

July 19, 2016

Via Email & US Mail

Sierra Pacific Industries  
Attn: George Emmerson  
PO Box 496028  
Redding, CA 96049

Re: Letter Agreement for Merchantable Log Deliveries for Incremental Generation from SPI Biomass Portfolio Project (PG&E Log No. 33R254)

Dear George:

This Letter Agreement refers to the Power Purchase Agreement, by and between Pacific Gas and Electric Company, a California corporation (“PG&E” or “Buyer”) and Sierra Pacific Industries, a California corporation (“Seller” or “SPI”) dated as of August 9, 2012, as amended (the “Agreement”). Any capitalized term used but not defined herein shall have the meaning specified for such term in the Agreement.

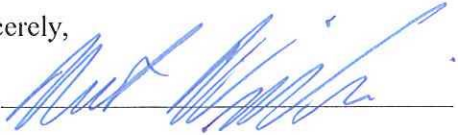
By countersigning this Letter Agreement in the space provided below, Seller agrees to amend the Agreement as follows:

- (1) Section 9 (a) of the Fifth Amendment is hereby amended and restated in its entirety as follows:  
  
“For the purposes of this Letter Agreement, Delivered Fuel shall mean chipped or hogged (“Processed”) wood waste no greater than three inches (3”) in any dimension, and Merchantable Logs.”
- (2) The following definition is hereby added to the Fifth Amendment as follows:  
  
““Merchantable Logs” means conifer logs suitable for making lumber that meet species, diameter, length, grade, and other merchantability specifications listed in valid SPI purchase log confirmation contracts.”
- (3) Section 2 of the Fifth Amendment is hereby amended by adding the following sentences:  
  
Merchantable Logs shall be converted to BDT of Processed Delivered Fuel by multiplying the tons of Merchantable Logs delivered in the previous week (Sunday through Saturday) by the average ratio of BDT of Processed Delivered Fuel to green tons of Processed Delivered Fuel for that week. If no Processed Delivered Fuel is delivered in a week during which Merchantable Logs are delivered, the most recently available average ratio of BDT to green tons of Processed Delivered Fuel for a week shall be used.
- (4) In all other respects, the Agreement shall remain unchanged by this Letter Agreement. This Letter 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 email will be deemed as effective as delivery of an originally executed counterpart. Any Party delivering an executed counterpart of this Agreement by email 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.

- (5) Effective Date. This Letter Agreement shall become effective on the date it has been duly executed by the authorized representatives of each of Buyer and Seller.

Sincerely,

By:



Name: Martin Wyspianski

Title: Senior Director, Renewable Energy

Date:

7/19/2016

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation

Acknowledged and Agreed:

By: 

Name: George Emmerson

Title: President

Date: 7/19/16

SIERRA PACIFIC INDUSTRIES, a California corporation