Buyer shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce the Seller's obligations under the Agreement (Seller remaining liable for any amounts owing to Buyer after such application), subject to the Buyer's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

8.4 Performance Assurance.

(a) Project Development Security; Delivery Term Security. To secure its obligations under this Agreement, Seller agrees to deliver to Buyer collateral, which Seller shall maintain in full force and effect for the period posted with Buyer, as set forth below:

(i) Project Development Security in the amount and in the form set forth in the Cover Sheet with respect to this subpart (i) from the Execution Date of this Agreement until Seller posts Project Development Security pursuant to subpart (ii) below, with Buyer.

(ii) Project Development Security in the amount and in the form set forth in the Cover Sheet with respect to this subpart (ii) as follows:

(A) from a date not later than thirty (30) days following the later of (I) the date on which all of the Conditions Precedent set forth in Article Eleven are either satisfied or waived and (II) the date on which Seller receives PGC Funding Confirmation from the CEC until the earlier of (x) the Construction State Date or (y) the Guaranteed Construction Start Date; and

(B) from a date not later than the earlier of the Construction Start Date or the Guaranteed Construction Start Date until Seller posts Delivery Term Security pursuant to subpart (iii) below, with Buyer.

(iii) Delivery Term Security in the amount and in the form set forth in the Cover Sheet with respect to this subpart (iii) from the Commercial Operation Date until the end of the Term.

Any Delivery Term Security shall not be deemed a limitation of damages, unless otherwise specifically provided by the terms set forth in this Agreement.

(b) Use of Project Development Security. Buyer shall be entitled to draw upon the Project Development Security posted by Seller for Daily Delay Damages until such time as the Project Development Security is exhausted. Buyer shall also be entitled to draw upon the Project Development Security for any damages arising upon Buyer's declaration of an Early Termination Date.

(c) Termination of Project Development Security. If after the Commercial Operation Date no damages are owed to Buyer under this Agreement, then Seller shall no longer be required to maintain the Project Development Security, and Project Development Security amounts held by Buyer as Daily Delay Damages due to a delayed Construction Start Date shall be returned to Seller within five (5) Business Days of Seller's provision of the Delivery Term Security; provided however, that with Buyer's consent, Seller may elect to apply the Project Development Security toward the Delivery Term Security, if any, provided pursuant to this Section 8.4.

(d) Payment and Transfer of Interest. Buyer shall pay interest on cash held as Project Development Security or Delivery Term Security, as applicable, at the Interest Rate. On or before each Interest Payment Date, Buyer shall transfer the Interest Amount due to Seller for such security in the form of cash by wire transfer to the bank account specified under "Wire Transfer" in the Cover Sheet.

(e) Return of Delivery Term Security. Buyer shall return the unused portion of Delivery Term Security, including the payment of any interest due thereon, pursuant to Section 8.4(d) above, to Seller promptly after the following has occurred: (a) the Term of the Agreement has ended, or subject to Section 8.3, an Early Termination Date has occurred, as applicable; and (b) all payment obligations of the Seller arising under this Agreement, including compensation for Imbalance Energy, Termination Payment, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting).

8.5 Letter of Credit.

(a) If Seller has provided a Letter of Credit pursuant to any of the applicable provisions in this Article Eight, then Seller shall renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit and in accordance with this Agreement. In the event the issuer of such Letter of Credit (x) fails to maintain a Credit Rating of at least an A2 by Moody's and at least an A by S&P, (y) indicates its intent not to renew such Letter of Credit, or (z) fails to honor Buyer's properly documented request to draw on an outstanding Letter of Credit by such issuer, Seller shall (A) provide a substitute Letter of Credit that is issued by a qualified bank acceptable to Buyer, other than the bank failing to honor the outstanding Letter of Credit, or (B) post cash in each case in an amount equal to the outstanding Letter of Credit within five (5) Business Days after Buyer receives Notice of such refusal ("Cure"), as applicable. If Seller fails to Cure or if such Letter of Credit expires or terminates without a full draw thereon by Buyer, or fails or ceases to be in full force and effect at any time that such Letter of Credit is required pursuant to the terms of this Agreement, then Seller shall have failed to meet the creditworthiness/collateral requirements of Article Eight.

(b) In all cases, the reasonable costs and expenses of establishing, renewing, substituting, canceling, increasing reducing, or otherwise administering the Letter of Credit shall be borne by Seller.

ARTICLE NINE: GOVERNMENTAL CHARGES

9.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and to administer this Agreement in accordance with the intent of the parties to minimize all taxes, so long as neither Party is materially adversely affected by such efforts.

9.2 Governmental Charges. Seller shall pay or cause to be paid all taxes imposed by any governmental authority ("Governmental Charges") on or with respect to the Product or the Transaction arising prior to and at the Delivery Point, including, but not limited to, ad valorem taxes and other taxes attributable to the Project, land, land rights or interests in land for the Project. Buyer shall pay or cause to be paid all Governmental Charges on or with respect to the Product or the Transaction from the Delivery Point. In the event Seller is required by law or regulation to remit or pay Governmental Charges which are Buyer's responsibility hereunder, Buyer shall promptly reimburse Seller for such Governmental Charges. If Buyer is required by law or regulation to remit or pay Governmental Charges which are Seller's responsibility hereunder, Buyer may deduct such amounts from payments to Seller with respect to payments under the Agreement; if Buyer elects not to deduct such amounts from Seller's payments, Seller shall promptly reimburse Buyer for such amounts upon request. Nothing shall obligate or cause a Party to pay or be liable to pay any Governmental Charges for which it is exempt under the law.

ARTICLE TEN: MISCELLANEOUS

10.1 No Fault Termination.

(a) Seller Termination Right. If “Seller Termination Right” is specified as being “Applicable” on the Cover Sheet, then the following provisions in this Section 10.1(a) shall apply.

(i) If Seller’s Bid Price exceeds the Market Price Referent, Seller may seek a PGC Funding Award from the CEC for an amount (in \$ per MWh) equal to the positive difference derived by subtracting (a) the Market Price Referent (in \$ per MWh) from (b) the Bid Price (in \$ per MWh) (“PGC Fund Amount”). To the extent that Seller seeks such PGC Fund Award, Seller shall use best efforts to comply with all funding criteria and obtain the PGC Fund Amount and Buyer shall reasonably support Seller’s efforts. If Seller does not obtain a PGC Funding Confirmation or PGC Funding Award by 11:59 p.m. Pacific Standard Time on the 120th day from the date on which Buyer files this Agreement for CPUC Approval (“Funding Termination Deadline”), then Seller may unilaterally terminate this Transaction prior to the Funding Termination Deadline effective as of the date on which Buyer receives Seller’s written notice of termination. If Seller exercises this termination right, neither Buyer nor Seller shall be subject to liability of any kind.

(ii) At any time prior to the Funding Termination Deadline, if applicable, Seller shall send to Buyer within ten (10) days of (a) obtaining a PGC Funding Confirmation or PGC Funding Award, written notice of such confirmation or award and a copy of the final funding award agreement entered into by the CEC and Seller, if the funding award agreement has been granted at that time, or (b) receiving written notice from the CEC denying Seller’s application for the requested PGC Fund Amount, a copy of such notice and a written statement from Seller, in which Seller shall (I) waive its termination rights under this Section 10.1(a) or (II) notify Buyer that the Transaction is terminated, pursuant to the terms of this Agreement. If Seller has the right to terminate this Transaction, but fails to send written notice of termination by the Funding Termination Deadline, then Seller’s termination right per this subsection 10.1(a) shall be deemed waived in its entirety.

(b) PGC Funding Termination Event. If “PGC Funding Termination Event” is specified as being “Applicable” on the Cover Sheet, then the following provisions in this Section 10.1(b) shall apply:

(i) PGC Funding Revocation. If at any time after Seller obtains a PGC Funding Confirmation or PGC Funding Award, (A) the PGC Funding Confirmation or PGC Funding Award is revoked in whole or in part by the CEC for reasons not caused by Seller’s action or inaction, (B) such revocation occurs prior to the issuance of a PGC Funding Award or during the term of the PGC Funding Award, and (C) Seller has not received a financial benefit in the form of tax credits or any other source of public funding or credit directly related to the Product sold under this Agreement, which benefit would offset the loss incurred from the revocation of the PGC Funding Confirmation or PGC Funding Award, then Seller shall have the right to terminate this Transaction, subject to Buyer’s Right of First Refusal Option. If Seller exercises this termination right neither Buyer nor Seller shall be subject to liability arising from such termination.

Not more than ten (10) days from Seller’s receipt of written notification regarding revocation of the PGC Funding Confirmation or PGC Funding Award in whole or part, Seller shall notify

Buyer in writing of the revocation of the PGC Funding Confirmation or PGC Funding Award, certify it has not received an offsetting financial benefit per clause (C) above, and certify that such revocation is not due to Seller's action or inaction. Seller shall also provide Buyer with a copy of such CEC notification ("Revocation Notice"). Seller shall specify in its Revocation Notice what percentage of lost PGC funding it is willing to accept to continue to perform under this Transaction (not exceeding 100%).

(ii) Right of First Refusal Option.

(A) Option. Buyer, in its sole discretion, shall have the right, but not the obligation, to pay to Seller the percentage of lost PGC funding specified in its Revocation Notice ("Lost PGC Funds") and Seller shall continue performing under the Transaction for the remaining term of the Transaction (the "Option"). Buyer shall have 30 days from its receipt of the Revocation Notice to exercise the Option ("Exercise Period"), subject to Option Approval, as defined below.

(B) Exercise of Option. If Buyer chooses to exercise the Option, Buyer shall send written notice to Seller stating that Buyer is exercising the Option, conditioned upon Buyer's receipt of Option Approval, as defined below, within one hundred eighty days of the date on which Buyer received the Revocation Notice. The effectiveness of the Option exercise shall be subject to Buyer's receipt of a final, non-appealable order issued by the CPUC, satisfactory to Buyer, approving Buyer's exercise of the Option and recovery of costs associated with the payment of the percentage of lost PGC Funding ("Option Approval"). The date on which Buyer provides written notice of its Option exercise to Seller shall be the "Exercise Date." Buyer shall file an advice filing or application seeking the Option Approval within thirty days of the Exercise Date.

(C) Payment. Prior to Buyer's receipt of Option Approval, Buyer shall pay Seller the Lost PGC Funds, which would have been due to Seller on a monthly basis for the period between the Exercise Date and the next invoice following the date on which the Option Approval is issued. Upon receipt of Option Approval, Buyer shall continue paying Seller's Lost PGC Funds on a monthly basis until the expiration of the term of Seller's PGC Funding Award, or Reinstatement of Seller's PGC funding, whichever comes first.

(D) Seller's Termination Right. Seller may terminate the Transaction in accordance with subsection (b)(i) above upon the occurrence of any of the following events: (I) Buyer provides written notice to Seller rejecting the exercise of the Option, (II) the Option expires without being exercised, (III) Buyer fails to seek Option Approval within thirty days of the Exercise Date, or (IV) Buyer fails to obtain Option Approval within one hundred eighty days of Buyer's receipt of the Revocation Notice. If Seller then terminates the Transaction, such termination shall be effective thirty days from the date on which Seller notifies Buyer of such termination. Both Parties shall continue to perform under this Transaction until the effectiveness of any such termination by Seller.

(iii) Reinstatement of PGC Funding. If the PGC Funding Award is reinstated in its entirety, including retroactive payments for Lost PGC Funds, at anytime before (A) Seller's termination of this Transaction or (B) Buyer's exercise of the Option, then Seller shall no longer be permitted to terminate this Transaction, pursuant to this Section 10.1(b)(i), and both Parties shall continue to perform under this Transaction. If the PGC Funding Award is reinstated in whole or in part at anytime after Buyer has exercised the Option, then Buyer shall be relieved of all further obligations to pay any of Seller's Lost PGC Funds, which will be covered

by the reinstated PGC Funding Award. If PGC Funding Award is reinstated in whole or in part on a retroactive basis after Buyer has exercised the Option, then Buyer shall have the right to offset against payments due to Seller that portion of such award amount equivalent to the Lost PGC Funds paid by Buyer to Seller between the period in which the PGC Funds were revoked and reinstated. Seller shall notify Buyer in writing of any such reinstatement of PGC Funds within ten days of receiving notice of such reinstatement from the CEC, CPUC, or other regulatory agency responsible for the PGC Funds program, which notice shall include a copy of such notice.

(iv) No PGC Funding Legislation. If legislation ensuring PGC Funding for the Term of the Agreement is not enacted by September 30, 2007, then Seller shall have the right to terminate this Agreement and the Transaction entered into hereunder by written notice to Buyer. If Seller has the right to terminate this Agreement and the Transaction pursuant to this subsection 10.1(b)(iv), but fails to send written notice of termination by November 30, 2007, then Seller's termination right per this subsection 10.1(b)(iv) shall be deemed waived in its entirety. If Seller exercises this termination right neither Buyer nor Seller shall be subject to liability arising from such termination, and Buyer shall refund to Seller the full amount of any unused Project Development Security that has been posted by Seller.

(c) Energy Tax Credit. If federal legislation providing for an extension of the Energy Tax Credit, in substantially the same form and substance as in effect as of the Execution Date hereof (e.g., an Energy Tax Credit of 30%), is not enacted by December 31, 2007 and in effect for any project installed by December 31, 2009, then Seller may terminate this Agreement and the Transaction entered into hereunder by written notice to Buyer. If Seller has the right to terminate this Agreement and the Transaction pursuant to this subsection 10.1(c), but fails to send written notice of termination by March 31, 2008, then Seller's termination right per this subsection 10.1(c) shall be deemed waived in its entirety.

10.2 Representations and Warranties.

(a) General Representations and Warranties. On the Execution Date, each Party represents and warrants to the other Party that:

(i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(ii) it has all regulatory authorizations necessary for it to perform its obligations under this Agreement, except for (A) CPUC Approval in the case of Buyer, and (B) all permits necessary to install, own, operate and maintain the Project in the case of Seller;

(iii) the execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

(iv) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms, subject to any Equitable Defenses;

(v) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;

(vi) there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;

(vii) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(viii) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement; and

(ix) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or the ability to make or take delivery of the Product referred to in the Transaction to which it is a Party.

(b) Seller Representations and Warranties. Seller and, if applicable, its successors, represents and warrants throughout the term of the Delivery Term of each Transaction entered into under 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 the Public Utilities Code Section 399.12 and Public Resources Code Section 25741; and (ii) the Project’s output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard.

10.3 Covenants.

(a) General Covenants. Each Party covenants that throughout the Delivery Term:

(i) it shall continue to be duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(ii) it shall maintain (or obtain from time to time as required, including through renewal, as applicable) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement and the Transaction;

(iii) it shall perform its obligations under this Agreement and the Transaction in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it; and

(iv) it shall maintain its status as a “forward contract merchant” within the meaning of the United States Bankruptcy Code (for so long as such term has the same definition as in effect as of the date of this Agreement).

(b) Seller Covenants.

(i) Seller covenants throughout the Delivery Term that it will take no action or permit any other person or entity (other than Buyer) to take any action that would impair in any way Buyer's ability to rely on the Project in order to satisfy its Resource Adequacy Requirements; and

(iii) Seller covenants throughout the Delivery Term that it, or its permitted successors or assigns, have or will have ownership of, or a demonstrable exclusive right to control, the Project.

10.4 Title and Risk of Loss. Title to and risk of loss related to the Product shall transfer from Seller to Buyer at the Delivery Point. Seller warrants that it will deliver to Buyer the Product free and clear of all liens, security interests, Claims and encumbrances or any interest therein or thereto by any person arising prior to or at the Delivery Point.

10.5 Indemnities.

(a) Indemnity by Seller. Seller shall release, indemnify and hold harmless Buyer, its directors, officers, agents, and representatives against and from any and all loss, Claims, actions or suits, including costs and attorney's fees resulting from, or arising out of or in any way connected with (i) the Product delivered under this Agreement to and at the Delivery Point, (ii) Seller's operation and/or maintenance of the Project, or (iii) Seller's actions or inactions with respect to this Agreement, including, without limitation, any loss, Claim, action or suit, for or on account of injury, bodily or otherwise, to or death of persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such loss, Claim, action or suit as may be caused solely by the willful misconduct or gross negligence of Buyer, its agents, employees, directors, or officers.

(b) Indemnity by Buyer. Buyer shall release, indemnify and hold harmless Seller, its directors, officers, agents, and representatives against and from any and all loss, Claims, actions or suits, including costs and attorneys' fees resulting from, or arising out of or in any way connected with the Product delivered by Seller under this Agreement after the Delivery Point, including, without limitation, any loss, Claim, action or suit, for or on account of injury, bodily or otherwise, to or death of persons, or for damage to or destruction of property belonging to Buyer, Seller, or others, excepting only such loss, Claim, action or suit as may be caused solely by the willful misconduct or gross negligence of Seller, its agents, employees, directors or officers.

(c) No Dedication. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or the public, nor affect the status of Buyer as an independent public utility corporation or Seller as an independent individual or entity.

10.6 Assignment. Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof to its financing providers and the

financing provider(s) shall assume the payment and performance obligations provided under this Agreement with respect to the transferring Party provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

10.7 Confidentiality. Neither Party shall disclose the non-public terms or conditions of this Agreement or any Transaction hereunder to a third party, other than (i) the Party's employees, lenders, investors, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential, (ii) for disclosure to Buyer's Procurement Review Group, as defined in CPUC Decision D. 02-08-071, subject to a confidentiality agreement, (iii) to the CPUC under seal for purposes of review, (iv) disclosure of terms specified in and pursuant to Section 10.8 of this Agreement; (v) in order to comply with any applicable law, regulation, or any exchange, control area or CAISO rule, or order issued by a court or entity with competent jurisdiction over the disclosing Party ("Disclosing Party"), other than to those entities set forth in subsection (vi); (vi) in order to comply with any applicable regulation, rule, or order of the CPUC, CEC, or the FERC; or (vii) with relation to Seller, to potential partners, investors and lenders and to its parent company and its or their respective Representatives who have a need to know such information and have agreed to keep such terms confidential. In connection with requests made pursuant to clause (v) of this Section 10.7 ("Disclosure Order") each Party shall, to the extent practicable, use reasonable efforts: (i) to notify the other Party prior to disclosing the confidential information and (ii) prevent or limit such disclosure. After using such reasonable efforts, the Disclosing Party shall not be: (i) prohibited from complying with a Disclosure Order or (ii) liable to the other Party for monetary or other damages incurred in connection with the disclosure of the confidential information. Except as provided in the preceding sentence, the Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation.

10.8 RPS Confidentiality. Notwithstanding Section 10.7 of this Agreement, at any time on or after the date on which the Buyer makes its advice filing letter seeking CPUC Approval of this Agreement, either Party shall be permitted to disclose the following terms with respect to such Transaction: Party names, resource type, Delivery Term, Project location, Contract Capacity, anticipated Commercial Operation Date, Contract Quantity, and Delivery Point.

10.9 Audit. Each Party has the right, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement including amounts of Delivered Energy or Scheduled Energy. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made promptly and shall bear interest calculated at the Interest Rate from the date the overpayment or underpayment was made until paid; provided, however, that no adjustment for any statement or payment will be made unless objection to the accuracy thereof was made prior to the lapse of twelve (12) months from the rendition thereof, and thereafter any objection shall be deemed waived.

10.10 Insurance. Throughout the Term, Seller shall, at its sole cost and expense, obtain and maintain the following insurance coverages and be responsible for its subcontractors, including Seller's EPC Contractors, maintaining sufficient limits of the appropriate insurance coverage.

(a) Workers' Compensation and Employers' Liability.

(i) Workers' Compensation insurance indicating compliance with any applicable labor codes, acts, Laws or statutes, state or federal, where Seller performs Work.

(ii) Employers' Liability insurance shall not be less than \$1,000,000 for injury or death occurring as a result of each accident.

(b) Commercial General Liability.

(i) Coverage shall be at least as broad as the Insurance Services Office Commercial General Liability Coverage "occurrence" form, with no alterations to the coverage form.

(ii) The limit shall not be less than \$10,000,000 each occurrence for bodily injury, property damage, personal injury and products/completed operations. Defense costs shall be provided as an additional benefit and not included within the limits of liability. Coverage limits may be satisfied using an umbrella or excess liability policy or an Owners Contractors Protective (OPC) policy. Limits shall be on a per project basis.

(iii) Coverage shall:

(A) by "Additional Insured" endorsement add as insureds PG&E, its directors, officers, agents and employees with respect to liability arising out of the Work performed by or for the Seller (Insurance Services Office Form CG2010 1185, or equivalent form). In the event the Commercial General Liability policy includes a "blanket endorsement by contract," the following language added to the certificate of insurance will satisfy Buyer's requirement: "PG&E, its directors, officers, agents and employees with respect to liability arising out of the Work performed by or for the Seller has been endorsed by blanket endorsement";

(B) be endorsed to specify that the Seller's insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it; and

(C) include a severability of interest clause.

(c) Business Auto.

(i) Coverage shall be at least as broad as the Insurance Services Office Business Auto Coverage form covering Automobile Liability, code 1 "any auto".

(ii) The limit shall not be less than \$5,000,000 each accident for bodily injury and property damage.

(iii) If scope of Work involves hauling hazardous materials, coverage shall be endorsed in accordance with Section 30 of the Motor Carrier Act of 1980 (Category 2) and the CA 99 48 endorsement.

(d) Aircraft Liability.

(i) If the scope of Work involves aircraft, coverage for bodily injury, property damage, including injury sustained by any passenger, applying to all aircraft owned, furnished or used by the Seller in the performance of this Agreement shall be maintained. Work that involves chemical spraying shall include coverage for pesticide and herbicide application.

(ii) The limit shall not be less than \$5,000,000 single limit for bodily injury and property damage including passenger liability.

(iii) Coverage shall:

(A) by “Additional Insured” endorsement add as insureds PG&E, its directors, officers, agents and employees with respect to liability arising out of Work performed by or for the Seller;

(B) be endorsed to specify that the Seller’s insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it; and

(C) all rights of subrogation against PG&E shall be waived with respect to all physical damage to any aircraft used during the performance of this Agreement.

(e) Watercraft Liability.

(i) If the scope of Work involves watercraft, Marine protection and indemnity or other liability coverage, including coverage for injury sustained by any passenger, apply to all watercraft used in the performance of this Agreement.

(ii) The limit shall not be less than \$1,000,000 for each occurrence for bodily injury and property damage including passenger legal liability.

(iii) Coverage shall:

(A) by “Additional Insured” endorsement add as insureds PG&E, its directors, officers, agents and employees with respect to liability arising out of the Work by or for the Seller;

(B) be endorsed to specify that the Seller’s insurance is primary and that any insurance or self-insurance maintained by PG&E shall not contribute with it.

(f) Seller’s Pollution Liability.

(i) Coverage for bodily injury, property damage, including clean up costs and defense costs resulting from sudden, accidental and gradual pollution conditions, including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, hydrocarbons, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water shall be maintained.

(ii) The limit shall not be less than \$1,000,000 each occurrence for bodily injury and property damage.

(iii) The policy shall endorse PG&E as additional insured.

(g) All Risk Property Insurance.

(i) An All Risk Property insurance policy including earthquake and flood shall be maintained during the course of Work being performed and include start-up and testing for installed equipment and delayed opening coverage. Such policy shall include coverage for materials and equipment while under the care, custody and control of the Seller during the course of Work, at the Site, offsite or while in transit to the Site.

(ii) Coverage shall be written to cover the full replacement cost of the property. Limits and deductibles shall be approved by PG&E.

(iii) PG&E shall be named as loss payee.

(h) Professional Liability Insurance.

(i) Errors and Omissions Liability insurance appropriate to the Seller's profession. Coverage shall be for a professional error, act or omission arising out of the scope of services shown in the Agreement, including coverage for bodily injury, property damage, and consequential financial loss.

(ii) The limit shall not be less than \$10,000,000 per claim.

(iii) Coverage shall:

(A) be endorsed to specify that the Seller's insurance is primary and that any Insurance or self-insurance maintained by PG&E shall not contribute with it; and

(B) be endorsed to specify that the selection of counsel, paid for by the insurer, to defend PG&E and its officers, directors, agents, and employees against covered or potentially covered claims shall be by mutual consent of PG&E and insurer.

(i) Additional Insurance Provisions.

(i) Before commencing performance of the Work, Seller shall furnish PG&E with certificates of insurance and endorsements of all required insurance for Seller.

(ii) The documentation shall state that coverage shall not be cancelled except after thirty (30) days prior written Notice has been given to PG&E.

(iii) The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

Pacific Gas and Electric Company
Insurance Department—Suite 2400
One Market, Spear Tower
San Francisco, CA 94105

(iv) Reviews of such insurance may be conducted by PG&E on an annual basis and, in addition, PG&E may inspect the original policies or require complete certified copies at any time.

(v) Upon request, Seller shall furnish Buyer evidence of insurance for its subcontractors.

(vi) The insurance carrier or carriers and form of policy shall be subject to review and approval by PG&E.

(j) Form And Content.

(i) All policies or binders with respect to insurance maintained by Seller shall:

(A) waive any right of subrogation of the insurers hereunder against PG&E, its officers, directors, employees, agents and representatives of each of them, and any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any such person insured under such policy; and

(B) with respect to any additional insured, provide that such insurance will not be invalidated by any action or inaction of each such insured and will insure each such insured regardless of any breach or violation of any warranty, declaration or condition contained in such insurance by the primary named insured.

10.11 Access to Financial Information. Buyer believes that Generally Accepted Accounting Principles and SEC rules may require Buyer to evaluate if Buyer must consolidate Seller's financial information. In the event Buyer believes that SEC rules may require such financial consolidation, Buyer will require access to financial records and personnel, at a mutually convenient and agreeable time, to determine if consolidated financial reporting is required. If Buyer determines that such financial consolidation is required, Buyer shall require the following during every calendar quarter for the Term:

(a) Complete financial statements and notes to financial statements; and

(b) Financial schedules underlying the financial statements, all within fifteen (15) days after the end of each fiscal quarter.

Any information provided to Buyer pursuant to this Section 10.11 shall be considered confidential in accordance with the terms of this Agreement and shall only be disclosed on an aggregate basis with other similar entities for which Buyer has power purchase agreements. The information will only be used for financial statement purposes and shall not be otherwise shared with internal or external parties.

10.12 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

10.13 General. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. The term “including” when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation. Except to the extent provided for, no amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by both Parties. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement). Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. The headings used herein are for convenience and reference purposes only. Facsimile or PDF transmission will be the same as delivery of an original document; provided that at the request of either party, the other party will confirm facsimile or PDF signatures by signing an original document. This Agreement shall be binding on each Party’s successors and permitted assigns. The standard of review the FERC shall apply when acting on proposed modifications to this Agreement, either on FERC’s own motion or on behalf of a signatory or a non-signatory, shall be the “public interest” standard of review rather than the “just and reasonable” standard of review. Nothing in this Agreement shall in any way restrict or otherwise limit the rights of either Party under Sections 205 and 206 of the Federal Power Act.

10.14 Severability. If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

10.15 Counterparts. This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by fax will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by facsimile will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

ARTICLE ELEVEN: CONDITIONS PRECEDENT

11.1 Conditions Precedent. Subject to Section 2.6 hereof, the Term shall not commence until the occurrence of all of the following:

- (a) This Agreement has been duly executed by the authorized representatives of each of Buyer and Seller;
- (b) CPUC Approval has been obtained; and

(c) Buyer receives a final and non-appealable order of the CPUC that finds that Buyer's entry into this Agreement is reasonable and that payments to be made by Buyer hereunder are recoverable in rates.

11.2 Failure to Meet All Conditions Precedent. If each Condition Precedent is not satisfied or waived in writing by both Parties on or before one hundred eighty (180) days from the date on which Buyer files this Agreement for CPUC Approval, then either Party may terminate this Agreement effective upon receipt of Notice by the other Party.

11.3 CPUC Filing. Buyer shall file this Agreement with the CPUC for CPUC Approval within thirty (30) days after the Execution Date.

ARTICLE TWELVE: DISPUTE RESOLUTION

12.1 Intent of the Parties. Except as provided in the next sentence, the sole procedure to resolve any claim arising out of or relating to this Agreement or any related agreement is the dispute resolution procedure set forth in this Article Twelve. Either Party may seek a preliminary injunction or other provisional judicial remedy if such action is necessary to prevent irreparable harm or preserve the status quo, in which case both Parties nonetheless will continue to pursue resolution of the dispute by means of this procedure.

12.2 Management Negotiations.

(a) The Parties will attempt in good faith to resolve any controversy or claim arising out of or relating to this Agreement or any related agreements by prompt negotiations between each Party's Authorized Representative, or such other person designated in writing as a representative of the Party (each a "Manager"). Either Manager may request a meeting (in person or telephonically) to initiate negotiations to be held within ten (10) Business Days of the other Party's receipt of such request, at a mutually agreed time and place. If the matter is not resolved within fifteen (15) Business Days of their first meeting ("Initial Negotiation End Date"), the Managers shall refer the matter to the designated senior officers of their respective companies ("Executive(s)"), who shall have authority to settle the dispute. Within five (5) Business Days of the Initial Negotiation End Date ("Referral Date"), each Party shall provide one another written Notice confirming the referral and identifying the name and title of the Executive who will represent the Party.

(b) Within five (5) Business Days of the Referral Date, the Executives shall establish a mutually acceptable location and date, which date shall not be greater than thirty (30) days from the Referral Date, to meet. After the initial meeting date, the Executives shall meet, as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the dispute.

(c) All communication and writing exchanged between the Parties in connection with these negotiations shall be confidential and shall not be used or referred to in any subsequent binding adjudicatory process between the Parties.

(d) If the matter is not resolved within forty-five (45) days of the Referral Date, or if the Party receiving the written request to meet, pursuant to subpart (b) above, refuses or does not meet within the ten (10) Business Day period specified in subpart (b) above, either Party may initiate mediation of the controversy or claim according to the terms of the following Section 12.3.

12.3 Mediation. If the dispute cannot be so resolved by negotiation as set forth in Section 12.2 above, it shall be resolved at the request of any Party through a two-step dispute resolution process administered by the AAA. As the first step, the Parties agree to mediate any controversy before a mediator from the AAA panel, pursuant to AAA's commercial mediation rules, in San Francisco, California. Either Party may begin mediation by serving a written demand for mediation. The mediator shall not have the authority to require, and neither Party may be compelled to engage in, any form of discovery prior to or in connection with the mediation. If within sixty (60) days after service of a written demand for mediation, the mediation does not result in resolution of the dispute, then the controversy shall be settled by Arbitration conducted by a retired judge or justice from the AAA panel conducted in San Francisco, California, administered by and in accordance with AAA's Commercial Arbitration Rules ("Arbitration"). The period commencing from the date of the written demand for mediation until the appointment of a mediator shall be included within the sixty (60) day mediation period. Any mediator(s) and arbitrator(s) shall have no affiliation with, financial or other interest in, or prior employment with either Party and shall be knowledgeable in the field of the dispute. Either Party may initiate Arbitration by filing with the AAA a notice of intent to arbitrate within sixty (60) days of service of the written demand for mediation.

12.4 Arbitration. At the request of a Party, the arbitrator shall have the discretion to order depositions of witnesses to the extent the arbitrator deems such discovery relevant and appropriate. Depositions shall be limited to a maximum of three (3) per Party and shall be held within thirty (30) days of the making of a request. Additional depositions may be scheduled only with the permission of the arbitrator, and for good cause shown. Each deposition shall be limited to a maximum of six (6) hours duration unless otherwise permitted by the arbitrator for good cause shown. All objections are reserved for the Arbitration hearing except for objections based on privilege and proprietary and confidential information. The arbitrator shall also have discretion to order the Parties to exchange relevant documents. The arbitrator shall also have discretion to order the Parties to answer interrogatories, upon good cause shown.

(a) Each of the Parties shall submit to the arbitrator, in accordance with a schedule set by the arbitrator, offers in the form of the award it considers the arbitrator should make. If the arbitrator requires the Parties to submit more than one such offer, the arbitrator shall designate a deadline by which time the Parties shall submit their last and best offer. In such proceedings the arbitrator shall be limited to awarding only one of the two "last and best" offers submitted, and shall not determine an alternative or compromise remedy.

(b) The arbitrator shall have no authority to award punitive or exemplary damages or any other damages other than direct and actual damages and the other remedies contemplated by this Agreement.

(c) The arbitrator's award shall be made within nine (9) months of the filing of the notice of intention to arbitrate (demand) and the arbitrator shall agree to comply with this schedule before accepting appointment. However, this time limit may be extended by agreement of the Parties or by the arbitrator, if necessary. The California Superior Court of the City and County of San Francisco may enter judgment upon any award rendered by the arbitrator. The Parties are aware of the decision in *Advanced Micro Devices, Inc. v. Intel Corp.*, 9 Cal. 4th 362 (1994) and, except as modified by this Agreement, intend to limit the power of the arbitrator to that of a Superior Court judge enforcing California Law. The prevailing Party in this dispute resolution process is entitled to recover its costs and reasonable attorneys' fees.

(d) The arbitrator shall have the authority to grant dispositive motions prior to the commencement of or following the completion of discovery if the arbitrator concludes that there is no material issue of fact pending before him or her.

(e) Except as may be required by Law, neither a Party nor an arbitrator may disclose the existence, content, or results of any Arbitration hereunder without the prior written consent of both Parties.

ARTICLE THIRTEEN: NOTICES

Whenever this Agreement requires or permits delivery of a “Notice” (or requires a Party to “notify”), the Party with such right or obligation shall provide a written communication in the manner specified in herein; provided, however, that notices of Outages or other Scheduling or dispatch information or requests, as provided in Appendix IX, shall be provided in accordance with the terms set forth in the relevant section of this Agreement. Invoices may be sent by facsimile or e-mail. A Notice sent by facsimile transmission or e-mail will be recognized and shall be deemed received on the Business Day on which such Notice was transmitted if received before 5:00 p.m. (and if received after 5:00 p.m., on the next Business Day) and a Notice of overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party. Either Party may periodically change any address, phone number, e-mail, or contact to which Notice is to be given it by providing written Notice of such change to the other Party.

APPENDIX I

LETTER OF CREDIT

ISSUING BANK LETTERHEAD ADDRESS

Date: _____

Irrevocable Standby Letter of Credit Number: _____

Beneficiary: Pacific Gas and Electric Company
77 Beale Street, Mail Code B28L
San Francisco, CA 94105
Attn: Credit Risk Management Unit

Applicant: _____
[insert Applicant's address] _____

Account Party: _____
[insert Account Party's address] _____

[Advising Bank, if applicable]
[Confirming Bank, if applicable]

Amount: USD [Amount]
US Dollars [Spell out amount in words]

We hereby issue our Irrevocable Standby Letter of Credit ("Letter of Credit") at this office in your favor at the request of the Applicant and for the account of the Account Party. Payments under this Letter of Credit are payable at sight against the following documents:

1. Your sight draft drawn on us marked "drawn under [Issuing Bank] [Letter of Credit Number] dated [Date]";

AND

2. Beneficiary's signed statement certifying:

"Pursuant to the terms of that certain Power Purchase and Sale Agreement dated _____ (Agreement") by and between Account Party and Beneficiary, Beneficiary is entitled to draw on this Letter of Credit for amounts owed by Account Party under the Agreement."

OR

“This Letter of Credit will expire in thirty (30) days or less and Account Party has not provided alternate security acceptable to Pacific Gas and Electric Company.”

This Letter of Credit expires at our counters located at [INSERT ADDRESS] on [INSERT DATE], (“Expiration Date”) but the Expiration Date shall be automatically extended without amendment for a period of one year and on each successive Expiration Date, unless at least sixty (60) days before the then current Expiration Date, we notify you by registered mail or courier that we elect not to renew this Letter of Credit for such additional period.

Special Conditions:

1. Partial drawing(s) are permitted.
2. All banking charges associated with this Letter of Credit are for the account of the Applicant.
3. This Letter of Credit is not transferable.
4. This Letter of Credit shall terminate upon the earlier of:
 - a. the making by you of the final drawing available to be made hereunder;
 - b. the surrender of this original Letter of Credit accompanied by your letter acknowledging termination of this Letter of Credit; and
 - c. the Expiration Date.

We hereby engage with you that draft(s) drawn under and in compliance with the terms of this Letter of Credit will be duly honored if drawn and presented for payment at any time before the close of business [INSERT TIME] at our counters located at [INSERT ADDRESS] on or before the Expiration Date or in the event of Force Majeure, as defined under Article 17 of the Uniform Customs and Practice for Documentary Credits (1993 Revision) International Chamber of Commerce Publication No. 500 (“UCP”), that interrupts our business, within fifteen (15) days after resumption of our business, whichever is later.

Except as otherwise stated herein, this credit is subject to the UCP and, with respect to matters not so covered, this Letter of Credit is subject to and governed by the laws of the State of New York.

If you have any questions regarding this Letter of Credit, please call [Telephone No.].

By: _____
Authorized Signature

Name: _____

Title: _____

APPENDIX II

INITIAL ENERGY DELIVERY DATE CONFIRMATION LETTER

In accordance with the terms of that certain Power Purchase and Sale Agreement dated _____ (“Agreement”) by and between Pacific Gas and Electric Company (“Buyer”) and CalRENEW-1 LLC (“Seller”), this letter (“Initial Energy Delivery Date Confirmation Letter”) serves to document the parties further agreement that (i) the conditions precedent to the occurrence of the Initial Energy Delivery Date have been satisfied, and (ii) Seller has scheduled and Buyer has received the Product, as specified in the Agreement, as of this ____ day of _____, _____. This letter shall confirm the Initial Energy Delivery Date, as defined in the Agreement, as the date referenced in the preceding sentence.

Seller represents to Buyer that it has been granted status as an Exempt Wholesale Generator. Additionally Seller provides the following FERC Tariff information for reference purposes only:

Tariff: Dated: Docket Number:

IN WITNESS WHEREOF, each Party has caused this Initial Energy Delivery Date Confirmation Letter to be duly executed by its authorized representative as of the date of last signature provided below:

CALRENEW-1 LLC

PACIFIC GAS AND ELECTRIC COMPANY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX III

MILESTONES SCHEDULE

Identify Milestone	Date for Completion
Anticipated date Advice Letter for this Agreement will be filed with the CPUC and PGC Fund Amount data relating to this Agreement will be filed with the CEC	June 6, 2007
Begin CEQA and local permitting processes	October 15, 2007
File Interconnection Application with CAISO	October 15, 2007
File grading and building permit applications	February 28, 2008
Close project financing	May 1, 2008
Place initial equipment orders	May 30, 2008
Place balance of equipment orders	July 30, 2008
Guaranteed Construction Start Date	November 1, 2008
Synchronize Facility to CAISO Grid	March 31, 2009
Guaranteed Commercial Operation Date	April 30, 2009

APPENDIX IV

PROJECT DESCRIPTION INCLUDING DESCRIPTION OF SITE

Description of Project:

Facility name: CalRENEW-1

Facility Site name: Cleantech America Solar Farm

Facility physical address: Intersection of California Avenue and San Diego Avenue,
County of Fresno, California

Total number of Units at the facility (committed and not committed to Buyer): One five
(5) MW facility

Technology Type: A range of flat panel and different high and low concentration
photovoltaic technologies

Description of Interconnection:

Substation: PG&E Mendota substation

Description of Site:

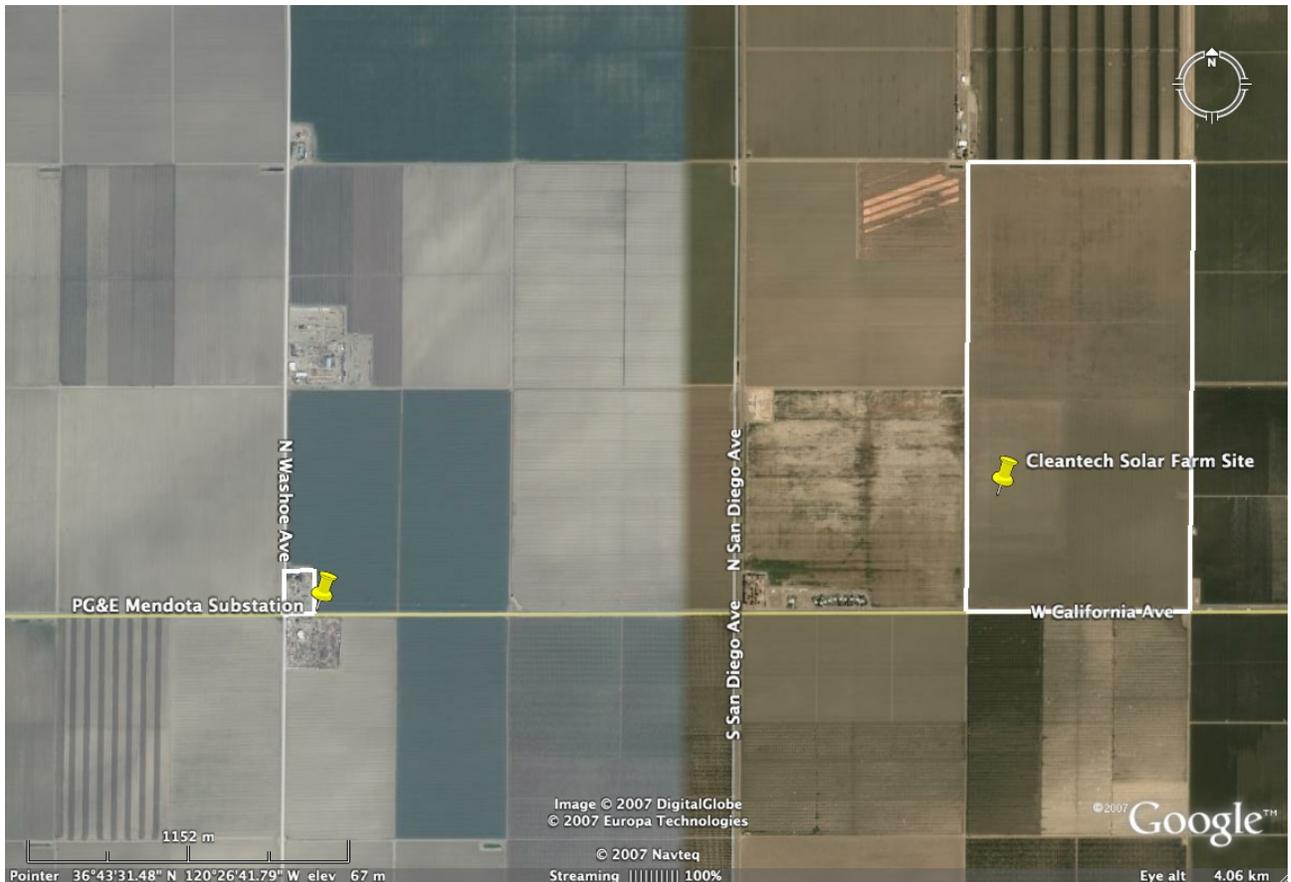
The term "Site" as defined in the Agreement means the following parcel description upon
which the facility is located:

Real property in the County of Fresno, State of California, described as follows:

LOTS 53,54,59,60,69,70,75 AND 76 of VALLEY VERDE COLONY, ACCORDING TO THE
MAP THEREOF RECORDED IN BOOK 3 PAGE 59 OF RECORD OF SURVEYS, FRESNO
COUNTY RECORDS, AND BEING THE EAST HALF OF SECTION 10, TOWNSHIP 14
SOUTH, RANGE 14 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO
THE OFFICIAL PLAT THEREOF.

APN 019-050-61S

A map of the Site is set forth below:



Description of Units:

The nameplate capacity of the Project is five (5) MW.

The Unit utilized as generation assets as part of the Project is described below:

The majority of the equipment used in CalRENEW-1 will be a mixture of 25+year life and proven performance polycrystalline or thin-film type modules, supplemented by a mixture of low and high concentrator technology, and series of Xantrex or Satcon inverters commonly utilized in the marketplace. The panels will be chosen based on significant marketplace performance history in addition to direct operating field experience by our partner, California Construction Authority (“CCA”). The panels will be put in series with the number of panels recommended by the inverter manufacturer. Twelve (12) strings of these panels will feed into a combiner box. The combiner boxes will feed into 500 KW inverters, which will output 480 VAC, 3-phase power. Ten (10) inverters will feed into an 8,000 amp, 480 VAC switch-board which will feed into a 5,000 KVA transformer with an output of 34.5 KV, 3 phase power. CCA will advise on the selection and purchase of the major equipment components.

APPENDIX V

FORM OF CERTIFICATION

This certification (“Certification”) is delivered by CalRENEW-1 LLC (“Seller”) to Pacific Gas and Electric Company (“Buyer”) in accordance with the terms of that certain Power Purchase and Sale Agreement dated _____ (“Agreement”) by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement. Seller hereby certifies and represents to Buyer the following:

1. The contract between Seller and the EPC Contractor for construction of the Project (the “Contract”) has been executed by each of Seller and the EPC Contractor;
2. All conditions to performance of the Contract have been satisfied;
3. The Notice to Proceed has been delivered by Seller to the EPC Contractor; and
4. There are no delays or waiting periods set forth in the Contract or in the Notice to Proceed that permit the EPC Contractor to delay performance of the Contract.

IN WITNESS WHEREOF, Seller has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below:

CALRENEW-1 LLC

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX VI

COMMERCIAL OPERATION CERTIFICATION PROCEDURE

In accordance with the terms of that certain Power Purchase and Sale Agreement dated _____ (“Agreement”) by and between Pacific Gas and Electric Company (“Buyer”) and CalRENEW-1 LLC (“Seller”) to declare and recognize the Commercial Operation Date of the Project, Seller shall notify Buyer that the Project is operating and able to produce and deliver Energy to Buyer in accordance with the terms of the Agreement (“Commercial Operation”) by delivering the attached Certificate of Commercial Operation, in the form attached hereto and as described below, from a Licensed Professional Engineer with respect to the Project’s ability to deliver an As-Available Product. Buyer shall accept such certification satisfying the requirements indicated below. All terms not defined herein shall have the meaning set forth in the Agreement.

The Certificate of Commercial Operation, in the form following this page, shall be submitted by Seller, and supported by the following:

- 1) Statement that the Solar Panels covering at least ninety-five percent (95%) of the Declared Contract Capacity have been erected in accordance with the manufacturer’s specifications (“Solar Panel Mechanical Completion”).
- 2) Statement that the electrical collection system related to the Solar Panels referenced in (1) above is complete, functional, and energized for the Project.
- 3) Statement that Seller’s collector substation is complete and capable of delivering an As-Available Product.
- 4) A statement signed by the manufacturer of the Solar Panels that solar panel commissioning is complete for those Solar Panels that have achieved Solar Panel Mechanical Completion. Solar panel commissioning is complete when the electrical and control systems have been energized and tested in accordance with the manufacturer’s specifications and the Solar Panels are released for electrical generation of power (“Solar Panel Commissioning Completion”).
- 5) Statement that the Project is operational and interconnected with the ISO Grid and capable of delivering Energy through either (a) the permanent Interconnection Facilities or (b) a temporary interconnection or other alternative interconnection arrangement that permits all or rotating segments of the Project to transmit Energy.

Certificate of Commercial Operation

The undersigned, CalRENEW-1 LLC (the “Seller”), does hereby deliver this Certificate of Commercial Operation (complete except for counter signature) to Pacific Gas and Electric Company (the “Buyer”). All capitalized terms not defined herein shall have the meaning set forth in that certain Power Purchase and Sale Agreement dated _____ (the “Agreement”) between Seller and Buyer.

In accordance with its obligation to declare and have Buyer recognize that the Project is operating and able to produce and deliver Energy to Buyer in accordance with the terms of the Agreement (“Commercial Operation”), Seller, through the Licensed Professional Engineer, hereby certifies and represents to Buyer that Commercial Operation has been achieved and that the following statements are true as of the date set forth herein:

A certified statement of the Licensed Professional Engineer, attached hereto has been provided as evidence of Commercial Operation of the Project to provide an As-Available Product and meet, at a minimum, the requirements indicated herein.

- a. The Project has achieved the following:
 - 1. Solar Panel Mechanical Completion, as defined in Appendix VI of the Agreement;
and
 - 2. Solar Panel Commissioning Completion, if available, as defined in Appendix VI of the Agreement.

- b. The solar facility comprising the Project is complete as follows:
 - 1. The electrical collection system related to the Solar Panels that have achieved Solar Panel Mechanical Completion is complete, functional, and energized; and
 - 2. The collector substation is complete and capable of operations.

- c. The Project is operational and interconnected with the ISO Grid and capable of delivering Energy through either (a) the permanent Interconnection Facilities or (b) a temporary interconnection or other alternative interconnection arrangement that permits all or segments of the Project to transmit Energy, in accordance with all requirements of the Agreement.

EXECUTED by SELLER this _____ day of _____, 200_.

CALRENEW-1 LLC

By: _____

Name: _____

Title: _____

[LICENSED PROFESSIONAL ENGINEER]

By: _____

Name: _____

Title: _____

BUYER concurs with this certification as set forth herein by SELLER and accepts this Certificate of Commercial Operation.

PACIFIC GAS AND ELECTRIC COMPANY

By: _____

Name: _____

Title: _____

APPENDIX VII

**FORM OF MONTHLY
PROGRESS REPORT**

**Monthly Progress Report
of**

**CalRENEW-1 LLC
("Seller")**

**provided to
Pacific Gas and Electric Company
("Buyer")**

[Date]

1.0 Instructions.

Any capitalized terms used in this report which are not defined herein shall have the means ascribed to them in the Power Purchase and Sale Agreement by and between CalRENEW-1 LLC (“Seller”) and Pacific Gas and Electric Company dated _____, 2007 (the “Agreement”).

Seller shall review the status of each significant Milestone of the construction schedule (the “Schedule”) for the Project and related project and Seller shall identify such matters referenced in clauses (i)-(v) below as known to Seller and which in Seller’s reasonable judgment are expected to adversely affect the Schedule, and with respect to any such matters, shall state the actions which Seller intends to take to ensure that the Milestones will be attained by their required dates. Such matters may include, but shall not be limited to:

(i) any material matter or issue arising in connection with a Governmental Approval, or compliance therewith, with respect to which there is an actual or threatened dispute over the interpretation of a law or regulation, actual or threatened opposition to the granting of a necessary Governmental Approval, any organized public opposition, any action or expenditure required for compliance or obtaining approval that Seller is unwilling to take or make, or in each case which could reasonably be expected to materially threaten or prevent financing of the Project or related project, attaining any Milestone, or obtaining any contemplated agreements with other parties which are necessary for attaining any Milestone or which otherwise reasonably could be expected to materially threaten Seller’s ability to attain any Milestone.

(ii) Any development or event in the financial markets or the independent power industry, any change in taxation or accounting standards or practices or in Seller’s business or prospects which reasonably could be expected to materially threaten financing of the Project or related project, attainment of any Milestone or materially threaten any contemplated agreements with other parties which are necessary for attaining any Milestone or could otherwise reasonably be expected to materially threaten Seller’s ability to attain any Milestone;

(iii) A change in, or discovery by Seller of, any legal or regulatory requirement which would reasonably be expected to materially threaten Seller’s ability to attain any Milestone;

(iv) Any material change in the Seller’s schedule for initiating or completing any material aspect of Project;

(v) The status of any matter or issue identified as outstanding in any prior Monthly Progress Report and any material change in the Seller’s proposed actions to remedy or overcome such matter or issue.

Seller shall complete, certify, and deliver this form of Monthly Progress Report to Buyer, attention Contract Management, together with all attachments and exhibits. Seller shall deliver such Reports to Buyer either by U.S. Mail or electronic mail.

2.0 Executive Summary.

2.1. Major activities to be performed for each aspect of the Project during the current calendar month.

Please provide a brief summary of the Major ¹ activities to be performed for each of the following aspects of the Project during the current calendar month:

- 2.1.1 Design
- 2.1.2 Property Acquisition
- 2.1.3 Engineering
- 2.1.3 Major Equipment procurement
- 2.1.4 Construction and Interconnection
- 2.1.5 Milestone report
- 2.1.6 Permitting (See Section 3.0 below)
- 2.1.7 Startup Testing and Commissioning

2.2. Major activities scheduled to be performed in the previous calendar month but not completed as scheduled.

Please provide a brief summary of the Major activities which were scheduled to be performed in the previous calendar month and their status, including those activities that were not completed as scheduled:

- 2.2.1 Design
- 2.2.2 Property Acquisition
- 2.2.3 Engineering
- 2.2.3 Major Equipment procurement
- 2.2.4 Construction and Interconnection
- 2.2.5 Milestone report
- 2.2.6 Permitting

¹ For Purposes of this report, "Major" shall mean any activity, event, or occurrence which may have a material adverse effect on the construction of the Project or completion of the Project on a timely basis if such activity, event, or occurrence occurs or if such activity, event, or occurrence fails to occur as anticipated or scheduled, which material adverse effect includes, but is not limited to, Seller's inability to achieve a Milestone date.

2.2.7 Startup Testing and Commissioning

3.0 Permitting.

The following describes each of the Major Governmental Approvals required for the construction of the Project and the status thereof:

3.1 State and/or Federal Governmental Approvals.

Please describe each of the Major state and/or Federal Governmental Approvals to be obtained by Seller (or Seller’s contractor or construction engineer (the “EPC Contractor”) (including its subcontractors)) and the status thereof:

DESCRIPTION	STATUS

3.2 Local and/or county Governmental Approvals.

Please describe each of the Major local and/or county Governmental Approvals to be obtained by Seller (or the EPC Contractor (including its subcontractors)) and the status of each.

DESCRIPTION	STATUS

3.3. Permitting activities that occurred during the previous calendar month.

Please list all permitting activities that occurred during the previous calendar month.

3.4 Permitting activities occurring during the current calendar month.

Please list all permitting activities that are expected to occur during the current calendar month.

3.5 Permitting Notices received from EPC Contractor.

Please attach to this Monthly Progress Report copies of any notices related to permitting activities received from EPC Contractor (including its subcontractors) during the previous calendar month.

4.0 Design Activities.

4.1 Table of design schedule to be followed by Seller and its subcontractors.

The following table lists the design schedule to be followed by Seller and the EPC Contractor (including its subcontractors).

ACTIVITY	EPC CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

4.2 Design activities to be performed during the current calendar month.

Please explain in detail the design activities that are expected to be performed during the current calendar month.

4.3. Table of design activities completed during the previous calendar month.

Please explain in detail the design activities that were completed during the previous calendar month.

5.0 Property Acquisition Activities.

5.1 Table of property acquisition schedule to be followed by Seller.

The following table lists the property acquisition schedule to be followed by Seller.

ACTIVITY	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

5.2 Property Acquisition activities to be performed during the current calendar month.

Please explain in detail the property acquisition activities that are expected to be performed during the current calendar month.

5.3. Table of property acquisition activities completed during the previous calendar month.

Please explain in detail the property acquisition activities that were completed during the previous calendar month.

6.0 Engineering Activities.

6.1 Table of engineering schedule to be followed by Seller and the EPC Contractor (including its subcontractors).

The following table lists the engineering schedule to be followed by Seller and its subcontractors:

ACTIVITY	EPC CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

6.2 Engineering activities to be performed during the current calendar month.

Please explain in detail the engineering activities that are expected to be performed during the current calendar month.

6.3 Engineering activities completed during the previous calendar month.

Please explain in detail the engineering activities that were completed during the previous calendar month.

6.4 Three-month look-ahead engineering schedule.

Please provide a three-month look ahead engineering schedule.

7.0 Major Equipment Procurement.

7.1 Table of major equipment to be procured by Seller or the EPC Contractor (including its subcontractors).

The following table lists major equipment to be procured by Seller or EPC Contractor (including its subcontractors):

EQUIPMENT DESCRIPTION	MANUFACTURER	MODEL	CONTRACTED DELIVERY DATE	ACTUAL DELIVERY DATE	PROJECTED INSTALLATION DATE	ACTUAL INSTALLATION DATE

7.2 Major Equipment procurement activities to be performed during the current calendar month.

Please explain in detail the major equipment procurement activities that are expected to be performed during the current calendar month.

7.3 Major Equipment procurement activities completed during the previous calendar month.

Please explain in detail the major equipment procurement activities that were completed during the previous calendar month.

8.0 Construction and Interconnection Activities.

8.1 Table of construction and interconnection activities to be performed by Seller or EPC Contractor (including its subcontractors).

The following table lists construction and interconnection activities to be performed by Seller and its subcontractors:

ACTIVITY	EPC CONTRACTOR/ SUBCONTRACTOR	SCHEDULED COMPLETION DATE	ACTUAL COMPLETION DATE

8.2 Construction interconnection activities to be performed during the current calendar month.

Please explain in detail the construction and interconnection activities that are expected to be performed during the current calendar month.

8.3 Construction and interconnection activities completed during the previous calendar month.

Please explain in detail the construction and interconnection activities that are expected to be performed during the previous calendar month.

8.4 EPC Contractor Monthly Progress Report.

Please attach a copy of the Monthly Progress Reports received during the previous calendar month from the EPC Contractor pursuant to the construction contract between Seller and EPC Contractor, certified by the EPC Contractor as being true and correct as of the date issued.

8.5 Three-month look-ahead construction and interconnection schedule.

Please provide a three-month look-ahead construction schedule.

9.0 Milestones.

9.1 Milestone schedule.

Please state the status and progress of each Milestone and identify any completed Milestone(s) for the previous calendar month.

9.2 Remedial Action Plan (applicable if Seller fails to achieve Milestone by the Milestone Date).

Please explain in detail each of the following aspects of Seller's Remedial Action Plan, as provided in Section 3.8 of the Agreement:

9.2.1 Missed Milestone

9.2.2 Plans to achieve missed Milestone

9.2.3 Plans to achieve subsequent Milestone

9.2.4 Delays in engineering schedule

Please explain in detail any delays beyond the scheduled Milestone Dates stated in Section 5.1, any impact from the delays on the engineering schedule, and Seller's plans to remedy such impact.

9.2.5 Delays in Major Equipment procurement

Please explain in detail any delays beyond the contracted delivery date and/or the projected installation date stated in Section 6.1, any impact from the delays on Major Equipment procurement schedule, and Seller's plans to remedy such impact.

9.2.6 Delays in construction and interconnection schedule

Please explain in detail any delays beyond the scheduled completion dates stated in Section 7.1, any impact from the delays on the construction and interconnection schedule, and Seller's plans to remedy such impact.

10.0 Safety and Health Reports

10.1 Please list all accidents from the previous calendar month:

10.2 Any work stoppage from the previous calendar month:

10.3 Work stoppage impact on construction of the Project:

I, _____, on behalf of and as an authorized representative of CalRENEW-1 LLC, do hereby certify that any and all information contained in this Seller's Monthly Progress Report is true and accurate, and reflects, to the best of my knowledge, the current status of the construction of the Project as of the date specified below.

By: _____

Name: _____

Title: _____

Date: _____



PLEASE DO NOT ALTER THIS

APPENDIX VIII

OUTAGE NOTIFICATION FORM

(If Internet and Email are not available, fax to two groups at PG&E)

SEND VIA FAX
To Pacific Gas & Electric Company

DATE: _____

Attention: Manager Electric Settlements
Attention: Outage Coordinator

FAX NUMBER: (415) 973-2151
FAX NUMBER: (415) 973-5333

PG&E LOG NUMBER: _____

Unit/ProjectName: CalRENEW-1 LLC

NOTIFICATION OF:

PLANNED OUTAGE / FORCED OUTAGE / CURTAILMENT / PROLONGED OUTAGE

The Unit will shut down for PLANNED OUTAGE from:

_____ to _____

(Date and Time)

(Date and Time)

The Unit experienced a FORCED OUTAGE/CURTAILMENT/PROLONGED OUTAGE (circle applicable outage) from:

_____ to _____

(Date and Time)

(Date and Time)

The FORCED OUTAGE/CURTAILMENT was confirmed via telephone on

_____ with _____

(Date and Time)

(Name of PG&E Individual)

COMMENTS: Description and Cause of Forced Outage/Curtailment/Planned Outage (circle applicable outage)

Outage Notification Form submitted by: _____ Phone #: _____

(Print Name)

APPENDIX IX
COUNTERPARTY NOTIFICATION REQUIREMENTS FOR
OUTAGES AND GENERATION SCHEDULES

A. AREA CONTROL CENTER NOTIFICATION REQUIREMENTS FOR START-UP AND SHUTDOWN

ALWAYS notify your designated Area Control Center prior to paralleling to or after disconnecting from the ISO Grid. Seller's Area Control Center is **Los Banos**. Its telephone number is **(209) 826-8189**.

- Call for permission to parallel before any start-up
- Call again, after start-up, with parallel time.
- Call after any separation and report separation time as well as date and time estimate for return to service.

B. NOTIFICATION REQUIREMENTS FOR SCHEDULES AND CHANGES TO SCHEDULES

1. Send Day Ahead Schedule by the following method:

- a. by posting to PG&E's secure Internet site. Contact PG&E's Bilateral Settlements' group to get permission and your password to access this Internet site after execution of the Agreement.

If Internet is unavailable, use either of the following two methods:

- b. E-mail. If the Internet site is not available, then send data via e-mail with an attached Excel spreadsheet in the format provided by PG&E. The spreadsheet must contain the following information: assigned log # of unit in first column; date and time (i.e., Hour Ending) in second column; and, generation level in kW in third column. Contact your designated PG&E Settlement Analyst or the Manager of Electric Settlements if you encounter any issue; or
- c. Via Facsimile, Attention: Manager of Electric Settlements. If e-mail is not available, then the send via facsimile, a spreadsheet in the format specified above in subpart (b), submit your Project schedules and be sure to include the name and phone number of the individual that is providing this information. This method is discouraged as it involves additional steps, one of which may be manual data entry if the document cannot be scanned and read properly.

2. Send Hour Ahead notification of changes to Day Ahead Schedules by both of the following methods:

- 2.1 Internet site. Access and your password to this web site to be provided upon execution of the power purchase and sale agreement; and
 - 2.2 Phone: Call PG&E's Hour-Ahead Trading Desk with any changes to the schedule or notifications at least 30 minutes prior to the ISO scheduling hour-ahead deadline for that delivery hour.
3. Send the Outage Notification Form by the following method:
- 3.1 Internet site. Access and your password to this web site to be provided upon execution of the power purchase and sale agreement; or
 - 3.2 Email. If the Internet site is not available, then send via e-mail, a completed Outage Notification Form and be sure to include the name and phone number of the individual that is providing this information. Contact your designated PG&E Settlement Analyst or the Manager of Electric Settlements if you encounter any issue; or
 - 3.3 Via Facsimile, Attention: Manager of Electric Settlements. If e-mail is not available, then send via facsimile a completed Outage Notification Form and be sure to include the name and phone number of the individual that is providing this information. This method is discouraged as it involves additional steps, one of which may be manual data entry if the document cannot be scanned and read properly.

C. REASONS TO SEND NOTIFICATION AND TIMING REQUIREMENTS

This subpart C addresses (I) instructions for submitting generation and outage information to PG&E for each Unit and (II) the cut off times that determine when certain of these notifications need to be communicated directly (i.e., called in) to PG&E's Short-Term Electric Supply.

I. Submission of Outages, Generation Whenever the Unit experiences an outage, plans to schedule maintenance, or is subject to a curtailment, PG&E's web site which contains the Outage Notification Form or its equivalent, is to be used to comply with the notification requirements under the contract. The Outage Notification Form or its equivalent shall be used when reporting outages or curtailment. The Outage Notification Form or its equivalent must be completely filled out, including date and start time of event, cause of the outage or curtailment, expected duration, expected time and date of return to service or full output and transmitted to Power Trading and Power Settlements.

1. Testing the Unit(s) During an Outage. Notify the designated PG&E Control Center by telephone and the Power Settlements Department as provided above before testing the Unit(s) during an Outage. Indicate on the original Outage Notification Form if testing will be conducted during an Outage.
2. Communication with PG&E Control Center. Seller shall maintain operating communications with the PG&E Control Center at **Los Banos**. The operating communications shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled Outages, equipment clearances, protective relay operations, levels of operating voltage and reactive power, and daily capacity and generation reports.

3. Logs of Communication Records with PG&E's Area Control Center and Electric Settlements personnel: Seller shall maintain written records of all communiqués with PG&E which will be available for audit at PG&E's request. These records shall include, but not be limited to, system parallel operation or separation, scheduled and unscheduled outages, equipment clearances, protective relay operations, levels of operating voltage and reactive power, and daily capacity and generation reports.

II. Cut Off Times for Notifications to Electric Settlements Versus Having to Contact Short-Term Electric Supply Directly

Even though PG&E's Electric Settlements department requires that all Day-Ahead and Hour-Ahead Schedules and outages be submitted via the Internet web site, (or in the event it is not available email, or facsimile) in cases where information has changed (i.e., exceptions) Seller must call:

- (a) the Day-Ahead Trading Desk with updated Day-Ahead information at least 5 hours prior to the ISO Day-Ahead scheduling deadline for that delivery day;
- (b) the Hour Ahead Trading Desk with any Hour Ahead changes or modifications at least 30 minutes prior to the ISO scheduling deadline for that delivery hour: and
- (c) the Outage Coordinator with any outage information that was not submitted to Electric Settlements at least 38 hours prior to the delivery day.

APPENDIX X

RESOURCE ADEQUACY

1. Seller and Buyer agree that throughout the Delivery Term the Parties shall take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to enable Buyer to use the RA Capacity to satisfy Buyer's Resource Adequacy Requirements. Such commercially reasonable actions may include, but are not limited to, the following:
 - A. Cooperating with and encouraging the regional entity, including the CAISO, if applicable, responsible for Resource Adequacy administration to certify or qualify the Contract Capacity for Resource Adequacy Requirements purposes. This includes following requirements the CPUC has established and may establish in the future, including calculation of RA Capacity over all hours required for Resource Adequacy Requirement eligibility, and delivery of the RA Capacity to the CAISO Interconnection Point; and
 - B. Negotiating in good faith to make necessary amendments, if any, to this Agreement to conform this Agreement to subsequent clarifications, revisions or decisions of the CPUC or any other entity, including the CAISO, with respect to Resource Adequacy.
2. CAISO Dispatch Requirements:
 - A. Seller shall deliver the full Contract Capacity to the CAISO Interconnection Point; and
 - B. Seller shall commit the Project to generate up to the full Contract Capacity, as ordered by the CAISO, unless the Project (i) is subject to a partial or full Forced Outage, (ii) is undergoing a Planned Outage, or (iii) is affected by an event of Force Majeure.
3. RA Capacity Delivery Point. The delivery point for the Project, with respect to Buyer's Resource Adequacy Requirements, shall be the Substation for the Project as set forth in Appendix IV.

APPENDIX XI

CONTRACT QUANTITY DEGRADATION

Contract Year	Contract Quantity (MWh)
1	9,455
2	9,360
3	9,267
4	9,174
5	9,082
6	8,992
7	8,902
8	8,813
9	8,725
10	8,637
11	8,551
12	8,465
13	8,381
14	8,297
15	8,214
16	8,132
17	8,051
18	7,970
19	7,890
20	7,811