



GEYSERS POWER COMPANY, LLC

May 28, 2008

Roy Kuga
Vice President, Energy Supply
Pacific Gas and Electric Company
245 Market Street
San Francisco, CA 94105

Re: Extension Letter for Power Purchase and Sale Agreement (Baseload Renewable Product – QF Restructuring), dated as of January 30, 2008, between Pacific Gas and Electric Company and Geysers Power Company, LLC

Dear Roy:

Geysers Power Company, LLC (“GPC”) and Pacific Gas and Electric Company (“PG&E”) are parties to that certain Power Purchase and Sale Agreement (Baseload Renewable Product – QF Restructuring), dated as of January 30, 2008 (the “PPSA”). Pursuant to Section 11.2 of the PPSA, and in accordance with the terms thereof, either Party may terminate the PPSA if the Conditions have not occurred prior to one hundred twenty (120) days from the Execution Date, which is February 1, 2008. As the Parties are working collaboratively to finalize and satisfy the conditions, but that as of the date hereof, the Conditions have not been completely satisfied, the Parties hereby agree that the Section 11.2 of the PPSA shall be amended such that the rights thereunder for either to terminate shall not occur prior to **one hundred and fifty (150) days** from the Execution Date.

Except as specifically provided, nothing herein modifies or amends the terms or conditions of the PPSA. The enforcement of this Extension Letter is subject to the terms and conditions of the PPSA. If you concur with the certifications and agreements set forth hereinabove, please execute two copies of this Extension Letter and remit one, fully-executed copy to Alex Makler by facsimile at (925) 479-7303.

Sincerely

GEYSERS POWER COMPANY, LLC

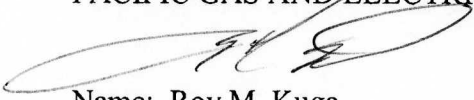
Name: Dennis Gilles
Title: Vice President

10350 Socrates Mine Road, Middletown, CA 95461 (707) 431-6000

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ACKNOWLEDGED AND AGREED

PACIFIC GAS AND ELECTRIC COMPANY

A handwritten signature in black ink, appearing to read 'Roy M. Kuga', is written over the company name.

Name: Roy M. Kuga
Title: Vice President, Energy Supply