

Donald P. Howerton Director – Renewable Transactions Energy Procurement 77 Beale Street, 25<sup>th</sup> Floor Mail Code B25J San Francisco, CA 94105

415.973.7000

October 14, 2015

## Via Email & US Email

Shafter Solar, LLC c/o NextEra Energy Resources, LLC 700 Universe Blvd., FBD/JB 77 Juno Beach, FL 33408 Attn: Greg Schneck, Vice President

RE: Shafter Solar Project (RAM 3) - Deliverability Status [PG&E Log No. 33R291]

Dear Mr. Schneck,

Pacific Gas and Electric Company ("PG&E") and Shafter Solar, LLC ("Seller") are parties to that certain Power Purchase Agreement executed on April 10, 2013, for the Shafter Solar Project (the "PPA"). All capitalized terms used, but not defined herein, shall have the same meaning provided to them in the PPA.

At PPA execution, Seller elected to be a Full Capacity Deliverability Status ("FCDS") Seller on the PPA's Cover Sheet. Pursuant to Section 4.4(c) of the PPA, the FCDS TOD Factors are applicable the first day of the month immediately following the date that is forty-five (45) calendar days from the Effective FCDS Date. Per the PPA, the Effective FCDS Date means the date on which Seller provides Buyer with Notice and documentation from the California Independent System Operator ("CAISO") that the Project has attained FCDS, which Buyer subsequently finds, in its reasonable discretion, to be adequate evidence that the Project has attained FCDS. PG&E submitted the NQC request to the CAISO on June 4, 2015, and received confirmation on July 15, 2015, that the NQC had been approved. Therefore, the Effective FCDS Date is July 15, 2015.

Currently, the Project is listed with a designation of Interim Deliverability ("ID") on the 2015 Final NQC List, the list published on the CAISO's website that describes the amount of net qualifying capacity ("NQC") that can be counted toward meeting PG&E's Resource Adequacy ("RA") requirements for the California Public Utility Commission's RA program for the 2015 RA compliance year. Currently, the Seller has not obtained an FCDS Finding as designated by the CAISO. However, because the CAISO published NQC values on the 2015 Final NQC List for the 2015 RA compliance year that are 100% of the values as if the Project had obtained FCDS, PG&E agrees to apply the FCDS TOD Factors commencing effective September 1, 2015. Payment to reflect the FCDS TOD Factors will be included in the October 25, 2015, invoice.

If the CAISO determines at any point in the future that the Project no longer has ID designation with an NQC equal to 100% of FCDS, and has not achieved FCDS, then PG&E will not apply the FCDS TOD Factors with respect to payment for the applicable compliance year.

Effective September 1, 2015, Seller will be responsible for all costs, charges, expenses, penalties, and obligations resulting from Availability Standards, and Seller shall be entitled to retain all credits, payments, and revenues, if any, resulting from Seller achieving or exceeding Availability Standards, if applicable, pursuant to Section 3.3(b) of the PPA.

The terms of the PPA shall not be amended, waived, or modified except as expressly stated herein. PG&E retains all other rights in law and in equity. Should you have any questions or comments, please contact Ryan Susanto at (415) 973-1873 or via email at <a href="mailto:rzs6@pge.com">rzs6@pge.com</a>.

Sincerely,

Donald P. Howerton

Director, Renewable Transactions

almore Hours

ACKNOWLEDGED AND AGREED Shafter Solar LLC

. .

Signature@

Name: Rebecca J. Kujawa
Vice President

Title:

Date:

Cc: Tyler Hardin

Jennifer Gonzalez Dudek

Andrew Kushner Don Howerton Candice Chan Chad Curran