



Renewable Energy Department
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CONFIDENTIAL

April 2, 2015

Desert Sunlight 300, LLC

[REDACTED]
NextEra Energy Resources
700 Universe Blvd FEB/JB
Juno Beach, FL 33408

E-Mail: [REDACTED]

VIA E-MAIL AND US MAIL

Re: Letter Agreement Regarding that Certain Power Purchase Agreement, PG&E Log No. 33R138, By and Between Pacific Gas and Electric Company ("PG&E" or "Buyer") and Desert Sunlight 300, LLC ("Seller"), dated as of February 24, 2010, as amended on May 5, 2010 and July 10, 2014 (collectively the "PPA").

This letter agreement ("Letter Agreement") is entered into as of the first above referenced date ("Letter Agreement Execution Date") by Seller and PG&E in connection with the PPA. Capitalized terms not otherwise defined herein shall have the respective meaning given in the PPA.

Since March 2014, the Parties have been discussing and assessing Seller's requested increase in the Contract Price for the Project pursuant to Section 4.1 of the PPA. Seller has not requested an increase to the Contract Price for Project Network Upgrades Costs, but has requested a Contract Price for Project Interconnection Costs. In order to more clearly administer the Contract Price increase and other related terms and conditions of the PPA, the Parties agree to the following:

1. In conformity with Section 4.1 and effective as of the Initial Energy Delivery Date, the Parties agree that Contract Price is revised as follows to reflect the Contract Price increase with respect to Project Interconnection Costs only:

Period	Contract Price (\$/MWh)
Initial Energy Delivery Date through Commercial Operation Date	\$131.75/MWh
Contract Years 1-25 (inclusive)	\$131.75/MWh

The Parties further agree that the request for and implementation of a Contract Price increase for Project Interconnection Costs and Project Network Upgrade Costs pursuant to the PPA is a one-time election and at Seller's request. Seller agrees and acknowledges that as of the Letter Agreement Execution Date, Seller shall not have any further right to request or receive a Contract Price increase from PG&E for Project Interconnection Costs or Project Network Upgrade Costs pursuant to the PPA.

2. To further align (a) the Contract Price increase as set forth above and pursuant to Section 4.1 to the Project and the Grid Support Facilities, and (b) the amount of Delivered Energy that Seller agreed to sell and deliver and PG&E agreed to receive and pay for, pursuant to the PPA, the Parties agree to amend and restate Section 3.1(f) as of the Letter Agreement Execution Date as follows:

(f) Contract Capacity. The Contract Capacity of the Project shall be 300 MW, as such amount may be adjusted pursuant to Section 3.9(e) or Section 10.1. Throughout the Delivery Term, except as otherwise directed by the CAISO, Seller shall sell 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 Surplus Delivered Energy. To the extent Seller does deliver any Surplus Delivered Energy to the Delivery Point in a Settlement Interval in which the Real-Time Price for the applicable PNode is negative, Seller shall pay Buyer an amount equal to the Surplus Delivered Energy (in MWh) during such Settlement Interval, multiplied by the absolute value of the Real-Time Price per MWh of the Project's Pnode for such Settlement Interval.

Further, the Parties agree to revise the last sentence in Section 3.9(d) as follows:

For those periods during which the Maximum Project Capacity Limitation listed on Appendix III is 300 MW, Section 3.1(f) hereof shall be applicable.

3. To facilitate the Parties' obligations in the PPA with respect to the clarifications agreed to above, the Parties further agree that the following definitions shall be added to Article One as follows:

“Real-Time Market” means the existing “Real-Time Market” as that term is defined in the CAISO Tariff in effect on the Letter Agreement Execution Date or any future intra-day market(s) conducted by the CAISO occurring after the Day-Ahead Market.

“Real-Time Price” means the resource specific locational marginal price applied to the PNode applicable to the Project in the CAISO Real-Time Market. If there is more than one applicable Real-Time Price for the same period of time, Real-Time Price shall mean the price associated with the smallest time interval.

“Settlement Interval” has the meaning set forth in the CAISO Tariff.

“Surplus Delivered Energy” means, in any Settlement Interval, the Delivered Energy that exceeds the product of Contract Capacity multiplied by the duration of the Settlement Interval. Surplus Delivered Energy shall be excluded from Delivered Energy or Energy in Sections 3.1(e)(ii), 3.1(i)(iii), 3.1(k), 3.9(d), 4.3, 4.4, 4.6(b), Appendix VII, and from the definition of Total Energy in Section 1.228.

4. Operational Characteristics. Exhibit A to this Letter Agreement shall be added as Appendix XVII to the PPA and the Parties agree that the operational characteristics in Appendix XVII shall be applicable to the Parties’ rights and obligations in Section 3.1(i)(iii).
5. Notice List. No later than fifteen (15) Business Days of the Letter Agreement Execution Date, Seller shall provide PG&E with Seller’s updated contact information for “Scheduling” in form of an updated notice list to the Cover Sheet.

The Parties agree that this Letter Agreement shall be effective as of the Letter Agreement Execution Date, unless otherwise specified within this Letter Agreement, as applicable.

Except to the extent expressly set forth in this Letter Agreement, this Letter Agreement does not modify or amend the PPA and all provisions of the PPA remain in full force and effect. This Letter Agreement along with the PPA constitute the entire agreement between the Parties relating to the subject matter hereof and shall supersede all other prior and contemporaneous understandings, agreements, and communications, both written and oral, between the Parties relating to the subject matter hereof. The Letter Agreement shall be governed by PPA Section 10.12. This Letter Agreement may be executed in one or more counterparts, each one of which shall constitute an original and all of which shall be deemed one and the same agreement. Delivery of an executed

counterpart of this Letter Agreement via facsimile or email will be deemed as effective as delivery of an originally executed counterpart.

Each of the Parties hereto has caused this Letter Agreement to be duly executed by its duly authorized representative, as of the Letter Agreement Execution Date:

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By: 
Name: Donald P. Howerton
Title: Director, Renewable Transactions

Acknowledged and Agreed
Desert Sunlight 300, LLC

By: 
Name: _____
Title: Gregory Schneck
Vice President

Exhibit AAppendix XVIIBuyer Dispatch Down Period

Operational characteristics of the Project for Buyer Dispatch Down Period which must be equal to or greater than the resource flexibility reflected in the then-current resource Master File, as such term is defined in the CAISO Tariff.

- Nameplate capacity of the Project: 300 MW
- Minimum operating capacity: 0 MW
- Minimum dispatch level: 30 MW
- The Project is capable of complying with its obligations under the Agreement with respect to a Buyer Dispatch Down Period, including responding to the 5 minute signals of the Real Time Market.
- Maximum number of Start-ups per calendar day: 3 “Start-up” means the action of bringing a Project from non-operation to operation at or above the Project’s Minimum Load (as defined in the CAISO Tariff), or with positive generation output if Minimum Load is zero.
- Maximum number of Buyer Dispatch Down Period if curtailed to 0 MW: 3
- Minimum down time if curtailed to 0MW: 10 minutes
- Ramp Rate (as defined in the CAISO Tariff): 30 MW/minute