



SOUTHERN CALIFORNIA
EDISON

An *EDISON INTERNATIONAL* Company

RENEWABLE POWER PURCHASE AND SALE AGREEMENT

between

SOUTHERN CALIFORNIA EDISON COMPANY

and

GEYSERS POWER COMPANY, LLC

(RAP ID #3107)

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RENEWABLE POWER PURCHASE AND SALE AGREEMENT

between

SOUTHERN CALIFORNIA EDISON COMPANY

and

GEYSERS POWER COMPANY, LLC

(RAP ID #3107)

PREAMBLE

This Renewable Power Purchase and Sale Agreement (the “Agreement”) is made and effective as of the following date: April 12, 2007 (“Execution Date”).

This Agreement is entered into between:

- (a) **Southern California Edison Company** (“SCE”), a California corporation, whose principal place of business is:
2244 Walnut Grove Avenue, Rosemead, California 91770; and
- (b) **Geysers Power Company, LLC** (“Seller”), a Delaware limited liability company, whose principal place of business is:
50 West San Fernando Street, San Jose, CA 95113.

SCE and Seller are sometimes referred to herein individually as a “Party” and jointly as “Parties.”

Capitalized terms in this Agreement shall have the meanings set forth herein or in Exhibit A.

RECITALS

WHEREAS, SCE is an investor owned electric utility whose service territory is generally located in southern California and which is required by the California Renewable Portfolio Standard Program, as codified at California Public Utilities Code Section 399.11, *et seq.*, to procure renewable power from ERRs.

WHEREAS, Seller owns and operates geothermal generation facilities and related assets (including the Generating Facility Units) located at the Geysers Known Geothermal Resource Area in Sonoma and Lake Counties, California as described in greater detail in Exhibit B hereto, and which qualify, as of the Execution Date, as ERRs.

WHEREAS, Seller and its Affiliates responded to SCE's Request For Proposals from Eligible Renewable Energy Resource Suppliers issued on September 2, 2005 to sell to SCE electric energy from the Generating Facility Units.

WHEREAS, SCE and Seller's Affiliate, Calpine Energy Services, L.P. ("CES"), entered into an original Master Power Purchase and Sale Agreement (the "Existing Agreement") for 200 MW of Firm Contract Capacity (as such term is used in the Existing Agreement) from a group of the generating facilities at the Geysers Project on December 20, 2002.

WHEREAS, Seller and many of its Affiliates, including CES, are debtors in the Calpine Bankruptcy, filed on December 20, 2005.

WHEREAS, as part of their first day filings, CES and Calpine Corporation filed a motion (the "Rejection Motion") which sought to reject the Existing Agreement pursuant to Section 365 of the Bankruptcy Code.

WHEREAS, on January 27, 2006, the United States District Court for the Southern District of New York issued a ruling (the "District Court Decision"), which, among other things, held that the Bankruptcy Court lacked jurisdiction to rule on the Rejection Motion.

WHEREAS, CES and Calpine have appealed the District Court Decision to the United States Court of Appeals for the Second Circuit (the "Second Circuit Appeal").

WHEREAS, as of the Execution Date, there has been no ruling on the Second Circuit Appeal.

WHEREAS, to resolve the Second Circuit Appeal as to rejection of the Existing Agreement, and to provide for the sale of renewable power by Seller to SCE, SCE and Seller have agreed to enter into this Agreement and an associated Contingent Settlement Agreement.

NOW, THEREFORE, the Parties agree as follows:

The contents of this document are subject to restrictions on disclosure as set forth herein.

ARTICLE ONE. SPECIAL CONDITIONS1.01 Agreement Term.

(a) Term Start Date:	The Interim Period Effective Date.
(b) Term End Date:	24:00:00 PPT of the calendar day that is: <ul style="list-style-type: none"> (i) The Termination Date; (ii) If there is no Termination Date, either <ul style="list-style-type: none"> (1) The day prior to the tenth anniversary of the Term Start Date; or (2) Any later date agreed to by the Parties in writing.

1.02 General Information.

(a) ERR Type:	Geothermal.
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1.03 Base Load Renewable Power Contract Quantity.

(a) Base Load Renewable Power Contract Quantity, during the Interim Period:	Two hundred (200) MW.
(b) Base Load Renewable Power Contract Quantity, on and after the Final Effective Date:	Two hundred twenty five (225) MW.
(c) Minimum Base Load Renewable Power Contract Quantity Scheduled Amount:	One (1) MW.
(d) Maximum Base Load Renewable Power Contract Quantity Scheduled Amount:	Base Load Renewable Power Contract Quantity.

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1.04 Additional Renewable Power.

(a) Minimum Additional Renewable Power Scheduled Amount:	One (1) MW.
(b) Maximum Additional Renewable Power Scheduled Amount:	None.
(c) Authorized Additional Renewable Power Offer Period:	Seller may offer Additional Renewable Power to SCE at any time on or after the Final Effective Date, in accordance with Exhibit E.

1.05 Renewable Power Prices.

(a) Base Load Renewable Power Price during the Pre-MRTU Period:	The applicable On-Peak Hours or Off-Peak Hours Daily Average Exchange Quotation Electric Energy Price in dollars per MWh, to be paid by SCE to Seller for all Scheduled Amounts at NP-15, in MWh.
(b) Base Load Renewable Power Price on and after the Post-MRTU Period:	The average hourly Integrated Forward Market Price at the applicable Geysers P Node, in dollars per MWh, to be paid by SCE to Seller for all Scheduled Amounts at a Geysers P Node.
(c) Base Load Renewable Power Premium Price:	Seventeen dollars and seventy-six cents (\$17.76) per MWh of Allocated Base Load Meter Amounts.
(d) Additional Renewable Power Premium:	Fifteen dollars and one cent (\$15.01) per MWh of Allocated Additional Meter Amounts.

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1.06 Seller’s Credit Support and Collateral Posting Requirements.

(a) Performance Assurance Amount:	Thirty-nine million five hundred thousand dollars (\$39,500,000).
(b) Seller’s Cross Default Amount:	Fifty million dollars (\$50,000,000).

1.07 SCE’s Credit Support and Collateral Posting Requirements.

(a) SCE’s Cross Default Amount:	Seventy-five million dollars (\$75,000,000).
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*** *End of ARTICLE One* ***

The contents of this document are subject to restrictions on disclosure as set forth herein.

ARTICLE TWO. SELLER'S OBLIGATIONS**2.01 Renewable Power Sales to SCE.****(a) Electric Energy Sales, Scheduling, and Delivery.**

- (i) For every hour during the Term, Seller shall Schedule the delivery of, (and SCE shall Schedule the receipt of), the Scheduled Amounts at the Delivery Point, up to Base Load Renewable Power Contract Quantity and any Additional Renewable Power for that hour, unless otherwise agreed to by the Parties.
- (ii) Seller shall Schedule the Scheduled Amounts in accordance with all applicable CAISO requirements and the provisions of Exhibit D and Exhibit E.
- (iii) Seller shall convey title to all Scheduled Amounts to SCE at the Delivery Point.
- (iv) Seller shall arrange and be responsible for providing or securing, and bear all risks (including the risk of transmission outage or curtailment) associated with, any and all Scheduling, interconnection, metering, transmission service rights, and Permits required to effect delivery and Scheduling of the Scheduled Amounts to SCE at the Delivery Point in the form of Scheduling Coordinator Trades.
- (v) Seller shall pay all Transmission Provider, Scheduling Coordinator, and any other charges or fees directly caused by, associated with, or allocated to the interconnection of the Generating Facility Units to a Transmission Provider's electric system, and the Scheduling and delivery of the Scheduled Amounts to SCE at the Delivery Point.

(b) Dedication of Green Attributes to SCE.

During the Term, Seller dedicates and conveys to SCE sole title to any and all Green Attributes associated with or attributable to Allocated Metered Amounts.

Subject to Section 2.08, Seller shall take all actions and execute all documents or instruments necessary to effectuate the use of all such Green Attributes by SCE throughout the Term.

Such actions shall include complying with Applicable Laws regarding the certification and transfer of any Renewable Energy Credits associated with or attributable to Allocated Metered Amounts.

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SCE will have the exclusive right, at any time or from time to time during the Term, to sell, assign, convey, transfer, allocate, designate, award, report, or otherwise provide any and all Green Attributes associated with or attributable to Allocated Metered Amounts to third parties;

provided, no such action shall constitute a transfer, or a release, of SCE of its obligations under this Agreement.

2.02 Performance Obligations.

During the Term to the extent that monthly or annual Allocated Metered Amounts are less than Scheduled Amounts or that there is an Annual Metered Amounts Shortfall or annual Allocated Metered Amounts exceed Scheduled Amounts, Seller shall pay as liquidated damages the applicable damage payment calculated as set forth in Exhibit H.

2.03 Metering.

(a) Introduction.

- (i) Each Generating Facility Unit listed in Exhibit B as of the Term Start Date shall be, as of such date, equipped with a CAISO Approved Meter and all related equipment required by, CAISO, the Transmission Provider, and Seller's Scheduling Coordinator.
- (ii) Seller shall provide a single real-time measurement and any required communications pathways and services in order to report the total of all Metered Amounts from all Generating Facility Units to SCE's Real Time Scheduling Operations Desk.
- (iii) Seller shall furnish all communication services required for CAISO and SCE to communicate with the CAISO Approved Meters for the Generating Facility Units and to remotely access their databases.

(b) Meter Access.

- (i) Subject to Section 2.07, Seller shall grant SCE reasonable access to the CAISO Approved Meters for meter readings from the Generating Facility Units and any purpose necessary to effectuate this Agreement.
- (ii) Seller shall promptly provide SCE access to all meter data, both in real time and at later times as SCE may reasonably request.
- (iii) Within five (5) Business Days after the Interim Period Effective Date, Seller shall provide instructions to CAISO sufficient to authorize SCE to access all CAISO Approved Meters and Seller's settlement data on

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OMAR for each Generating Facility Unit listed in Exhibit B as of the Term Start Date.

- (iv) Seller shall inform SCE of all inaccurate meter readings promptly upon Seller's discovery of same.

(c) Meter Maintenance.

- (i) Seller shall test and calibrate each CAISO Approved Meter in accordance with Prudent Electrical Practices, and the CAISO Tariff and CAISO meter protocol but, unless the Parties agree otherwise, in no event shall the period between testing and calibration dates be greater than twenty-four (24) months.

- (ii) Unless the Parties agree otherwise, Seller shall replace all CAISO Approved Meter batteries at least once every thirty-six (36) months; and,

notwithstanding the foregoing, in the event of an CAISO Approved Meter battery failure, Seller shall replace such battery within one (1) day after its failure becomes known.

- (iii) All meter testing and calibration work shall be performed by certified technicians.

- (iv) Seller shall:

- 1) Provide SCE thirty (30) days prior Notice of all dates for testing and calibration work;
- 2) Allow one or more SCE representatives to witness the test and calibration work; and
- 3) Provide SCE with certified results of the testing and calibration work within thirty (30) days after completion of the testing and calibration work.

2.04 Identification of Generating Facility Units.

- (a) Seller may add to the list of Generating Facility Units designated as eligible to provide Allocated Metered Amounts set forth in Attachment 1 of Exhibit B as follows:

- (i) Geysers Units 1, 2, 4 and 19 may be designated upon the expiration of their Standard Offer contracts applicable to such units; and

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- (ii) Any other geothermal powered generating facility units that Seller either develops or purchases in the Geysers Known Geothermal Resource Area and that qualify as ERRs may be added to Attachment 1 of Exhibit B at any time.
- (b) Seller shall be able to include these units in its Monthly Report of Allocated Metered Amounts, thirty (30) days after it has provided a Notice to SCE that includes:
 - (i) An update of Attachment 1 of Exhibit B with the applicable CAISO Approved Meter information for the applicable Generating Facility Unit(s); and
 - (ii) Satisfactory evidence that SCE has been authorized by Seller to access the CAISO Approved Meter and Seller's settlement data on OMAR for such applicable Generating Facility Unit(s).
- (c) Upon thirty (30) days written Notice, Seller may delete specific generating facility units from the list of Generating Facility Units designated as eligible to provide Allocated Metered Amounts set forth in Attachment 1 of Exhibit B, *provided* that the Nominal Rating of all Generating Facility Units as of such deletion is not less than the Minimum Nominal Rating.

2.05 Site Control.

Seller shall have Site Control at all times during the Term.

Seller shall provide SCE with prompt Notice in the event of Seller's loss of Site Control.

2.06 Operation.

- (a) Seller shall Operate the Generating Facility Units in accordance with Prudent Electrical Practices.
- (b) Subject to SCE's inspection pursuant to Section 2.07, Seller shall keep a daily operations log for each Generating Facility Unit that shall include the following information:
 - (i) Availability;
 - (ii) Circuit breaker trip operations;
 - (iii) Any significant events related to the Operation of the Generating Facility Unit;

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- (iv) Real and reactive power and energy production;
- (v) Changes in Operating status;
- (vi) Protective apparatus operations;
- (vii) Any unusual conditions found during inspections;
- (viii) Electric energy production;
- (ix) Status and settings of generator controls including automatic voltage regulator and power system stabilizer; and
- (x) Information on maintenance (both breakdown and preventative) performed, outages, inspections, manufacturer recommended services and replacement, electrical characteristics of the generators, control settings or adjustments of equipment and protective devices.

Seller shall keep the information required under this Section 2.06(b)(x) for the Term of this Agreement.

- (c) Seller acknowledges that any review by SCE of the Operation of the Generating Facility Units is solely for SCE's information and understands that by making such review, SCE makes no representation as to the economic and technical feasibility, operational capability, or reliability of the Generating Facility Units, or that the Generating Facility Units comply with Applicable Law or the terms of this Agreement, and Seller shall in no way represent to any third party that any such review by SCE constitutes any such representation.

Seller understands that it is solely responsible for such matters.

2.07 SCE's Access Rights.

Subject to the requirements set forth in this Section 2.07, Seller shall grant SCE the right of ingress and egress to examine the Sites and the Geysers Project for any purpose reasonably connected with this Agreement or the exercise of any and all rights of SCE under Applicable Law or, if applicable, its tariff schedules and rules on file with the CPUC.

Seller shall permit SCE to inspect Seller's log pursuant to Section 2.07 upon no less than twenty (20) days Notice of SCE's request for inspection.

During any such inspection, SCE and its agents shall comply with any safety, health or environmental procedures and protocols of the Geysers Project of which SCE and its agents have received reasonable prior written notice.

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Prior to any such inspection, SCE and its agents shall sign a waiver of liability form in substantially the form attached hereto as Exhibit F.

2.08 Maintaining CEC Certification and Verification.

Seller shall take all necessary steps including, but not limited to, making or supporting timely filings, consistent with Seller's Monthly Reports of Allocated Metered Amounts, with the CEC to maintain CEC Certification and Verification throughout the Term, *provided,*

this obligation shall not apply to the extent that Seller is unable to obtain or maintain the CEC Certification and Verification using commercially reasonable efforts because of a change in:

- (a) RPS Legislation occurring after the Interim Period Effective Date, or
- (b) Applicable Laws directly affecting CEC Certification and Verification occurring after the Interim Period Effective Date; and

the term "commercially reasonable efforts" in this Section 2.08, above, shall not require Seller to pay or incur more than fifty thousand (\$50,000) per year to obtain and maintain such CEC Certification and Verification.

SCE will cooperate with Seller regarding Seller's efforts to maintain CEC Certification and Verification throughout the Term.

2.09 Notice of Cessation or Termination of Service Agreements.

Seller shall provide Notice to SCE within ten (10) Business Days after termination of, or cessation of service under, any agreement necessary for the interconnection of all Generating Facility Units to a Transmission Provider's electric system or transmission of electric energy from the Generating Facility Units to the Delivery Point, for Scheduling to SCE, or for metering the Metered Amounts.

2.10 Lost Output.

- (a) Monthly Reporting Requirements.

Seller shall prepare and provide to SCE, by the tenth (10th) Business Day following the end of each month during the Term, a Lost Output Report detailing the cause, start time, end time and hourly reduction in electric energy from the Generating Facility Units due to Force Majeure, or curtailment or suspension of deliveries ordered or caused by the CAISO or the Transmission Provider that would constitute Lost Output during the month for which the report is being prepared.

SCE shall have thirty (30) days after receipt of Seller’s monthly Lost Output Report to review such report.

Upon SCE’s request, Seller shall promptly provide to SCE any additional data and supporting documentation necessary for SCE to audit and verify any or all of the contents of the Lost Output Report.

(b) Supplemental Lost Output.

Seller shall have no right to claim any Lost Output for any month that was not identified in the original Lost Output Report for that month,

provided, Seller may supplement the amount of Lost Output claimed (“Supplemental Lost Output”) for the month with a supplemental Lost Output Report (“Supplemental Lost Output Report”) within thirty (30) days after the due date of the Lost Output Report for the month,

if Seller can demonstrate that it neither knew nor could it have known through the exercise of reasonable diligence about the Supplemental Lost Output within the foregoing thirty (30) day period and Seller provides the Supplemental Lost Output Report within ten (10) Business Days of learning the facts which provide the basis for the Supplemental Lost Output claim.

(c) Disputes of Lost Output.

If SCE disputes Seller’s Lost Output calculation, it shall provide Notice to Seller within sixty (60) days after receipt of Seller’s Lost Output Report or Supplemental Lost Output Report and include SCE’s calculations and other data supporting its position.

If SCE does not provide such Notice within the thirty (30) days, SCE shall be deemed to have accepted the Lost Output calculation.

(d) Seller’s Estimate of Lost Output during a Force Majeure affecting the Generating Facility Units.

Seller’s estimate of Lost Output during each one (1) hour period of a Force Majeure that affects the generation capacity of the Generating Facility Units shall be calculated as follows:

Lost Output during a Force Majeure affecting the Generating Facility Units, in MW

$$= \{[(A + B) - (C + D)] / (A + B)\} \times (E + F)$$

Where:

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A = Generation capacity of the Generating Facility Units prior to the Force Majeure equal to the average hourly metered amounts for the Generating Facility Units, in MW.

The generating capacity of the Generating Facility Units prior to the Force Majeure shall be equal to the average hourly metered amounts for the Generating Facility Units during the sixty (60) day period immediately prior to the Force Majeure.

B = Average generation capacity from the Generating Facility Units prior to the Force Majeure, that is not available for reasons other than the Force Majeure during the sixty (60) day period immediately prior to the Force Majeure, in MW.

C = Generation capacity of the Generating Facility Units during the Force Majeure event equal to the average hourly metered amounts for the Generating Facility Units, in MW.

D = Average generation capacity from the Generating Facility Units during the Force Majeure that is not available for reasons other than the Force Majeure, in MW.

E = Base Load Renewable Power Contract Quantity, in MW.

F = Additional Scheduled Amounts, in MW.

2.11 Allocated Metered Amounts.

Within five (5) Business Day following the end of each month during the Term, Seller shall prepare and provide to SCE a Monthly Report of Allocated Metered Amounts that will include a certification and supporting data, in the form set forth in Exhibit G.

Upon SCE's request, Seller shall promptly provide to SCE any additional data and supporting documentation necessary for SCE to audit and verify any information contained in the Monthly Report of Allocated Metered Amounts.

Seller may subsequently modify a Monthly Report of Allocated Metered Amounts upon SCE's consent, which consent can be withheld in SCE's sole discretion. Unless specifically agreed, no modification of a Monthly Report of Allocated Metered Amounts shall be used to revise a:

- (a) Monthly Excess Scheduled Amounts Damages Payment;
- (b) Annual Excess Scheduled Amounts Damages Payment;

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- (c) Annual Allocated Metered Amounts Damage Payment; or
- (d) Annual Excess Allocated Metered Amount Damage Payment.

*** End of ARTICLE Two ***

The contents of this document are subject to restrictions on disclosure as set forth herein.

ARTICLE THREE. SCE'S OBLIGATIONS3.01 Obligation to Pay.

- (a) For Seller's full compensation under this Agreement, SCE shall make Monthly Renewable Power Payments to Seller, as set forth in Exhibit H.
- (b) SCE shall not be obligated to pay Seller under this Agreement for any Renewable Power that is not Scheduled as a result of any circumstance other than gross negligence by SCE or the breach by SCE of its obligation to Schedule the receipt of the Scheduled Amounts at the Delivery Point as set forth in Section 2.01(a)(i), including, without limitation:
 - (i) An Outage at a Generating Facility Unit;
 - (ii) Force Majeure under ARTICLE Four;
 - (iii) A reduction or curtailment of Schedules ordered by CAISO; or
 - (iv) A reduction or curtailment of Schedules pursuant to the terms of an agreement with a Transmission Provider.

3.02 Payment Statement and Payment.

- (a) SCE shall, on or before the Payment Due Date, send to Seller a:
 - (i) Statement showing:
 - (1) A calculation of the Monthly Renewable Power Payment payable to Seller for that month in accordance with Exhibit H;
 - (2) A calculation of any payment adjustments for any underpayments to Seller resulting from SCE's errors, or overpayments to Seller by SCE, a Simple Interest Payment calculated using the Adjusted Prime Rate and the number of days between the Payment Due Date for the month to which such underpayment relates (or, in the case of overpayments by SCE, between five (5) Business Days from the date SCE provides Notice of such overpayments to Seller) and the date paid,

provided, certain payment adjustments shall not bear interest, as set forth in Section 3.02(d); and
 - (3) A calculation of the net amount due Seller or SCE.

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- (ii) Payment, via wire transfer, consisting of:
 - (1) All net payment amounts due Seller; and
 - (2) If the payment is made after the applicable Payment Due Date, a Simple Interest Payment calculated using the Adjusted Prime Rate and the number of days that the payment is late.
- (b) For informational purposes only, SCE shall send by e-mail or facsimile to Seller not later than twenty (20) calendar days after the end of each calendar month, a preliminary non-binding statement of the information set forth in Section 3.02(a)(i).

SCE shall use reasonable efforts to send the preliminary statement by the tenth (10th) calendar day after the end of the preceding calendar month.

After SCE issues the non-binding statement, the Parties shall cooperate diligently and in good faith to share relevant information and to resolve any disagreements raised by the non-binding statement before the final statement is issued under Section 3.02(a)(i).

- (c) SCE reserves the right to apply amounts that would otherwise be due to Seller under this Agreement as an offset in payment of:
 - (i) Any amounts owing and unpaid by Seller to SCE under this Agreement; or
 - (ii) Any amount owed to SCE by Seller or CES arising out of, or related to, the Contingent Settlement Agreement, the Existing Agreement or the 2007 RA Confirmation.

Nothing in this Section 3.02 shall limit SCE's rights under applicable tariffs, other agreements or Applicable Law.

- (d) Except as provided in Section 3.02(b) and in this Section 3.02(d), if within one hundred twenty (120) days after SCE issues a monthly payment statement, neither Party gives the other Party Notice of an error in such statement,

then the Parties shall be deemed to have waived any error in the statement, and the statement shall be conclusively deemed correct and complete;

provided, if either Party identifies an error as a result of settlement, audit or other information provided to it by CAISO after the expiration of the original one hundred twenty (120) day period, such Party shall have an additional one hundred twenty (120) days from the date on which it receives the information

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from CAISO in which to give Notice to the other Party of the error identified by such settlement, audit or other information.

Errors identified by one Party and accepted by the other Party shall be treated as payment adjustments pursuant to Section 3.02(f).

- (e) Adjustment payments made because of settlement, audit or other information provided by CAISO and not available to SCE when it rendered its original statement shall not bear interest.
- (f) If any payment adjustment results in a net amount still owing to SCE after deducting such payment adjustment from such Monthly Renewable Power Payment, SCE may, at its discretion, deduct such remaining net amount from any subsequent Monthly Renewable Power Payment, or invoice Seller for such amount, in which case Seller shall pay the amount owing to SCE within twenty (20) days after receipt of such invoice.
- (g) In the event a statement is disputed (including a claim that an adjustment is needed), payment of the undisputed portion of the statement shall be required to be made when due, with Notice of the objection given to the other Party.

Any Notice of objection under Section 3.02(g) shall be in writing and shall state the basis for the dispute or adjustment.

- (h) Payment of the disputed amount shall not be required until the dispute is resolved.
- (i) The Parties agree to use good faith efforts to resolve the dispute or identify the adjustment as soon as possible.
- (j) Any disputes which the Parties are unable to resolve through negotiation may be submitted for resolution through the dispute resolution procedure in ARTICLE Ten (including, as applicable, the Expedited Dispute Procedure in Section 10.04).
- (k) Upon resolution of the dispute or calculation of the adjustment, any required payment shall be made within fifteen (15) calendar days of such resolution along with interest accrued at the Adjusted Prime Rate from and including the due date to but excluding the date paid.
- (l) After the Term End Date, SCE shall send a statement to Seller for any adjustments to the Monthly Renewable Power Payment within thirty (30) days of SCE's receipt of all of the information required to calculate the payment adjustment.

The contents of this document are subject to restrictions on disclosure as set forth herein.

If such statement reflects an amount owing to Seller, SCE shall send to Seller, via wire transfer, payment of such amount.

If such statement reflects an amount owing to SCE, SCE shall send an invoice Seller for such amount, in which case Seller shall pay the amount owing to SCE within twenty (20) days after receipt of such invoice.

3.03 Scheduling.

- (a) SCE shall arrange and be responsible for providing or securing, and bear all risks (including risk of transmission outage or curtailment) associated with, any and all Scheduling required to effect delivery and Scheduling of the Scheduled Amounts from the Delivery Point as an SC to SC trade.
- (b) SCE shall pay all Scheduling Coordinator and other charges or fees directly caused by, associated with, or allocated to the Scheduling and delivery of the Scheduled Amounts from the Delivery Point.
- (c) SCE shall be relieved of its obligation to Schedule all or a portion of the Scheduled Amounts for any hour in the exercise of its right to suspend its performance pursuant to Section 5.02 or in the event that Seller fails to comply with the Scheduling requirements of the CAISO Tariff.

3.04 Interest Payments on Cash Deposits.

- (a) SCE shall make monthly Simple Interest Payments, calculated using the Federal Funds Effective Rate, to Seller on any Performance Assurance amounts posted in cash.
- (b) Upon SCE's receipt of a monthly Simple Interest Payment invoice provided by Seller to the SCE Manager of Credit and Collateral designated in Exhibit C that sets forth the calculation of the payment amount and the amount due, SCE shall wire the monthly Simple Interest Payments to Seller by the later of the third Local Business Day:
 - (i) Of the first month after the last month to which the invoice relates, and
 - (ii) After the day on which such invoice is received,

provided:

 - (iii) No Event of Default has occurred and is continuing with respect to Seller, and

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- (iv) No Early Termination Date for which any unsatisfied payment obligation of Seller exists has occurred or has been designated as the result of an Event of Default by Seller.
- (c) On or after the occurrence of an Event of Default by Seller or an Early Termination Date as a result of an Event of Default by Seller, SCE shall retain any such Simple Interest Payment amount as an additional Performance Assurance amount hereunder until:
 - (i) In the case of an Early Termination Date, the obligations of Seller under this Agreement have been satisfied; or
 - (ii) In the case of an Event of Default, for so long as such Event of Default continues.

*** End of ARTICLE Three ***

ARTICLE FOUR. FORCE MAJEURE**4.01 No Default for Force Majeure.**

Neither Party shall be considered to be in default in the performance of any of its obligations set forth in this Agreement, except for obligations to pay money, when and to the extent failure of performance is caused by Force Majeure.

4.02 Requirements Applicable to the Claiming Party.

If a Party, because of Force Majeure, is rendered wholly or partly unable to perform its obligations when due under this Agreement, that Party (the “Claiming Party”), shall be excused from whatever performance is affected by the Force Majeure to the extent so affected.

In order to be excused from its performance obligations hereunder by reason of Force Majeure:

- (a) The Claiming Party, within fourteen (14) days after the initial occurrence of the claimed Force Majeure, must give the other Party Notice describing the particulars of the occurrence; and
- (b) The Claiming Party must provide timely evidence reasonably sufficient to establish that the occurrence constitutes Force Majeure as defined in this Agreement.

The suspension of the Claiming Party’s performance due to Force Majeure shall be of no greater scope and of no longer duration than is required by the Force Majeure.

In addition, the Claiming Party shall use commercially reasonable and diligent efforts to remedy its inability to perform.

This Section 4.02 shall not require the settlement of any strike, walkout, lockout, or other labor dispute on terms which, in the sole judgment of the Claiming Party, are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts, or other labor disputes shall be at the sole discretion of the Claiming Party.

When the Claiming Party is able to resume performance of its obligations under this Agreement, the Claiming Party shall give the other Party prompt Notice to that effect.

4.03 Termination.

Either Party may terminate this Agreement on Notice, which shall be effective five (5) Business Days after such Notice is provided, in the event of Force Majeure which extends for more than three hundred sixty-five (365) consecutive days.

The contents of this document are subject to restrictions on disclosure as set forth herein.

Neither Party may assert a claim for damages in the event of a termination pursuant to this Section 4.03.

**** End of ARTICLE Four****

ARTICLE FIVE. EVENTS OF DEFAULT: REMEDIES5.01 Events of Default.

An “Event of Default” shall mean, with respect to a Party (a “Defaulting Party”), the occurrence of any of the following:

- (a) With respect to either Party:
- (i) Any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated if the representation or warranty is continuing in nature, if:
 - (1) Such misrepresentation or breach of warranty is not remedied within five (5) Business Days after Notice; or
 - (2) Such inaccuracy is not capable of a cure, but the non-breaching Party’s damages resulting from such inaccuracy can reasonably be ascertained and the payment of such damages is not made within ten (10) Business Days after a Notice of such damages is provided by the non-breaching Party to the breaching Party;
 - (ii) Except for an obligation to make payment when due, the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default or to the extent excused by a Force Majeure) if such failure is not remedied within thirty (30) days after Notice of such failure (or such shorter period as may be specified below), which Notice sets forth in reasonable detail the nature of the failure;

provided, if such failure is not reasonably capable of being cured within the thirty (30) day cure period specified above, the Party shall have such additional time (not exceeding an additional one hundred twenty (120) days) as is reasonably necessary to cure such failure, so long as such Party promptly commences and diligently pursues such cure;
 - (iii) A Party fails to make, when due, any payment (other than amounts disputed in good faith in accordance with the terms of this Agreement) owed under this Agreement and such failure is not cured within five (5) Business Days after Notice of such failure;
 - (iv) A Party becomes Bankrupt, *provided*, the Calpine Bankruptcy shall not constitute an Event of Default under this Section 5.01(a)(iv) unless any of the following occur:

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- (1) Seller files a motion in the Calpine Bankruptcy which contemplates the sale of substantially all of its assets and which does not provide that the proposed buyer assumes the Agreement consistent with the requirements of Section 365 of the Bankruptcy Code;
 - (2) Seller files a Chapter 11 plan in the Calpine Bankruptcy which contemplates the sale of substantially all of its assets and the proposed plan does not provide for the assumption and assignment of the Agreement to the proposed buyer consistent with the requirements of Section 365 of the Bankruptcy Code;
 - (3) Seller files a Chapter 11 plan in the Calpine Bankruptcy which proposed plan does not provide for either the assumption or the assignment of the Agreement consistent with the requirements of Section 365 of the Bankruptcy Code;
 - (4) The Bankruptcy Court enters an order confirming a Chapter 11 plan which plan does not provide for either the assumption or the assignment of the Agreement consistent with the requirements of Section 365 of the Bankruptcy Code;
 - (5) Seller files a motion or request in the Calpine Bankruptcy to convert its Chapter 11 case to a Chapter 7 case;
 - (6) The Bankruptcy Court enters an order in the Calpine Bankruptcy converting Seller's bankruptcy case from a Chapter 11 case to a Chapter 7 case; or
 - (7) Seller files a motion to reject the Agreement, or the Agreement is rejected, under Section 365(a) of the Bankruptcy Code.
- (v) A 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.
- (vi) The occurrence and continuation of a default in making on the due date therefore one or more payments, individually or collectively, in an aggregate amount of not less than the Cross Default Amount.

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- (b) To the extent that Seller's Performance Assurance is being provided by a Guaranty Agreement, then with respect to Seller's Guarantor:
 - (i) If any representation or warranty made by Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated if the representation or warranty is continuing in nature and the misrepresentation or breach of warranty is not remedied within five (5) Business Days after Notice;
 - (ii) The failure of Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within five (5) Business Days after Notice;
 - (iii) Guarantor becomes Bankrupt (provided, the Calpine Bankruptcy shall not constitute an Event of Default under this Section 5.01(b)(iii) but each of the following shall constitute an Event of Default under this Section:
 - (1) Guarantor files a motion in the Calpine Bankruptcy which contemplates the sale of substantially all of its assets which does not provide that the proposed buyer assumes the Guaranty Agreement consistent with the requirements of Section 365 of the Bankruptcy Code;
 - (2) Guarantor files a Chapter 11 plan in the Calpine Bankruptcy which contemplates the sale of substantially all of its assets and the proposed buyer does not assume the Guaranty Agreement consistent with the requirements of Section 365 of the Bankruptcy Code;
 - (3) Guarantor files a Chapter 11 plan in the Calpine Bankruptcy which proposed plan does not provide for either the assumption or the assumption and the assignment of the Guaranty Agreement consistent with the requirements of Section 365 of the Bankruptcy Code;
 - (4) The Bankruptcy Court enters an order confirming a Chapter 11 plan which plan does not provide for either the assumption or the assumption and the assignment of the Guaranty Agreement consistent with the requirements of Section 365 of the Bankruptcy Code;
 - (5) Guarantor files a motion or request in the Calpine Bankruptcy to convert its Chapter 11 case to a Chapter 7 case;

The contents of this document are subject to restrictions on disclosure as set forth herein.

- (6) The Bankruptcy Court enters an order in the Calpine Bankruptcy converting Guarantor's bankruptcy case from a Chapter 11 case to a Chapter 7 case; or
- (7) Seller files a motion to reject the Agreement, or the Agreement is rejected, under Section 365(a) of the Bankruptcy Code.
- (8)
- (iv) The failure of Guarantor's Guaranty Agreement to SCE to be in full force and effect for purposes of this Agreement (other than in accordance with its terms);
- (v) Guarantor, in writing, repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of any Guaranty Agreement given to SCE;
- (vi) The occurrence and continuation of a default, event of default or other similar condition or event under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in the aggregate amount of not less than the Cross Default Amount, which results in such indebtedness becoming, or becoming capable at such time of being declared, immediately due and payable; or
- (vii) .
- (c) With respect to Seller:
 - (i) The Nominal Rating is less than the Minimum Nominal Rating.
 - (ii) Seller has not cured a failure with respect to Section 2.03 within the earlier of thirty (30) days after Notice in accordance with Section 9.07 or sixty (60) days after the occurrence of the event which results in such failure;
 - (iii) Subject to any claims of Force Majeure pursuant to ARTICLE Four, at the end of any Term Year the total quantity of Allocated Base Load Metered Amounts supplied during such Term Year is less than fifty percent (50%) of the quantity determined by multiplying the Base Load Renewable Power Contract Quantity times the number of hours in such Term Year and Seller fails to demonstrate, within ten (10) Business Days after Notice from SCE, a reason for such failure reasonably satisfactory to SCE;

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- (iv) Any Generating Facility Units consists of an ERR type(s) different than that specified in Section 1.02(a);
 - (v) Any Allocated Metered Amounts fails to qualify as output from an ERR;
 - (vi) A termination of, or cessation of service under, any agreement necessary for the interconnection of all of the Generating Facility Units to the Transmission Provider's electric system or transmission of the electric energy to the Delivery Point, for Scheduling to SCE, or for metering the Metered Amounts and such service is not reinstated, or alternative arrangements implemented, within one hundred and twenty (120) days after such termination or cessation;
 - (vii) Seller fails to take any actions necessary to dedicate, convey or effectuate the use of any and all Green Attributes associated with or attributable to the Generating Facility Units, for SCE's sole benefit as set forth in Section 2.01, and such failure is not cured within thirty (30) days; or
 - (viii) Seller fails to satisfy the creditworthiness and collateral requirements in ARTICLE Seven and such failure is not cured within five (5) Business Days after Notice of such failure.
- (d) There is no opportunity to cure an Event of Default under this Section 5.01, except as specifically set forth in this Section 5.01.

5.02 Early Termination.

If an Event of Default with respect to a Defaulting Party shall have occurred, the Party taking the default (the "Non-Defaulting Party") shall have the right to:

- (a) Designate, by Notice, a day, no earlier than twenty (20) calendar days after the Notice is effective, as an "Early Termination Date";
- (b) Upon giving the Notice provided for in Section 5.02(a), immediately suspend performance under this Agreement; and
- (c) Pursue all remedies available at law or in equity against the Defaulting Party (including monetary damages), except to the extent that such remedies are limited by the terms of this Agreement.

5.03 Termination Payment.

- (a) Termination prior to the Final Effective Date.

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If a Notice terminating this Agreement is sent prior to the occurrence of the Final Effective Date, any Termination Payment payable in respect of the termination shall be determined, communicated and paid in accordance with the manner of determining, communicating and paying termination damages under the Existing Agreement, as provided in Section 2.4(b) and Section 2.4(c) of the Contingent Settlement Agreement.

(b) Termination on or after Final Effective Date.

If a Notice terminating this Agreement is sent on or after the Final Effective Date,

then, as soon as practicable after an Early Termination Date is declared, the Non-Defaulting Party shall provide a Notice to the Defaulting Party setting forth in reasonable detail, a calculation of the sum of the amounts owed by the Defaulting Party to the Non-Defaulting Party under this Agreement as of the Early Termination Date (the “Termination Payment”), together with appropriate supporting documentation.

- (i) The “Termination Payment” shall include the sum of the Non-Defaulting Party’s Losses or Gains incurred as a result of the termination of this Agreement pursuant to Section 5.02, calculated as set forth below and netted against the other (“Forward Settlement Amount”).

In the event that the Non-Defaulting Party’s Gains exceed the Non-Defaulting Party’s Losses, the Forward Settlement Amount shall be zero (0).

- (ii) The Non-Defaulting Party shall determine its Gains and Losses by calculating the arithmetic mean of at least three (3) Forward Price Assessments.
- (iii) In the event the Non-Defaulting Party is not able, after using commercially reasonable efforts, to obtain at least three (3) Forward Price Assessments, then such Non-Defaulting Party shall calculate Gains and Losses in a commercially reasonable manner by reference to information supplied to it by one or more third parties, including without limitation, index prices, quotations or relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data, comparable transactions, forward price curves based on economic analysis of the relevant markets and settlement prices for comparable transaction at liquid trading hubs.

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- (iv) The quotes or other factors set forth in Section 5.03(b)(ii) and Section 5.03(b)(iii) used to determine the economic value of Gains and Losses must include the full value of the Green Attributes and be:
 - (1) For a like amount;
 - (2) Of the same product;
 - (3) At the same Delivery Point;
 - (4) For the remaining Term; and
 - (5) If applicable, assume that the Party obtaining the quote will provide sufficient credit support for the proposed transaction.
- (v) 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.
- (vi) Third parties supplying the information may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information; *provided*, such third parties shall not be Affiliates of either Party.
- (vii) Only in the event the Non-Defaulting Party is not able, after using commercially reasonable efforts, to obtain such third party information, then the Non-Defaulting Party may calculate the Gains and Losses in a commercially reasonable manner, using relevant market data it has available to it internally.
- (viii) The Termination Payment 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 Gains, Losses or the Termination Payment.
- (ix) If the Termination Payment is positive, the Defaulting Party shall pay such amount to the Non-Defaulting Party within ten (10) Business Days after the Notice is provided. If the Termination Payment is negative (i.e. the Non-Defaulting Party owes the Defaulting Party more than the Defaulting Party owes the Non-Defaulting Party), then the Non-Defaulting Party shall pay such amount to the Defaulting Party within thirty (30) days after the Notice is provided.

5.04 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)

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Business Days of receipt of the Non-Defaulting Party's Notice containing the calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute.

If the Parties are unable to resolve their dispute within ten (10) Business Days of Non-Defaulting Party's receipt of the explanation, the matter shall be determined in accordance with ARTICLE Ten.

5.05 Rights and Obligations Surviving Termination.

The rights and obligations that are intended to survive a termination of this Agreement are all of those rights and obligations that this Agreement expressly provides shall survive any such termination or that arise from a Party's covenants, agreements, representations, and warranties applicable to, or to be performed with respect to any time prior to or as a result of, the termination of this Agreement, including, without limitation:

- (a) The obligation of SCE to make Monthly Renewable Power Payments under ARTICLE Three with respect to periods prior to termination;
- (b) The obligation of Seller to pay Seller's Monthly Allocated Meter Amounts Shortfall Damages Payment, Seller's Annual Allocated Meter Amounts Shortfall Damages Payment, and Seller's Annual Scheduled Amount Shortfall Damages Payment, as set forth in Exhibit H with respect to periods prior to termination;
- (c) The obligation to make a Termination Payment under Section 5.03;
- (d) The indemnity obligations to the extent provided in Section 9.03;
- (e) The obligations of confidentiality set forth in Section 9.09;
- (f) The right to pursue remedies under Section 5.02;
- (g) The limitation of damages under ARTICLE Six; and
- (h) The obligation of Seller to post Performance Assurance, and of SCE to return Performance Assurance, under Section 7.02.

*** End of ARTICLE Five***

The contents of this document are subject to restrictions on disclosure as set forth herein.

ARTICLE SIX. LIMITATIONS OF LIABILITIES

EXCEPT AS SET FORTH HEREIN, THERE ARE NO WARRANTIES BY EITHER PARTY UNDER THIS AGREEMENT, INCLUDING ANY 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 PROVIDED IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE PROVISIONS OF SECTION 9.03 (INDEMNITY), 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.

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.

NOTHING IN THIS ARTICLE Six SHALL BE DEEMED TO PREVENT, OR IS INTENDED TO PREVENT SCE FROM PROCEEDING AGAINST OR EXERCISING ITS RIGHTS WITH RESPECT TO ANY SECURED INTERESTS IN COLLATERAL.

The contents of this document are subject to restrictions on disclosure as set forth herein.

**** End of ARTICLE Six****

The contents of this document are subject to restrictions on disclosure as set forth herein.

ARTICLE SEVEN. CREDIT AND COLLATERAL REQUIREMENTS7.01 Financial Information.(a) SCE Financial Information.

If requested by Seller, SCE shall deliver:

- (i) Within one hundred twenty (120) days after the end of each fiscal year with respect to SCE, a copy of SCE's annual report containing audited consolidated financial statements for such fiscal year; and
- (ii) Within sixty (60) days after the end of each of SCE's first three (3) fiscal quarters of each fiscal year, a copy of SCE's quarterly report containing unaudited consolidated financial statements for each accounting period prepared in accordance with generally accepted accounting principles;

provided, that SCE shall be deemed to have satisfied such delivery requirement if the applicable report is publicly available on www.sce.com or on the SEC EDGAR information retrieval system;

further provided, 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 or are publicly available on www.SCE.com or the SEC EDGAR information retrieval system.

(b) Seller Financial Information.

If requested by SCE, Seller shall deliver:

- (i) Within one hundred twenty (120) days after the end of each fiscal year, to the extent that Seller is a wholly-owned subsidiary of Calpine Corporation, a copy of Calpine Corporation's annual report containing audited consolidated financial statements for such fiscal year; and
- (ii) Within sixty (60) days after the end of each of Calpine Corporation's first three (3) fiscal quarters of each fiscal year, a copy of Calpine Corporation's quarterly report containing unaudited consolidated financial statements for each accounting period prepared in accordance with generally accepted accounting principles;

provided, that Seller shall be deemed to have satisfied such delivery requirement if the applicable report is publicly available on www.calpine.com or on the SEC EDGAR information retrieval system;

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further provided, 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 SCE upon their completion and filing with the SEC or are publicly available on www.Calpine.com or the SEC EDGAR information retrieval system.

If Seller is no longer a wholly-owned subsidiary of Calpine Corporation, or if Sellers financial statements are publicly reported on a non-consolidated basis, Seller shall provide to SCE, subject to the terms of this Section 7.01(b), the equivalent reports produced by itself or its parent corporation if:

- (iii) Such reports are made public pursuant to the SEC reporting requirements then in effect; or
- (iv) In the case of a new corporate owner, that the financial statements of the Seller are consolidated with the financial statements of the new corporate owner.

If Seller is no longer a wholly-owned subsidiary of Calpine Corporation and does not provide similar public reports under SEC reporting requirements, Seller shall provide equivalent information concerning Seller's financial condition as requested by SCE to the extent permitted by the Applicable Law and consistent with SEC reporting requirements.

7.02 Performance Assurance.

On or before the date specified in the Contingent Settlement Agreement, Seller shall post Performance Assurance to SCE, in the Performance Assurance Amount, and shall maintain such Performance Assurance at all times during the Term and thereafter until such time as Seller has satisfied all monetary obligations which survive any termination of this Agreement, not to exceed one (1) year after the end of the Term.

Except as provided below, all Performance Assurance shall be posted by Seller in the form of cash or a Letter of Credit acceptable to SCE.

(a) Letters of Credit.

Performance Assurance provided in the form of a Letter of Credit shall be subject to the following provisions:

- (i) Each Letter of Credit shall be maintained for the benefit of SCE.
- (ii) Seller shall:

- (1) Renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit;
 - (2) If the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide alternative Performance Assurance acceptable to the SCE at least twenty (20) Business Days prior to the expiration of the outstanding Letter of Credit; and
 - (3) If the bank issuing a Letter of Credit fails to honor SCE's properly documented request to draw on an outstanding Letter of Credit, provide alternative Performance Assurance acceptable to SCE within one (1) Business Day after such refusal.
- (iii) Upon the occurrence of a Letter of Credit Default, Seller shall provide to SCE either a substitute Letter of Credit or alternative Performance Assurance acceptable to SCE, in each case on or before the first (1st) Business Day after the occurrence thereof (or the fifth (5th) Business Day after the occurrence thereof if only clause a) in the definition of "Letter of Credit Default" in Exhibit A applies);
- (iv) Upon, or at any time after, the occurrence and continuation of an Event of Default by Seller, or if an Early Termination Date has occurred or been designated as a result of an Event of Default by Seller for which there exists any unsatisfied payment obligations,

then SCE may draw on any undrawn portion of any outstanding Letter of Credit upon submission to the bank issuing such Letter of Credit of one or more certificates specifying that such Event of Default or Early Termination Date has occurred and is continuing.

Cash proceeds received by SCE from drawing upon the Letter of Credit shall be deemed Performance Assurance as security for Seller's obligations to SCE and SCE shall have the rights and remedies set forth in Section 7.03 with respect to such cash proceeds.

Notwithstanding SCE's receipt of cash proceeds of a drawing under the Letter of Credit, Seller shall remain liable for any:

- (1) Failure to provide sufficient Performance Assurance; or
- (2) Any amounts owing to SCE and remaining unpaid after the application of the amounts so drawn by SCE.

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In all cases, the costs and expenses of establishing, renewing, substituting, canceling, and increasing the amount of a Letter of Credit shall be borne by Seller.

(b) Seller Guaranty Agreement.

Subject to SCE's consent, which consent shall not unreasonably be withheld, Seller may satisfy its obligations to provide Performance Assurance by providing a guaranty in a form substantially similar to the form of guaranty attached hereto as Exhibit I and subject to the requirements set forth below, duly executed by an Affiliate or non-Affiliate of Seller (the "Guarantor").

Within three (3) Business Day of Seller providing such guaranty to SCE, SCE shall release to Seller the amount of cash collateral or Letter of Credit held by SCE that is being replaced by such guaranty, if any.

The Guarantor shall maintain a Credit Rating of at least:

- (i) "BBB-" from S&P and "Baa3" from Moody's, if it is rated by both S&P and Moody's; or
- (ii) "BBB-" from S&P or "Baa3" from Moody's if it is rated by either S&P or Moody's but not by both.

If at any time the Guarantor fails to maintain such Credit Ratings, Seller shall provide to SCE Performance Assurance in the form of cash or a Letter of Credit, or a replacement Guaranty Agreement from an acceptable Guarantor, within five (5) Business Days of the change in Credit Rating.

(c) Seller Credit Rating.

In the event that Seller achieves a Credit Rating equal to or better than BBB- by S&P or Baa3 by Moody's, and only to the extent that it maintains such a Credit Rating, Seller shall be relieved of its obligations to provide SCE with Performance Assurance under this Section 7.02(c) and SCE shall return within three (3) Business Days of receiving Notice from Seller all cash withheld hereunder, including interest accrued thereon, the Letter of Credit or guaranty provided hereunder.

(d) Return of Seller Performance Assurance.

Except in the event that SCE draws on the Performance Assurance pursuant to the terms hereof, the Performance Assurance shall be returned to Seller, with any accrued interest, if any, or released to Seller, if a Letter of Credit or a guaranty, within thirty (30) days from the end of the Term;

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provided that, if SCE determines in good faith at the end of such thirty (30) day period there remain unliquidated claims, SCE may retain an amount that it determines is sufficient to cover such claims for up to an additional sixty (60) days.

7.03 First Priority Security Interest in Cash or Cash Equivalent Collateral.

To secure its obligations under this Agreement, and until released as provided herein, Seller grants SCE a present and continuing first-priority security interest (“Security Interest”) in, and lien on (and right of setoff against), and assignment of the Performance Assurance, all 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 SCE, and SCE agrees to take such action as SCE reasonably requires in order to perfect SCE’s Security Interest in, and lien on (and right of setoff against), such collateral 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, SCE may do any one or more of the following:

- (a) Exercise any of its rights and remedies with respect to all Performance Assurance, including any such rights and remedies under Applicable Law then in effect;
- (b) Draw on any outstanding Letter of Credit issued for its benefit; and
- (c) Liquidate all Performance Assurance then held by or for the benefit of SCE free from any claim or right of any nature whatsoever of Seller, including any equity or right of purchase or redemption by Seller.

SCE shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce Seller’s obligations under this Agreement (Seller remaining liable for any amounts owing to SCE after such application), subject to SCE’s obligation to return to Seller any surplus proceeds remaining after such obligations are satisfied in full.

Seller shall remain liable to SCE for any amounts owing to SCE after such application of the proceeds contemplated in the prior sentence.

7.04 Credit and Collateral Covenant.

Seller shall, from time to time as requested by SCE, execute, acknowledge, record, register, deliver and file all such notices, statements, instruments and other documents as may be necessary or advisable to render fully valid and enforceable under all

Applicable Laws the rights, liens and priorities of SCE with respect to the Security Interest.

*** End of ARTICLE Seven***

The contents of this document are subject to restrictions on disclosure as set forth herein.

ARTICLE EIGHT. GOVERNMENTAL CHARGES**8.01 Cooperation to Minimize Tax Liabilities.**

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.

8.02 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 Allocated Meter Amounts and the Scheduled Amounts arising prior to and at the Delivery Point, including, but not limited to, ad valorem taxes and other taxes attributable to the Geysers Project or land, land rights or interests in land for the Geysers Project.

SCE shall pay or cause to be paid all Governmental Charges on or with respect to the Scheduled Amounts from and after the Delivery Point.

In the event Seller is required by law or regulation to remit or pay Governmental Charges which are SCE’s responsibility hereunder, SCE shall promptly reimburse Seller for such Governmental Charges upon request.

If SCE is required by law or regulation to remit or pay Governmental Charges which are Seller’s responsibility hereunder, SCE may deduct such amounts from payments to Seller made pursuant to ARTICLE Three.

If SCE elects not to deduct such amounts from Seller’s payments, Seller shall promptly reimburse SCE 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.

8.03 Providing Information to Taxing Authorities.

Seller or SCE, as necessary, shall provide information concerning this Agreement to any requesting taxing authority.

*** *End of ARTICLE Eight* ***

ARTICLE NINE. MISCELLANEOUS**9.01 Representations and Warranties by both Parties.**

On the Execution Date each Party represents, warrants and covenants to the other Party that:

- (a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (b) Except for CPUC Approval in the case of SCE and Bankruptcy Court Approval in the case of Seller, it has or will timely acquire all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- (c) Except for Bankruptcy Court Approval in the case of Seller, the execution, delivery and performance of this Agreement are 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;
- (d) Except for Bankruptcy Court Approval in the case of Seller, this Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms, subject to any Equitable Defenses;
- (e) Except for the Calpine Bankruptcy in the case of Seller, there is not pending, or to its knowledge, threatened against it or, in the case of Seller, any of its Affiliates, any legal proceedings that could materially adversely affect its ability to perform under this Agreement;
- (f) 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;
- (g) It is acting for its own account and its decision to enter into this Agreement is based upon its own judgment, not in reliance upon the advice or recommendations of the other Party and it is capable of assessing the merits of and understanding, and understands and accepts the terms, conditions and risks of this Agreement;
- (h) It has not relied upon any promises, representations, statements or information of any kind whatsoever that are not contained in this Agreement in deciding to enter into this Agreement;

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- (i) It has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of the Renewable Power as contemplated in this Agreement; and
- (j) It shall act in good faith in its performance under this Agreement.

9.02 Additional Seller Representations, Warranties and Covenants.

Seller hereby represents, warrants, and covenants to SCE that, as of the Execution Date and throughout the Term:

- (a) It owns or controls and Operates the Generating Facility Units;
- (b) It will deliver the Scheduled Amounts to SCE free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person;
- (c) It holds the rights to all Green Attributes, which it has conveyed and has committed to convey to SCE hereunder, and that it has not and shall not transfer any such Green Attributes to any party other than SCE.

SELLER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, REGARDING THE RECOGNITION, EXISTENCE, VALUE, CHARACTERIZATION, ACCOUNTING TREATMENT OR OTHER TREATMENT TO BE AFFORDED BY ANY GOVERNMENTAL AUTHORITY OR MARKET PARTICIPANT OF ANY GREEN ATTRIBUTES ASSOCIATED WITH THE DELIVERY COMMITMENT;

- (d) Subject to Section 2.08, all Allocated Metered Amounts produced by the Generating Facility Units qualify and will qualify as generation from an ERR under the requirements of the RPS Legislation;
- (e) It has CEC Certification and Verification, all Permits, interconnection agreements and transmission rights necessary to Operate the Generating Facility Units and to deliver electric energy produced by the Generating Facility Units to the Delivery Point; and
- (f) Absent a material change in Metered Amounts from the Generating Facility Units, Seller shall use diligent good faith efforts to cause the Allocated Metered Amounts to be equal to at least ninety-five percent (95%) of the Base Load Renewable Power Contract Quantity in any Term Year.

9.03 Indemnity.

The contents of this document are subject to restrictions on disclosure as set forth herein.

- (a) Each Party as indemnitor shall defend, save harmless, and indemnify the other Party and the directors, officers, employees, and agents, assigns and successors in interest of such other Party from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including any direct, indirect, or consequential loss, liability, damage, claim, cost, charge, demand, or expense incurred by third parties, including attorneys' fees), for injury or death to persons, including employees of either Party, and physical damage to property, including property of either Party, arising out of or in connection with the gross negligence or willful misconduct of the indemnitor relating to its obligations under this Agreement.

This indemnity shall apply notwithstanding the active or passive negligence of the indemnitee.

However, neither Party shall be indemnified hereunder for its loss, liability, damage, claim, cost, charge, demand, or expense resulting from its sole negligence or willful misconduct.

- (b) Subject to ARTICLE Six, Each Party releases and shall defend, save harmless, and indemnify the other Party from any and all loss, liability, damage, claim, cost, charge, demand, or expense arising out of or in connection with any breach made by the other Party of its representations and warranties in Sections 9.01 and Section 9.02, *provided*, this Section 9.03(b) shall not apply (other than with respect to claims by third parties) where specific remedies with respect to such breach of a representation, warranty or covenant are set forth in the Agreement.
- (c) The provisions of this Section 9.03 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.
- (d) Except as otherwise provided in Sections 9.03(a), 9.03(e) and 9.03(f) neither Party shall be liable to the other Party for consequential damages incurred by such other Party.
- (e) Notwithstanding anything to the contrary in this Agreement, if Seller fails to comply with the insurance provisions of Section 9.10, Seller shall, at its own cost, defend, save harmless and indemnify SCE, its directors, officers, employees, and agents, assigns, and successors in interest, from and against any and all loss, liability, damage, claim, cost, charge, demand, or expense of any kind or nature (including any direct, indirect, or consequential loss, liability, damage, claim, cost, charge, demand, or expense incurred by third parties, including attorneys' fees and other costs of litigation), resulting from injury or death to any person or physical damage to any property, including the personnel or property of SCE, to the extent that SCE would have been

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protected had Seller complied with all of the insurance provisions of Section 9.10.

The inclusion of this Section 9.03(e) is not intended to create any express or implied right in Seller to elect not to provide the insurance required under Section 9.10.

- (f) Each Party shall indemnify, defend, and hold harmless the other Party against any Governmental Charges for which such Party is responsible under ARTICLE Eight.
- (g) Each Party shall indemnify and hold the other Party harmless for any fees, charges or penalties incurred by such other Party for any act or omission by the indemnifying Party to abide by the CAISO Tariff and all applicable CAISO protocols.
- (h) All indemnity rights shall survive the termination of this Agreement for twelve (12) months.

9.04 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.

Any direct or indirect change of control of Seller (whether voluntary or by operation of law) shall be deemed an assignment and shall require the prior written consent of SCE, which consent shall not be unreasonably withheld.

9.05 Abandonment.

Seller shall not relinquish its ownership, possession and control of the Generating Facility Units without the prior written consent of SCE, *provided*, Seller shall not require SCE's consent if the relinquishment does not and will not for the remainder of the Term have material adverse impact upon Seller's ability to provide the Scheduled Amounts.

For purposes of this Section 9.05, Seller shall have been deemed to relinquish possession of any Generating Facility Unit if Seller has ceased work on all the Generating Facility Units or the Generating Facility Units have ceased production and delivery of the Allocated Metered Amounts, and such cessation is not a result of an event of Force Majeure, for a consecutive thirty (30) day period.

9.06 Governing Law.

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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.

9.07 Notices.

- (a) All Notices, requests, statements, or payments shall be made as specified in Exhibit C.
- (b) Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand, first class United States mail, overnight courier service, or facsimile.
 - (i) Hand delivered Notices and Notices sent by facsimile shall be deemed given at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be deemed given at the close of business on the next Business Day.
 - (ii) Notices sent by an overnight courier service shall be deemed given on the next Business Day after they were sent.
 - (iii) Notices sent by first class United States mail shall be deemed given two (2) Business Days after the post mark date.
- (c) Notices shall be effective on the date deemed given, unless a different date for the Notice to go into effect is stated in another section of this Agreement.
- (d) A Party may change its designated representatives, addresses and other contact information by providing Notice of same in accordance herewith.
- (e) All Notices, requests, statements or payments relating to this Agreement must reference the contract number set forth on the title page to this Agreement.

9.08 General.

- (a) This Agreement and the Contingent Settlement Agreement constitute the entire agreement between the Parties relating to its subject matter.
- (b) 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.

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- (c) Except to the extent provided for herein, no amendment or modification to this Agreement shall be enforceable unless reduced to a writing signed by both Parties.
- (d) This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement).
- (e) Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default.
- (f) 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.
- (g) The word “or” when used in this Agreement shall include the meaning “and/or” unless the context unambiguously dictates otherwise.
- (h) The headings used herein are for convenience and reference purposes only.
- (i) Words having well-known technical or industry meanings shall have such meanings unless otherwise specifically defined herein.
- (j) References to days that are not specifically designated as Business Days, shall be deemed to be references to calendar days.
- (k) This Agreement shall be binding on each Party’s successors and permitted assigns.
- (l) No provision of this Agreement is intended to contradict or supersede any applicable agreement covering transmission, distribution, metering, scheduling or interconnection.

In the event of an apparent contradiction between this Agreement and any such agreement, the applicable agreement shall control.
- (m) Whenever this Agreement specifically refers to any law, tariff, government department or agency, regional reliability council, a Transmission Provider, or credit rating agency, the Parties hereby agree that the reference shall also refer to any successor to such law, tariff or organization.
- (n) SCE’s obligation to take and pay for the Allocated Metered Amounts produced by the Generating Facility Units shall not be affected by any change to or elimination of the RPS Legislation.
- (o) The Parties acknowledge and agree that this Agreement and the transactions contemplated by this Agreement constitute a “forward contract” within the meaning of the United States Bankruptcy Code and that SCE and Seller are

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each “forward contract merchants” within the meaning of the United States Bankruptcy Code.

- (p) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original.

9.09 Confidentiality.

- (a) Neither Party shall disclose Confidential Information to a third party, other than:

- (i) To such Party’s employees, Lenders, counsel, accountants, advisors, Affiliates, investors, in each case who have a need to know such information and have agreed to keep such terms confidential;
- (ii) To potential investors in Seller, with the prior consent of SCE, which consent shall not be unreasonably withheld or conditioned;
- (iii) To potential Lenders of Seller, with the prior consent of SCE, which consent shall not be unreasonably withheld or conditioned;

provided, in each case such potential Lender has a need to know such information and has agreed to keep such terms confidential; and

provided further, the disclosure:

- (1) Of cash flow and other financial projections to any potential Lender in connection with a potential loan or tax equity investment; or
- (2) To potential Lenders with whom Seller has negotiated (but not necessarily executed) a term sheet or other similar written mutual understanding, shall not require such consent of SCE;
- (iv) To SCE’s Procurement Review Group, as defined in CPUC Decision 02-08-071, subject to any confidentiality agreements or laws, regulations or regulatory decisions concerning confidentiality which are applicable SCE’s Procurement Review Group;
- (v) To the CPUC under seal for purposes of review subject to the disclosing Party (“Disclosing Party”) making reasonable efforts to obtain confidentiality protection from the CPUC under Section 583 of the California Public Utilities Code or other statute, order or rule offering comparable confidentiality protection;

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- (vi) In order to comply with any Applicable Law, or any exchange, control area or CAISO rule, or order issued by a court or entity with competent jurisdiction over the Disclosing Party;
- (vii) In order to comply with any applicable regulation, rule, or order of the CPUC, CEC, FERC, any court, administrative agency, legislative body or other tribunal, or, to the extent applicable, any securities exchange or any mandatory discovery or data request of a party to any proceeding pending before any of the foregoing;
- (viii) As may reasonably be required to participate in any auction, market or other process pertaining to the allocation of priorities or rights related to transmission of electrical energy sold or to be sold to SCE hereunder;
- (ix) To representatives of a Party's credit ratings agencies:
 - (1) Who have a need to review the terms and conditions of this Agreement for the purpose of assisting the Party in evaluating this Agreement for credit rating purposes and have agreed to keep such information confidential; or
 - (2) With respect to the potential impact of this Agreement on the Party's financial reporting obligations.
- (x) Disclosure of terms specified in and pursuant to Section 9.09(b);
- (xi) In connection with discovery requests or orders pertaining to the non-public terms of this Agreement as referenced in Section 9.09(a)(vi) or Section 9.09(a)(vii) ("Disclosure Order") each Party shall, to the extent practicable, use reasonable efforts to:
 - (1) Notify the other Party prior to disclosing the confidential information; and
 - (2) Prevent or limit such disclosure.After using such reasonable efforts, the Disclosing Party shall not be:
 - (3) Prohibited from complying with a Disclosure Order; or
 - (4) Liable to the other Party for monetary or other damages incurred in connection with the disclosure of the confidential information.

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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;

- (xii) To the Creditor's Committee (and its retained professionals, including attorneys and consultants) in the Calpine Bankruptcy, on a need-to-know basis, subject to the provisions regarding confidentiality in the Creditors' Committee by-laws and any stipulations or agreements regarding confidentiality that have been or are later executed by a committee member.

(b) RPS Confidentiality.

Notwithstanding Section 9.09(a), at any time on or after the Execution Date, either Party shall be permitted to disclose the following terms with respect to this Agreement and the Power Purchase Agreements:

- (i) Party names;
- (ii) Generating Facility resource type;
- (iii) The Term of this Agreement and the delivery term;
- (iv) Location of the Geysers Facility;
- (v) The Base Load Renewable Power Contract Quantity; and
- (vi) The Delivery Point.

(c) Non-Disclosure Agreement and Confidentiality Agreement.

The Non-Disclosure Agreement between the Parties dated December 19, 2005 and the Confidentiality Agreement between the Parties dated March 6, 2006 are incorporated into this Agreement as of the Interim Period Effective Date but will be superseded and replaced in their entirety by this Agreement as of the Final Effective Date.

9.10 Insurance.

- (a) Throughout the Term, Seller shall obtain and maintain in force as hereinafter provided commercial general liability insurance, including contractual liability coverage, with a combined single limit of not less than two million dollars (\$2,000,000) for each occurrence.

The insurance carrier or carriers shall have a rating of no lower than A-IV by A.M. Best.

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- (b) Before the Term Start Date, Seller shall:
- (i) Furnish a certificate of insurance to SCE, which certificate shall provide that such insurance shall not be terminated nor expire except on thirty (30) calendar days' prior written notice to SCE, or, in the event of a non-payment of premium by Seller, ten (10) calendar days' prior written notice to SCE;
 - (ii) Furnish to SCE an additional insured endorsement with respect to such insurance in substantially the following form:

“In consideration of the premium charged, SCE is named as additional insured with respect to all liabilities arising out of Seller’s use and ownership of all of Seller’s Generating Facility Units.

The inclusion of more than one insured under this policy shall not operate to impair the rights of one insured against another insured and the coverages afforded by this policy will apply as though separate policies had been issued to each insured.

The inclusion of more than one insured will not, however, operate to increase the limit of the carrier’s liability.

SCE will not, by reason of its inclusion under this policy, incur liability to the insurance carrier for payment of premium for this policy.

Any other insurance carried by SCE which may be applicable shall be deemed excess insurance and Seller’s insurance primary for all purposes despite any conflicting provisions in Seller’s policy to the contrary.”

9.11 Nondedication.

Notwithstanding any other provisions of this Agreement, neither Party dedicates any of the rights that are or may be derived from this Agreement or any part of its facilities involved in the performance of this Agreement to the public or to the service provided under this Agreement, and such service shall cease upon termination of this Agreement.

9.12 Mobile Sierra.

Notwithstanding any provision of this Agreement, neither Party shall seek, nor shall they support any third party in seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or

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complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties.

Further, absent the prior agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party, a non-Party or the FERC acting *sua sponte* shall be the “public interest” standard of review set forth in:

- (a) *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 US 332 (1956);
and
- (b) *Federal Power Commission v. Sierra Pacific Power Co.*, 350 US 348 (1956).

9.13 Simple Interest Payments.

Except as specifically provided in this Agreement, any outstanding and past due amounts owing and unpaid by either Party under the terms of this Agreement shall be eligible to receive a Simple Interest Payment calculated using the Adjusted Prime Rate and the number of days between the date due and the date paid.

9.14 Payments.

Payments to be made under this Agreement shall be made by wire transfer.

9.15 Provisional Relief

The Parties acknowledge and agree that irreparable damage would occur in the event certain provisions of this Agreement are not performed in accordance with the terms hereof, that money damages would not be a sufficient remedy for any breach of such provisions of this Agreement, and that the Parties shall be entitled, without the requirement of posting a bond or other security, to seek a preliminary injunction, temporary restraining order, or other provisional relief as a remedy for a breach of Section 2.04(c), Section 9.02(f) and Section 9.09 in any court of competent jurisdiction, notwithstanding the obligation to submit all other disputes (including all claims for monetary damages under this Agreement) to arbitration pursuant to Section 10.01. The Parties further acknowledge and agree that the results of such arbitration may be rendered ineffectual without such provisional relief.

Such a request for provisional relief shall not waive a Party’s right to seek other remedies for the breach of the provisions specified above in accordance with Section 10.01, or release the Party from the requirements set forth in Section 10.01 with respect to the submission of claims for monetary damages under this Agreement, notwithstanding any prohibition against claim-splitting or other similar doctrine. The other remedies that may be sought include specific performance and injunctive or other equitable relief, plus any other remedy specified in this Agreement for such breach of

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the provision, or if the Agreement does not specify a remedy for such breach, all other remedies available at law or equity to the Parties for such breach.

**** End of ARTICLE Nine****

ARTICLE TEN. MEDIATION AND ARBITRATION**10.01 Dispute Resolution.**

Other than requests for provisional relief under Section 9.15, or Expedited Disputes, which shall be resolved in accordance with Section 10.04, below, any and all disputes, claims or controversies (including all claims for monetary damages under this Agreement) arising out of, relating to, concerning or pertaining to the terms of this Agreement, or to either Party's performance or failure of performance under this Agreement ("Dispute"), which Dispute the Parties have been unable to resolve by informal methods after undertaking a good faith effort to do so, shall first be submitted to mediation under the procedures described in Section 10.02 below, and if the matter is not resolved through mediation, then for final and binding arbitration under the procedures described in Section 10.03 below.

The Parties waive any right to a jury and agree that there shall be no interlocutory appellate relief (such as writs) available.

10.02 Mediation.

Either Party may initiate mediation by providing Notice to the other Party in accordance with Section 9.07 of a written request for mediation, setting forth a description of the Dispute and the relief requested.

The Parties will cooperate with one another in selecting the mediator ("Mediator") from the panel of neutrals from Judicial Arbitration and Mediation Services, Inc. ("JAMS"), its successor, or any other mutually acceptable non-JAMS Mediator, and in scheduling the time and place of the mediation.

Such selection and scheduling shall be completed within forty five (45) days after Notice of the request for mediation.

Unless otherwise agreed to by the Parties, the mediation shall not be scheduled for a date that is greater than one hundred twenty (120) days from the date of Notice of the request for mediation.

The Parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs (other than each Party's individual attorneys' fees and costs related to the Party's participation in the mediation, which fees and costs shall be borne by such Party).

All offers, promises, conduct and statements, whether oral or written, made in connection with or during the mediation by either of the Parties, their agents, representatives, employees, experts and attorneys, and by the Mediator or any of the Mediator's agents, representatives and employees, shall not be subject to discovery and shall be confidential, privileged and inadmissible for any purpose, including

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impeachment, in any arbitration or other proceeding between or involving the Parties, or either of them;

provided, evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

10.03 Arbitration.

Either Party may initiate binding arbitration with respect to the matters first submitted to mediation by providing Notice of a demand for binding arbitration before a single, neutral arbitrator (the “Arbitrator”) at any time following the unsuccessful conclusion of the mediation provided for above.

The Parties will cooperate with one another in selecting the Arbitrator within sixty (60) days after Notice of the demand for arbitration and shall further cooperate in scheduling the arbitration to commence no later than one hundred eighty (180) days from the date of Notice of the demand.

If, notwithstanding their good faith efforts, the Parties are unable to agree upon a mutually-acceptable Arbitrator, the Arbitrator shall be appointed as provided for in California Code of Civil Procedure section 1281.6.

To be qualified as an Arbitrator, each candidate must be a retired judge of a trial court of any state or federal court, or retired justice of any appellate or supreme court, unless the Parties agree otherwise.

Unless otherwise agreed to by the Parties, the individual acting as the Mediator shall be disqualified from serving as the Arbitrator in the dispute, although the Arbitrator may be another member of the JAMS panel of neutrals or such other panel of neutrals from which the Parties have agreed to select the Mediator.

Upon Notice of a Party’s demand for binding arbitration, such Dispute submitted to arbitration, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by binding arbitration before the Arbitrator, in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

Except as provided for herein, the arbitration shall be conducted by the Arbitrator in accordance with the rules and procedures for arbitration of complex business disputes for the organization with which the Arbitrator is associated.

Absent the existence of such rules and procedures, the arbitration shall be conducted in accordance with the California Arbitration Act, California Code of Civil Procedure 1280 et seq. and California procedural law (including the Code of Civil Procedure, Civil Code, Evidence Code and Rules of Court, but excluding local rules).

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Notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, the place of the arbitration shall be in Los Angeles County, California.

Also notwithstanding the rules and procedures that would otherwise apply to the arbitration, and unless the Parties agree to a different arrangement, discovery will be limited as follows:

- (a) Before discovery commences, the Parties shall exchange an initial disclosure of all documents and percipient witnesses which they intend to rely upon or use at any arbitration proceeding (except for documents and witnesses to be used solely for impeachment);
- (b) The initial disclosure shall occur within thirty (30) days after the initial conference with the Arbitrator or at such time as the Arbitrator may order;
- (c) Discovery may commence at any time after the Parties' initial disclosure;
- (d) The Parties will not be permitted to propound any interrogatories or requests for admissions;
- (e) Discovery shall be limited to twenty five (25) document requests (with no subparts), three (3) lay witness depositions, and three (3) expert witness depositions (unless the Arbitrator holds otherwise following a showing by the Party seeking the additional documents or depositions that the documents or depositions are critical for a fair resolution of the Dispute or that a Party has improperly withheld documents);
- (f) Each Party is allowed a maximum of three (3) expert witnesses, excluding rebuttal experts;
- (g) Within sixty (60) days after the initial disclosure, or at such other time as the Arbitrator may order, the Parties shall exchange a list of all experts upon which they intend to rely at the arbitration proceeding;
- (h) Within thirty (30) days after the initial expert disclosure, the Parties may designate a maximum of two (2) rebuttal experts;
- (i) Unless the Parties agree otherwise, all direct testimony shall be in form of affidavits or declarations under penalty of perjury; and
- (j) Each Party shall make available for cross examination at the arbitration hearing its witnesses whose direct testimony has been so submitted.

Subject to ARTICLE Six, the Arbitrator shall have the authority to grant any form of equitable or legal relief a Party might recover in a court action. The Parties

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acknowledge and agree that irreparable damage would occur in the event certain provisions of this Agreement are not performed in accordance with the terms hereof, that money damages would not be a sufficient remedy for any breach of such provisions of this Agreement, and that the Parties shall be entitled, without the requirement of posting a bond or other security, to specific performance and injunctive or other equitable relief as a remedy for a breach of Section 2.04(c), Section 9.02(f) and Section 9.09.

Judgment on the award may be entered in any court having jurisdiction.

The Arbitrator shall, in any award, allocate all of the costs of the binding arbitration (other than each Party's individual attorneys' fees and costs related to the Party's participation in the arbitration, which fees and costs shall be borne by such Party), including the fees of the Arbitrator and any expert witnesses, against the Party who did not prevail.

Until such award is made, however, the Parties shall share equally in paying the costs of the arbitration.

10.04 Expedited Dispute Resolution.

The Parties agree that Expedited Disputes shall be settled in accordance with this Section 10.04, unless the Parties agree otherwise in writing.

- (a) Either Party may initiate arbitration of an Expedited Dispute under this Section 10.04, by Notice of intent to arbitrate under this Section 10.04 ("Expedited Dispute Notice") to the other Party.

Such Expedited Dispute Notice must specify whether the Expedited Dispute concerns a Replacement Index, the amount of the Monthly Allocated Meter Amounts Shortfall Damages Payment, or the amount of the Annual Allocated Meter Amounts Shortfall Damages Payment, as well as the Party's suggested Replacement Index or damages payment amount.

If the Expedited Dispute concerns the amount of the Monthly Allocated Meter Amounts Shortfall Damages Payment, or the amount of the Annual Allocated Meter Amounts Shortfall Damages Payment the Expedited Dispute Notice shall also contain a detailed explanation of the calculation of and basis for the suggested damage amount.

- (b) Within five (5) Business Days of an Expedited Dispute Notice, each Party shall submit to the other Party names of three JAMS arbitrators who are:
- (i) Available to consider and rule upon the Expedited Dispute within sixty (60) days of the Expedited Dispute Notice; and

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- (ii) On the JAMS panel for resolution of complex business matters.
- (c) If after a good faith effort, the Parties are unable to agree on an arbitrator to hear the Expedited Dispute within five (5) Business Days of submission to each other of the names of three JAMS arbitrators under Section 10.04(b), the JAMS Los Angeles office shall select the arbitrator from one of the six arbitrators submitted by the Parties under Section 10.04(b).
- (d) Within five (5) days after the selection of the arbitrator, each Party shall, by personal delivery to each other and to the arbitrator, simultaneously exchange their written "Statements of Position," which shall set forth:
 - (i) A concise description of the Expedited Dispute being submitted to arbitration hereunder;
 - (ii) If the Expedited Dispute concerns a Replacement Index a suggested Replacement Index and the bases for the suggestion;
 - (iii) If the Expedited Dispute concerns the amount of the Monthly Allocated Meter Amounts Shortfall Damages Payment, or the amount of the Annual Allocated Meter Amounts Shortfall Damages Payment, a suggested damage amount and a detailed explanation of the calculation of and basis for the suggested damage amount.
- (e) No later than two (2) Business Days after the Statements of Position are exchanged, each Party may (but is not required to) submit a reply to the other Party's Statement of Position ("Reply").

Such Reply shall be simultaneously personally serviced upon each other and the arbitrator and its contents limited to that Party's rebuttal to the matter set forth in the other Party's Statement of Position.

- (f) Within ten (10) days after exchange of the Statements of Position, the arbitrator shall select the Statement of Position that the arbitrator determines to set forth the appropriate Replacement Index or damage amount, as applicable and shall render an award consistent with such Statement of Position.

The arbitrator shall have no right to propose a middle ground or any proposed modification of either Statement of Decision;

provided, if the arbitrator is determining two or more Expedited Disputes at one time, such arbitrator may select one Party's Statement of Position on one Expedited Dispute, and the other Party's Statement of Position on another Statement of Dispute.

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- (g) Upon the arbitrator's selection of a Statement of Position pursuant to this Section 10.04, the Statement of Position so chosen and the award rendered by the arbitrator thereon shall be final and binding upon the Parties.
- (h) Judgment on the award may be entered in any court having jurisdiction.
- (i) The Arbitrator shall, in any award, allocate all of the costs of the Expedited Dispute Resolution (other than each Party's individual attorneys' fees and costs related to the Party's participation in the arbitration, which fees and costs shall be borne by such Party), including the fees of the Arbitrator, against the Party who did not prevail.

Until such award is made, however, the Parties shall share equally in paying the costs of the arbitration.

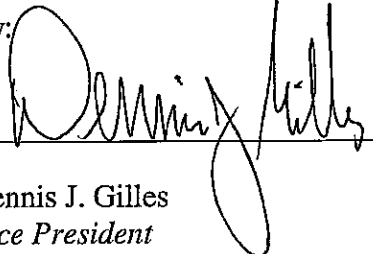
*** End of ARTICLE Ten ***

In WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Execution Date first written:

Geysers Power Company, LLC,
a Delaware limited liability company.

Southern California Edison Company,
a California corporation.

By:



Dennis J. Gilles
Vice President

By:

Pedro J. Pizarro
Senior Vice President,
Power Procurement

Date: April 12, 2007

Date:

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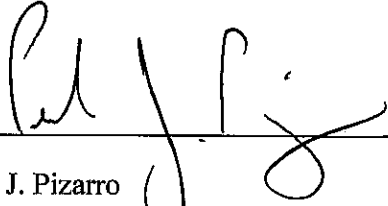
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Geysers Power Company, LLC,
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Southern California Edison Company,
a California corporation.

By:

By:



Dennis J. Gilles
Vice President

Pedro J. Pizarro
*Senior Vice President,
Power Procurement*

Date:

Date: 4/11/2007

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT A

Definitions

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT A *Definitions*

The following terms shall have the following meaning for purposes of this Agreement.

1. “Additional Renewable Power” means any quantity of Renewable Power which:
 - a) Seller may periodically offer to Schedule with SCE in accordance with the procedure set forth in Exhibit E and which SCE is not required to accept;
 - b) Is accepted by SCE pursuant to Exhibit E and Scheduled by Seller with SCE; and
 - c) Is or was capable of being supplied to SCE from Seller’s Generating Facility Units.
2. “Additional Renewable Power Premium” means the dollar per MWh amount set forth in Section 1.05(d).
3. “Additional Scheduled Amount” means portion of the Scheduled Amount that is greater than the Base Load Renewable Power Contract Quantity.
4. “Adjusted Prime Rate” means an annual interest rate equal to:
 - a) The rate published in The Wall Street Journal as the prime rate (or, if more than one rate is published, the arithmetic mean of such rates) as of the date payment is due; plus
 - b) Two percentage points (2%);

provided, in no event shall the result exceed the maximum interest rate permitted by Applicable Laws.
5. “Affiliate” means, with respect to a Party, any entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with such Party.

For purposes of this definition, “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,

provided, for purposes of Section 9.09(a)(i), “Affiliate” means and is limited to, in case of SCE, Edison International; and, in the case of Seller,

- a) Anderson Springs Energy Company;

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RAP ID #3107, Geysers Power Company, LLC

- b) Calpine Administrative Services Company, Inc.;
- c) Calpine Calistoga Holdings, LLC;
- d) Calpine Corporation;
- e) Calpine Development Holding, Inc.;
- f) Calpine Energy Services Holding Inc.;
- g) Calpine Energy Services, L.P.;
- h) Calpine Finance Company;
- i) Calpine Insurance Corporation;
- j) Calpine Merchant Services Company, Inc.;
- k) Calpine Operating Services Company, Inc.;
- l) Calpine Operations Management Company, Inc.;
- m) Calpine Power Company;
- n) CPN Energy Services GP Inc.;
- o) CPN Energy Services LP Inc.;
- p) Geysers Power Company II, LLC;
- q) Geysers Power Company, LLC;
- r) Geysers Power I Company;
- s) Silverado Geothermal Resources, Inc.; and
- t) Thermal Power Company;

Seller may add additional names to this list effective upon thirty (30) days Notice to SCE, unless SCE objects within the thirty (30) day period.

- 6. “Agreement” has the meaning set forth in the Preamble.
- 7. “Allocated Additional Metered Amounts” means the difference calculated by:
 - a) Subtracting Allocated Base Load Metered Amounts;

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- b) From Allocated Metered Amounts.
8. “Allocated Base Load Metered Amounts” means:
- a) When the Allocated Metered Amount is greater than or equal to the Base Load Scheduled Amount,

the Allocated Base Load Metered Amounts equals the Base Load Scheduled Amounts, in MWh;
 - b) When the Allocated Metered Amount is less than the Base Load Scheduled Amount,

the Allocated Base Load Metered Amount equals the Allocated Metered Amounts, in MWh.
9. “Allocated Metered Amounts” means
- a) Before the Final Effective Date, the quantities calculated in accordance with the procedure set forth in the Existing Agreement that are based upon a proportional allocation of the metered amounts measured by the CAISO Approved Meters at the designated units; and
 - b) After the Final Effective Date, the total quantity of Metered Amounts that Sellers allocates to SCE from all of the Generating Facility Units during the designated time period, as set forth in Seller’s Monthly Report of Allocated Metered Amounts in the form set forth in Attachments No.2 and No.3 of Exhibit G.
10. “Annual Allocated Metered Amounts Shortfall” is calculated as set forth in Exhibit H, Item No.8(b).
11. “Annual Allocated Metered Amounts Shortfall Damages Payment” means the payment calculated as set forth in Exhibit H, Item No.8.
12. “Annual Excess Allocated Metered Amounts Damages Payment” means the payment calculated as set forth in Exhibit H, Item No.9.
13. “Annual Excess Scheduled Amounts Damages Payment” means the payment calculated as set forth in Exhibit H, Item No.7.
14. “Applicable Laws” means all constitutions, treaties, laws, ordinances, rules, regulations, interpretations, permits, judgments, decrees, injunctions, writs and orders of any Governmental Authority that apply to either or both of the Parties, the Generating Facility Units or the terms of this Agreement.

The contents of this document are subject to restrictions on disclosure as set forth herein.

15. “Arbitrator” has the meaning set forth in Section 10.03.
16. “Bankrupt” means with respect to any entity, such entity:
- 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.
17. “Bankruptcy Code” means the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*
18. “Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of New York.
19. “Bankruptcy Court Approval” has the meaning set forth in Section 1.1 of the Contingent Settlement Agreement.
20. “Base Load Renewable Power Contract Quantity” means the quantity set forth in Section 1.03(a) and Section 1.03(b), as applicable.
21. “Base Load Renewable Power Premium Price” has the meaning set forth in Section 1.05(c).
22. “Base Load Renewable Power Price” has the meaning set forth in Section 1.05(a) or Section 1.05(b) as applicable.
23. “Base Load Scheduled Amount” means the portion of the Scheduled Amount that is less than or equal to the Base Load Renewable Power Contract Quantity in MW.
24. “Business Day” means any day except a Saturday, Sunday, a Federal Reserve Bank holiday, or the day after the U.S. Thanksgiving Day holiday.

A Business Day shall begin at 8:00 a.m. and end at 5:00 p.m. local time for the Party sending Notice or payment or performing a specified action.

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25. “CAISO” means the California Independent System Operator Corporation or successor entity that dispatches certain electric energy generating units and loads and controls the transmission facilities of entities that:
- a) Own, operate and maintain transmission lines and associated facilities or have entitlements to use certain transmission lines and associated facilities; and
 - b) Have transferred to CAISO or its successor entity operational control of such facilities or entitlements.
26. “CAISO Approved Meter” means collectively a CAISO Meter Services Agreement, CAISO approved revenue quality meter, CAISO approved data processing gateway, telemetering equipment and data acquisition services sufficient for recording and reporting the net electric energy produced by a Generating Facility Unit.
27. “CAISO Approved Quantity” means the electric energy quantity Scheduled by Seller and approved by CAISO in its final schedule published in accordance with the CAISO Tariff.
28. “CAISO Grid” means the system of transmission lines and associated facilities and entitlements of the participating transmission owners that have been placed under CAISO’s operational control.
29. “CAISO Meter Services Agreement” has the meaning set forth in the CAISO Tariff.
30. “CAISO Tariff” means the California Independent System Operator Corporation Operating Agreement and Tariff, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC.
31. “Calpine Bankruptcy” means the jointly administered bankruptcy cases under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, of Calpine Corporation and its affiliated debtors, Bankruptcy Case No. 05-60200, in the Bankruptcy Court and all debtors listed in Bankruptcy Case No. 05-062000.
32. “CEC” means the Energy Resources and Development Commission, which is also known as the California Energy Commission.
33. “CEC Certification and Verification” means that the CEC has certified that each of the Generating Facility Units are ERRs for purposes of the RPS Legislation and that all electric energy produced by each of the Generating Facility Units qualify as generation from an ERR for purposes of the RPS Legislation.
34. “CES” has the meaning set forth in the Recitals.
35. “Claiming Party” has the meaning set forth in Section 4.02.

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36. "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 of this Agreement.
37. "Confidential Information" shall mean the non-public terms and conditions of this Agreement and all oral and written communications related to this Agreement (including its negotiation) exchanged between the Parties, except that "Confidential Information" shall not include:
- a) Information which is in the public domain as of the Interim Period Effective Date or which later comes into the public domain from a source other than from the receiving Party or a third party to whom such Party is permitted to disclose Confidential Information under Section 9.09;
 - b) Information which the receiving Party can demonstrate in writing was already known to the receiving Party prior to the Interim Period Effective Date;
 - c) Information which comes to a receiving Party from a *bona fide* third party source not under an obligation of confidentiality;
 - d) Information which is independently developed by a receiving Party without use of or reference to Confidential Information or information containing Confidential Information; or
 - e) The fact that the Parties have entered into this Agreement.
38. "Contingent Settlement Agreement" has the meaning set forth in the Recitals.
39. "CPUC" means the California Public Utilities Commission.
40. "CPUC Approval" has the meaning set forth in Section 1.1 of the Contingent Settlement Agreement.
41. "Credit Rating" means with respect to any entity, on the relevant date of determination, the respective ratings then assigned to such entity's unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P or Moody's.

If no rating is assigned to such entity's unsecured, senior long-term debt or deposit obligation by either S&P or Moody's,

then "Credit Rating" shall mean the general corporate credit rating or long-term issuer rating assigned by S&P or Moody's, as the case may be.

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42. “Cross Default Amount” means as to Seller the dollar amount set forth in Section 1.06(b) and as to SCE the dollar amount set forth in Section 1.07.
43. “Daily Additional Renewable Power Offer” is described in Exhibit E, Section 3.
44. “Day Ahead Market” has the meaning set forth in FERC Docket ER06-615.
45. “Day Ahead Schedule” has the meaning set forth in the CAISO Tariff.
46. “Defaulting Party” has the meaning set forth in Section 5.01.
47. “Delivery Point” for Scheduled Amounts means during the:
 - a) Pre-MRTU Period, CAISO Zone NP-15.
 - b) Post-MRTU Period, any of the Geysers P Nodes.
48. “Disclosing Party” has the meaning set forth in Section 9.09(a)(v).
49. “Disclosure Order” has the meaning set forth in Section 9.09(a)(xi).
50. “District Court Decision” has the meaning set forth in the Preamble.
51. “Dispute” has the meaning set forth in Section 10.01.
52. “Early Termination Date” has the meaning set forth in Section 5.02(a).
53. “Emergency” means:
 - a) An actual or imminent condition or situation which jeopardizes the integrity of a Transmission Provider’s electric system or the integrity of any other systems to which a Transmission Provider’s electric system is connected, as determined by a Transmission Provider in its reasonable discretion, or any condition so defined and declared by CAISO; or
 - b) An emergency condition as defined under an interconnection agreement and any abnormal interconnection or system condition that requires automatic or immediate manual action to prevent or limit loss of load or generation supply, that could adversely affect the reliability of a Transmission Provider’s electric system or generation supply, that could adversely affect the reliability of any interconnected system, or that could otherwise pose a threat to public safety.
54. “Equitable Defense” means any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

55. “ERR” or “Eligible Renewable Resource” means a generating facility that qualifies as an eligible renewable electric energy resource for purposes of the RPS Legislation.
56. “Event of Default” has the meaning set forth in Section 5.01.
57. “Existing Agreement” has the meaning set forth in the Preamble.
58. “Execution Date” is the day set forth in the Preamble.
59. “Expedited Dispute” means any dispute between the Parties regarding:
- a) The amount of the Monthly Excess Scheduled Amount Damages Payment under Exhibit H, Item No.6;
 - b) The amount of the Annual Excess Scheduled Amounts Shortfall Damages Payment under Exhibit H, Item No.7; or
 - c) A Replacement Index under Exhibit H, Item No.10(c).
60. “Expedited Dispute Notice” has the meaning set forth in Section 10.04(a).
61. “Federal Funds Effective Rate” means the annual interest rate posted opposite the caption “Federal Funds (effective)” as set forth in the weekly statistical release as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.
62. “FERC” means the Federal Energy Regulatory Commission.
63. “Final Effective Date” has the meaning set forth in Section 4.1 of the Contingent Settlement Agreement.
64. “Force Majeure” means any occurrence that was not anticipated as of the Interim Period Effective Date that:
- a) In whole or in part:
 - i) Delays a Party’s performance under this Agreement;
 - ii) Causes a Party to be unable to perform its obligations; or
 - iii) Prevents a Party from complying with or satisfying the conditions of this Agreement;
 - b) Is not within the control of that Party; and
 - c) The Party has been unable to overcome by the exercise of due diligence.

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- d) Force Majeure includes, but is not limited to, an act of God, flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, terrorism, sabotage, strike or labor dispute, or actions or inactions of any Governmental Authority, or curtailment or reduction in deliveries at the direction of a Transmission Provider or CAISO, except as set forth below.
 - e) Force Majeure does not include the curtailment or reduction in deliveries at the direction of a Transmission Provider or CAISO when the basis of the curtailment or reduction in deliveries ordered by a Transmission Provider or CAISO is congestion arising in the ordinary course of operations of a Transmission Provider's system or the CAISO Grid, including:
 - i) Congestion caused by outages or capacity reductions for maintenance, construction or repair;
 - ii) SCE's inability economically to use or resell the Scheduled Amount and the associated Green Attributes, or any element thereof, purchased hereunder;
 - iii) Seller's ability to sell the Scheduled Amount, and the associated Green Attributes, at a price greater than the price set forth in this Agreement;
 - iv) 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) through (d) above; or
 - v) 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) through (d) above.
65. "Forced Outage" has the meaning set forth in the CAISO Tariff.
66. "Forward Price Assessment" means quotations for 225 MW of electrical power for the remainder of the Term from an ERR with the transmission constraints of the Geysers Facility and including the value of all of the Green Attributes associated with the 225 MW, solicited or obtained in good faith from regularly published and widely-distributed forward price assessments from a broker that is not an Affiliate of either Party and who is actively participating in markets for renewable power.
67. "Forward Settlement Amount" has the meaning set forth in Section 5.03(b)(i).
68. "GAAP" means generally accepted accounting principles.
69. "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

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- this Agreement for the remaining Term of this Agreement, determined in a commercially reasonable manner as set forth in Section 5.03(b).
70. “Generating Facility Unit” means each of the generating facilities designated in Attachment 1, of Exhibit B as being eligible to provide Allocated Metered Amounts under this Agreement, together with all of their associated materials, equipment systems, structures, features and improvements necessary to produce electric energy at such facilities, excluding the Sites, land rights and interests in land.
71. “Geysers Project” means:
- a) All of the generating facilities identified in Attachment 1 of Exhibit B as being eligible to provide Allocated Metered Amounts under this Agreement;
 - b) All of the generating facilities identified in Attachment 1 of Exhibit B as not being eligible to provide Allocated Metered Amounts under this Agreement;
 - c) Any other geothermal powered generating facility units that Seller either develops or purchases in the Geysers Known Geothermal Resource Area and that qualify as ERR; and
 - d) All related tangible and intangible assets
72. “Geysers P Node” means any of the CAISO P nodes set forth in Exhibit B, Attachment 1, for each of the Generating Facility Units.
73. “Governmental Authority” means:
- a) Any federal, state, local, municipal or other government;
 - b) Any governmental, regulatory or administrative agency, commission, or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or
 - c) Any court or governmental tribunal.
74. “Governmental Charges” has the meaning as set forth in Section 8.02.
75. “Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to or associated with the Allocated Metered Amounts that SCE purchases from Seller under the terms of this Agreement and their displacement of electric energy produced by conventional energy generation.

Green Attributes include but are not limited to:

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- a) 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;
- b) 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
- c) The reporting rights to these avoided emissions, such as Green Tag Reporting Rights and Renewable Energy Credits.

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:

- d) Any energy, capacity, reliability or other power attributes from the Generating Facility Units;
 - e) Production Tax Credits associated with the construction or Operation of the Generating Facility Units and other financial incentives in the form of credits, reductions, or allowances associated with the Generating Facility Units that are applicable to a state or federal income taxation obligation;
 - f) Fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by Seller for the destruction of particular pre-existing pollutants or the promotion of local environmental benefits; or
 - g) Emission reduction credits encumbered or used by the Generating Facility Units for compliance with local, state, or federal operating and/or air quality permits.
76. "Guarantor" means any entity acting as guarantor under the Guaranty Agreement mutually agreed to by the Parties.

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77. “Guaranty Agreement” means, the guaranty agreement from the Guarantor in the form attached hereto as Exhibit I.
78. “Hourly Additional Renewable Power Offer” is described in Exhibit E, Section 4.
79. “Integrated Forward Market Price” has the meaning set forth in FERC Docket ER06-615.
80. “Interim Period” has the meaning set forth in Section 3.1 of the Contingent Settlement Agreement.
81. “Interim Period Effective Date” has the meaning set forth in Section 3.1 of the Contingent Settlement Agreement.
82. “JAMS” or “Judicial Arbitration and Mediation” has the meaning set forth in Section 10.02.
83. “kW” means a kilowatt (1,000 Watts) of electric energy generating capacity or power output.
84. “kWh” means a kilowatt-hour (1,000 Watt-hours) of electric energy.
85. “Lender” means any financial institution(s) or successor(s) in interest or assignees that provide(s) debt financing to Seller secured by an interest in the Geysers Project.
86. “Letter of Credit” means an irrevocable, nontransferable standby letter of credit provided by Seller and issued by a U.S. commercial bank or a U.S. branch of a foreign bank with such bank having a Credit Rating of at least “A-” from S&P and “A3” from Moody’s, substantially in the form of Exhibit J and acceptable to SCE.
87. “Letter of Credit Default” means with respect to a Letter of Credit, the occurrence of any of the following events:
- a) The issuer of such Letter of Credit fails to maintain a Credit Rating of at least “A-” by S&P and “A3” by Moody’s;
 - b) The issuer of the Letter of Credit fails to comply with or perform its obligations under such Letter of Credit;
 - c) The issuer of such Letter of Credit disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Letter of Credit;
 - d) Such Letter of Credit fails or ceases to be in full force and effect at any time,
 - e) Seller fails to provide an extended or replacement Letter of Credit within twenty (20) Business Days before such Letter of Credit expires or terminates;

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- f) The issuer of such Letter of Credit becomes Bankrupt;
- provided*, no Letter of Credit Default shall occur or be continuing in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be canceled or returned to a Party in accordance with the terms of this Agreement.
88. “LMP” or “Locational Marginal Pricing” has the meaning set forth in FERC Docket ER06-615.
89. “Local Business Day” means a Business Day on which commercial banks are open for business, excluding the Friday immediately following the U.S. Thanksgiving holiday or a Federal Reserve Bank holiday:
- a) For payments, the commercial banks that must be open for purposes of this definition shall be located where the relevant account is located.
- b) For Notice or other communication, the commercial banks that must be open for purposes of this definition shall be in the same location at the Notice recipient.
90. “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 termination of this Agreement for the remaining Term of this Agreement, determined in a commercially reasonable manner, as provided in Section 5.03(b).
91. “Lost Output” means the electric energy associated with Base Load Renewable Power Contract Quantity over the relevant measurement period that the Generating Facility Units were available to produce and could reasonably have been expected to Schedule and deliver to SCE under this Agreement, but that was not Scheduled and delivered due to:
- a) Force Majeure;
- b) An Event of Default where SCE is the Defaulting Party; or
- c) A curtailment or suspension of deliveries ordered or caused by CAISO or a Transmission Provider;
- provided*, the basis of such curtailment or reduction is not an event caused by Seller.
92. “Lost Output Report” means the a report of Lost Output prepared by Seller in accordance with the procedures set forth in Section 2.10.
93. “Mediator” has the meaning set forth in Section 10.02.

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94. “Metered Amounts” means the quantity of electric energy produced by any or all Generating Facility Units that:
- a) Is net of Station Use;
 - b) Is measured by a CAISO Approved Meter;
 - c) Qualifies as electric energy from an ERR for purposes of the RPS Legislation pursuant to CEC Certification and Verification; and
 - d) Is expressed in kWh;
95. “Minimum Nominal Rating” means 300 MW.
96. “Monthly Renewable Power Payment” has the meaning set forth in Section 3.01 and Exhibit H.
97. “Monthly Additional Renewable Power Offer” is described in Exhibit E.
98. “Monthly Additional Renewable Power Premium Payment” is described in Exhibit H, Item No.5.
99. “Monthly Excess Scheduled Amount Damages Payment” is described in Exhibit H, Item No.6.
100. “Monthly Base Load Renewable Power and Additional Scheduled Amounts Payment” is described in Exhibit H, Items No.2 and No.3.
101. “Monthly Base Load Renewable Power Premium Payment” is described in Exhibit H, Item No.4.
102. “Monthly Report of Allocated Metered Amounts” is described in Section 2.11.
103. “Moody’s” means Moody’s Investor Services, Inc.
104. “MRTU” or “Market Redesign Technology Upgrade” means the CAISO’s market redesign and technology upgrade proceeding originally filed with FERC under docket No. ER02-1656-009, et al (Tariff Amendment No. 44 MRTU) and conditionally approved by FERC in Docket No. ER06-615 (“Order Conditionally Accepting The California Independent System Operator’s Electric Tariff filing To Reflect Market Redesign and Technology Upgrade”).
105. “MW” means a megawatt (1,000 kilowatts or 1,000,000 Watts) of electric energy generating capacity or power output.

106. “MWh” means a megawatt-hour (1,000 kilowatt-hours or 1,000,000 Watt-hours) of electric energy.
107. “NERC Holidays” mean the holidays specified by the North American Electric Reliability Council, which as of the Interim Period Effective Date include:
- a) New Years Day;
 - b) Memorial Day;
 - c) Independence Day;
 - d) Labor Day;
 - e) Thanksgiving Day; and
 - f) Christmas Day.
108. “Nominal Rating” means the total of the maximum hourly Metered Amounts from all Generating Facility Units during the preceding twelve (12) month period, MW.
109. “Non-Defaulting Party” has the meaning set forth in Section 5.02.
110. “Notice” means notices, requests, statements or payments provided in accordance with Section 9.07 and Exhibit C.
111. “Off-Peak Hours” means the hours which are not On-Peak Hours and are used to calculate the Monthly Renewable Power Payment, as set forth in Exhibit H.
- As of the Interim Period Effective Date the publications set forth in Exhibit H, Item No.10(b) define off-peak hours as:
- a) Hour Ending (HE) 01 through HE 06 Mondays through Saturdays;
 - b) HE 23 though HE 24 PPT Mondays through Saturdays; and
 - c) All day Sundays and NERC Holidays.
112. “OMAR” means the Operational Metering Analysis and Reporting System operated and maintained by CAISO as the repository of settlement quality meter data, or its successor.
113. “On-Peak Hours” means the on-peak hours established by the publications set forth in Exhibit H, Item No.10(a) and used to calculate the Monthly Renewable Power Payment, as set forth in Exhibit H.

As of the Effective Date, these publications define on-peak hours as the Hours Ending (HE) 07-22 PPT Mondays through Saturdays, excluding NERC Holidays.

114. “Operate,” “Operating” or “Operation” means to provide (or the provision of) all the operation, engineering, purchasing, repair, supervision, training, inspection, testing, protection, use, management, improvement, replacement, refurbishment, retirement, and maintenance activities associated with operating the Generating Facility Units in accordance with Prudent Electrical Practices.
115. “Outage” has the meaning set forth in the CAISO Tariff.
116. “Party” or “Parties” have the meaning set forth in the Preamble.
117. “Payment Due Date” means:
 - a) For Monthly Renewable Power Payments paid in all months except February:
 - i) The later of ten (10) Business Days after SCE receives the Monthly Report of Allocated Metered Amounts applicable to the month, or the thirtieth (30th) day after the end of the previous month,

if the thirtieth (30th) day after the end of the previous month *is* a Business Day; or
 - ii) The later of ten (10) Business Days after SCE receives the Monthly Report of Allocated Metered Amounts applicable to the month, or the last Business Day of the month,

if the thirtieth (30th) day after the end of the previous month *is not* a Business Day;
 - b) For Monthly Renewable Power Payments paid in the month of February:
 - i) The later of ten (10) Business Days after SCE receives the Monthly Report of Allocated Metered Amounts applicable to the month, or the last day of February,

if the last day of February *is* a Business Day; or
 - ii) The later of ten (10) Business Days after SCE receives the Monthly Report of Allocated Metered Amounts applicable to the month, or the last Business Day of February,

if the last day of February *is not* a Business Day.

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118. “Performance Assurance” means Seller’s cash or Letter of Credit collateral which is posted by Seller pursuant to Section 7.02.
119. “Performance Assurance Amount” has the meaning set forth in Section 1.06(a).
120. “Permits” means all applications, approvals, authorizations, consents, filings, licenses, orders, permits or similar requirements imposed by any Governmental Authority, or CAISO, in order to develop, construct, operate, maintain, improve, refurbish and retire the Generating Facility Units or to Schedule and deliver the Renewable Power produced by the Generating Facility Units to SCE.
121. “Post-MRTU Period” means the time period, which begins on the day immediately following the first day that both the LMP and Day Ahead Market terms in the CAISO Tariff that have been conditionally approved by the FERC in Docket ER06-615 have become effective, and which ends on the Term End Date.
122. “Pre-MRTU Period” means the time period, which begins on the Term Start Date, and which ends on the first day that both the LMP and Day Ahead Market terms in the CAISO Tariff that have been conditionally approved by the FERC in Docket ER06-615 have become effective.
123. “Procurement Review Group” has the meaning set forth in Section 9.09(a)(iv).
124. “Prudent Electrical Practices” means those practices, methods and acts that would be implemented and followed by prudent operators of electric energy generating facilities in the Western United States similar to the Generating Facility Units during the relevant time period, which practices, methods and acts, in the exercise of prudent and responsible professional judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result consistent with good business practices, reliability and safety.

Prudent Electrical Practices shall include, at a minimum, those professionally responsible practices, methods and acts described in the preceding sentence that comply with manufacturers’ warranties, restrictions in this Agreement, and the requirements of Governmental Authorities, WECC standards, CAISO and Applicable Laws.

Prudent Electrical Practices shall also include taking reasonable steps to ensure that:

- a) Equipment, materials, resources, and supplies, including spare parts inventories, are available to meet the needs of the Generating Facility Units;
- b) Sufficient operating personnel are available at all times and are adequately experienced and trained and licensed as necessary to operate the Generating Facility Units properly, efficiently, and are capable of responding to

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- reasonably foreseeable emergency conditions at the Generating Facility Units and Emergencies whether caused by events on or off the Site;
- c) Preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable, long term and safe operation of the Generating Facility Units, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;
 - d) Appropriate monitoring and testing are performed to ensure equipment is functioning as designed;
 - e) Equipment is not operated in a reckless manner, in violation of manufacturer's guidelines or in a manner unsafe to workers, the general public, or a Transmission Provider's electric system or contrary to environmental laws, permits or regulations or without regard to defined limitations such as, flood conditions, safety inspection requirements, operating voltage, current, volt ampere reactive (VAR) loading, frequency, rotational speed, polarity, synchronization, or control system limits; and
 - f) Equipment and components meet or exceed the standard of durability that is generally used for electric energy generating facilities operating in the Western United States and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Site and under both normal and emergency conditions.
125. "Rejection Motion" has the meaning set forth in the Preamble.
126. "Renewable Energy Credits" has the meaning set forth in Public Utilities Code Section 399.12(g), as may be amended from time to time or as further defined or supplemented by Applicable Law.
127. "Renewable Power" means:
- a) Scheduled Amounts; and
 - b) All associated Allocated Metered Amounts.
128. "RPS Legislation" means the State of California Renewable Portfolio Standard Program, as codified at California Public Utilities Code Section 399.11, *et seq.*
129. "Replacement Index" has the meaning set forth in Exhibit H, Item No.10(c).
130. "Reply" has the meaning set forth in Section 10.04(e).
131. "S&P" means the Standard & Poor's Rating Group.

132. “SCE” has the meaning set forth in the Preamble.
133. “SEC” means the United States Securities and Exchange Commission.
134. “Schedule,” “Scheduled” or “Scheduling” means the action of Seller and SCE, or their designated representatives, including any third party provider of scheduling services, if applicable, of notifying, requesting, and confirming to each other or to CAISO, as appropriate, the CAISO Approved Quantity of electric energy being delivered by Seller to SCE in the form of Scheduling Coordinator Trades for any given day, hour, or relevant period at the Delivery Point, all in accordance with the provisions of Exhibit D and Exhibit E.
135. “Scheduled Amounts” means the total quantity of electric energy sales Scheduled by Seller and confirmed by SCE at the Delivery Point in the form of a Scheduling Coordinator Trade on any given day, hour, or relevant period, in MW.
136. “Scheduling Coordinator” or “SC” means an entity certified by CAISO for the purposes of undertaking the functions specified by the CAISO Tariff Section 2.2.6, as amended by FERC from time-to-time.
137. “Scheduling Coordinator Trades” means Scheduling Coordinator to Scheduling Coordinator trades of electric energy from the Generating Facility Units by Seller to SCE in accordance with the CAISO Tariff.
138. “Second Circuit Appeal” has the meaning set forth in the Preamble.
139. “Security Interest” has the meaning set forth in Section 7.03(a).
140. “Seller” has the meaning set forth in the Preamble.
141. “Simple Interest Payment” means a dollar amount calculated by multiplying the:
- a) Dollar amount on which an Simple Interest Payment is based; times
 - b) Applicable Federal Funds Effective Rate or Adjusted Prime Rate; times
 - c) The result of dividing the number of days in the calculation period by 365.
142. “Site(s)” means all of the real property on which the Generating Facility Units are located, as further described in Exhibit B.
143. “Site Control” means that Seller shall:
- a) Own all of the Sites;
 - b) Be the lessee of the Sites under one or more Leases;

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- c) Be the holder of a right-of-way grant or similar instruments with respect to the Sites; or
 - d) Be the managing partner or other person or entity authorized to act in all matters relating to the control and Operation of the Sites and Generating Facility Units.
144. “Statement of Position” has the meaning set forth in Section 10.04(d).
145. “Station Use” means the electric energy produced by a Generating Facility Unit that is either:
- a) Used within the Generating Facility Unit to power the lights, motors, control systems and other electrical loads that are necessary for Operation; or
 - b) Consumed within the Generating Facility Unit’s electric energy distribution system as losses.
146. “Supplemental Lost Output” has the meaning set forth in Section 2.10(b).
147. “Supplemental Lost Output Report” has the meaning set forth in Section 2.10(b).
148. “Term” means the time period that begins on the Term Start Date and ends on the Term End Date.
149. “Term End Date” means the date set forth in Section 1.01(b).
150. “Term Start Date” means the date set forth in Section 1.01(a).
151. “Term Year” means a period beginning on the Term Start Date and ending twelve (12) months after the end of the month in which the Term Start Date occurs, and each successive twelve (12) month period thereafter, except that the last Term Year shall end on the Term End Date.
152. “Termination Date” has the meaning set forth in Section 1.1 of the Contingent Settlement Agreement.
153. “Termination Payment” has the meaning set forth in Section 5.03(a).
154. “Transmission Provider” means any entity or entities which either own or operate the electric energy transmission or distribution systems that:
- a) Connect the Generating Facility Units to the Delivery Point; and
 - b) Are used to deliver the Renewable Power produced by the Generating Facility Units by Seller to SCE.

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155. “WECC” means the Western Electricity Coordinating Council, the regional reliability council for the:
- a) Western United States;
 - b) Northwestern Mexico; and
 - c) Southwestern Canada.
156. “Weekly Additional Renewable Power Offer” is described in Exhibit E, Section 2.

*** End of EXHIBIT A ***

EXHIBIT B

Seller's Generating Facility Units

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EXHIBIT B

Seller's Generating Facility Units

The Allocated Metered Amounts that Seller sells to SCE under the terms of this Agreement shall be provided from Seller's existing, geothermal energy powered, Generating Facility Units at the Geysers Known Geothermal Resource Area (located approximately 100 miles north of San Francisco in the Mayacamas Mountains) which are eligible to provide such Allocated Metered Amounts as identified in Attachment #1 of this Exhibit B.

The administrative offices of the Geysers Project are located at:
10350 Socrates Mine Road, Middletown, CA 95461

ATTACHMENT #1 CAISO Meter Information

<i>Generating Facility Unit ID</i>	<i>Geysers Unit 1 (Aidlin)</i>	<i>Geysers Unit 2 (Bear Canyon)</i>	<i>Calpine Geothermal Unit 3 (Sonoma)</i>	<i>Geysers Unit 4 (West Ford Flat)</i>
Designated as eligible to provide Allocated Metered Amounts prior to the Final Effective Date defined in the Contingent Settlement Agreement	No	No	Yes	No
Designated as eligible to provide Allocated Metered Amounts after the Final Effective Date defined in the Contingent Settlement Agreement	No	No	Yes	No
CAISO Global Resource ID	ADLIN_1_UNIT 1	BEARCN_2_UNIT 1	SMUDGO_7_Unit 1	WDFRDF_2_UNITS
SC ID	CALJ	CALJ	CALJ	CALJ
Nominal Rating (MW)	20	20	38	28
CAISO Approved Meter Device ID	NA	NA	591007	NA
Meter Password (<i>read only</i>)	NA	NA	00	NA
Meter Data path	NA	NA	10.26.0.26/06	NA
Copy of meter certification	NA	NA	sent separately	NA
List of any CAISO metering exemptions	NA	NA	NA	NA
Compensation Calculations	NA	NA	with certificate	NA
Telephone Number for administrative and metering issues	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com
Geysers P Node				

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RAP ID #3107, Geysers Power Company, LLC

<i>Generating Facility Unit ID</i>	<i>Calpine Geothermal Units 5&6 (McCabe)</i>	<i>Calpine Geothermal Units 7&8 (Ridge Line)</i>	<i>Calpine Geothermal Units 9&10 (Fumerole)</i>	<i>Calpine Geothermal Unit 11 (Eagle Rock)</i>
Designated as eligible to provide Allocated Metered Amounts prior to the Final Effective Date defined in the Contingent Settlement Agreement	Yes	Yes	Yes	Yes
Designated as eligible to provide Allocated Metered Amounts after the Final Effective Date defined in the Contingent Settlement Agreement	Yes	Yes	Yes	Yes
CAISO Global Resource ID	GYS5X6_7_Units	GYS7X8_7_Units	GYS9X10_7_Units	GEYS11_7_Unit 11
SC ID	CALJ	CALJ	CALJ	CALJ
Nominal Rating (MW)	82	65	52	57
CAISO Approved Meter Device ID	4904811	490511	(cold standby)	4905211
Meter Password (<i>read only</i>)	00	00	00	00
Data path	10.26.0.30/01	10.26.0.30/03	NA	10.26.0.30/05
Copy of meter certification	sent separately	sent separately	sent separately	sent separately
List of any CAISO metering exemptions	NA	NA	NA	NA
Compensation Calculations	With certificate	with certificate	with certificate	with certificate
Telephone Number for administrative and metering issues	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com
Geysers P Node				

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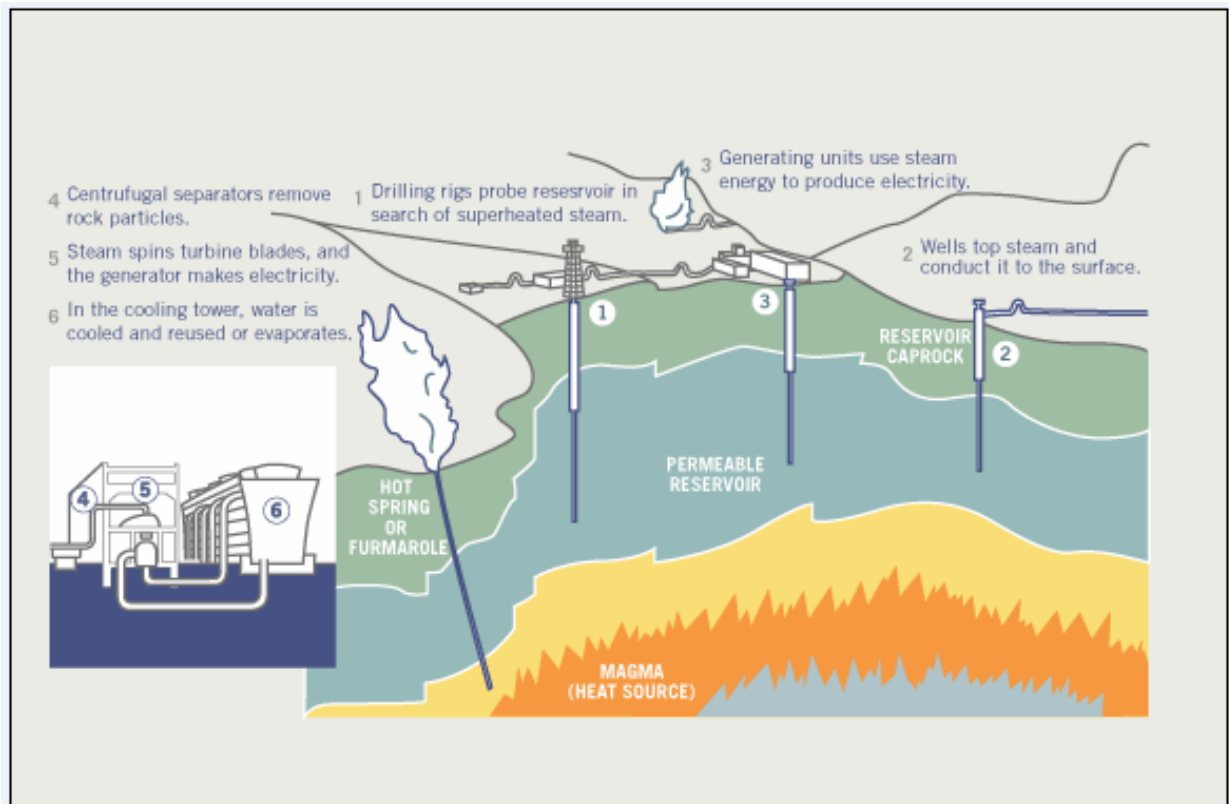
<i>Generating Facility Unit ID</i>	<i>Calpine Geothermal Unit 12 (Cobb Creek)</i>	<i>Calpine Geothermal Unit 13 (Big Geysers)</i>	<i>Calpine Geothermal Unit 14 (Sulphur Springs)</i>	<i>Calpine Geothermal Unit 16 (Quicksilver)</i>
Designated as eligible to provide Allocated Metered Amounts prior to the Final Effective Date defined in the Contingent Settlement Agreement	Yes	No	Yes	Yes
Designated as eligible to provide Allocated Metered Amounts after the Final Effective Date defined in the Contingent Settlement Agreement	Yes	Yes	Yes	Yes
CAISO Global Resource ID	GEYS12_7_Unit 12	GEYS13_7_Unit 13	GEYS14_7_Unit 14	GEYS16_7_Unit 16
SC ID	CALJ	CALJ	CALJ	CALJ
Nominal Rating (MW)	51	70	56	62
CAISO Approved Meter Device ID	4905411	4905611	4905811	4906011
Meter Password (<i>read only</i>)	00	00	00	00
Data path	10.26.0.30/07	10.26.0.26/01	10.26.0.30/09	10.26.0.26/03
Copy of meter certification	sent separately	sent separately	sent separately	sent separately
List of any CAISO metering exemptions	NA	NA	NA	NA
Compensation Calculations	With certificate	with certificate	with certificate	with certificate
Telephone Number for administrative and metering issues	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com
Geysers P Node				

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<i>Generating Facility Unit ID</i>	<i>Calpine Geothermal Unit 17 (Lakeview)</i>	<i>Calpine Geothermal Unit 18 (Socrates)</i>	<i>Geysers Unit 19 (Calistoga)</i>	<i>Calpine Geothermal Unit 20 (Grant)</i>
Designated as eligible to provide Allocated Metered Amounts prior to the Final Effective Date defined in the Contingent Settlement Agreement	Yes	Yes	No	No
Designated as eligible to provide Allocated Metered Amounts after the Final Effective Date defined in the Contingent Settlement Agreement	Yes	Yes	No	Yes
CAISO Global Resource ID	GEYS17_7_Unit 17	GEYS18_7_Unit 18	SANTFG_7_UNITS	GEYS20_7_Unit 20
SC ID	CALJ	CALJ	CALJ	CALJ
Nominal Rating (MW)	51	56	80	62
CAISO Approved Meter Device ID	4906111	4906311	NA	4906411
Meter Password (<i>read only</i>)	00	00	NA	00
Data path	10.26.0.30/11	10.26.0.26/04	NA	10.26.0.26/05
Copy of meter certification	sent separately	sent separately	NA	sent separately
List of any CAISO metering exemptions	NA	NA	NA	NA
Compensation Calculations	with certificate	with certificate	NA	with certificate
Telephone Number for administrative and metering issues	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com	707-431-6077 GeysersPPA@calpine.com
Geysers P Node				

The contents of this document are subject to restrictions on disclosure as set forth herein.

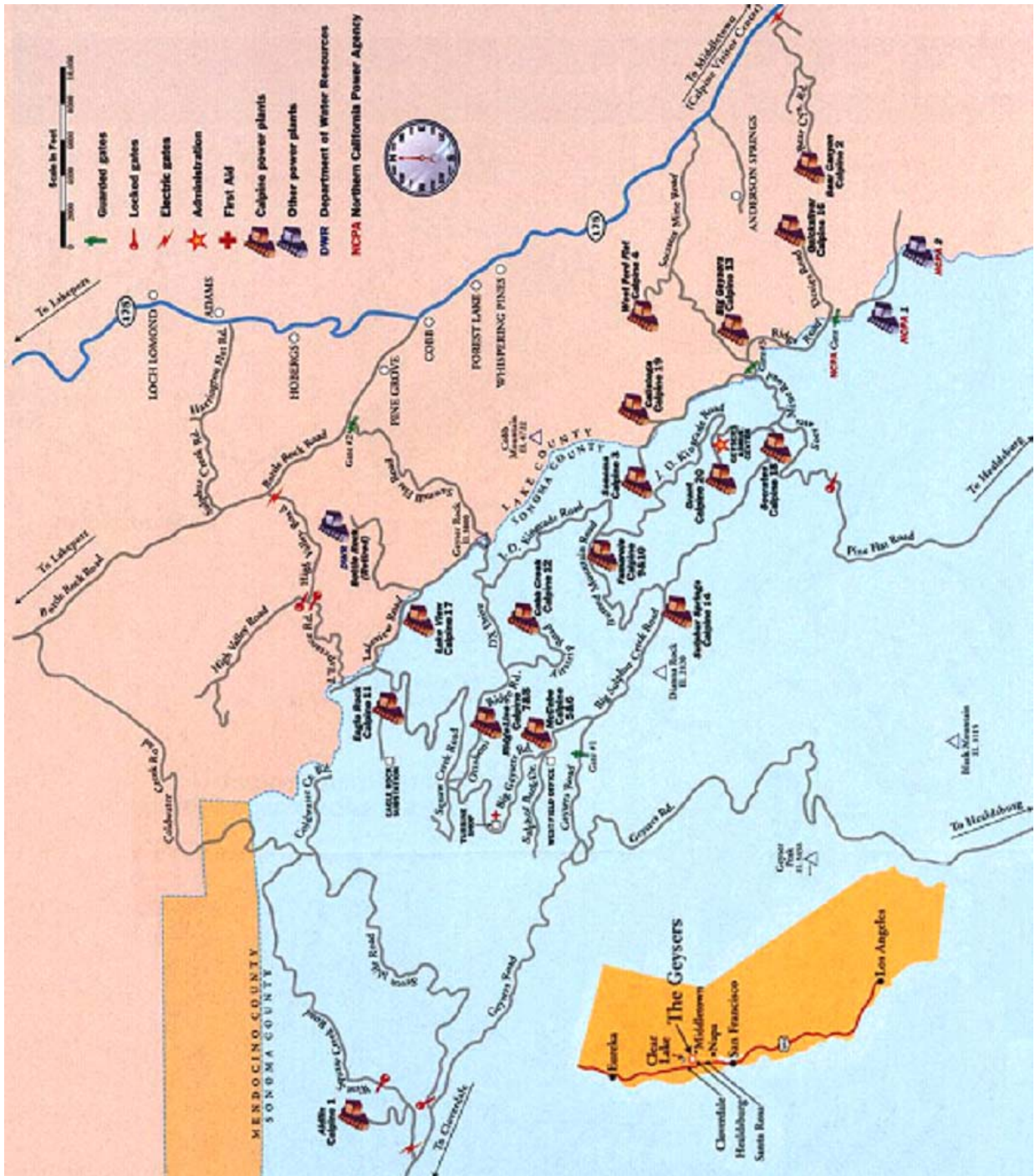
ATTACHMENT #2
Geysers Project Operations Diagrams



The contents of this document are subject to restrictions on disclosure as set forth herein.

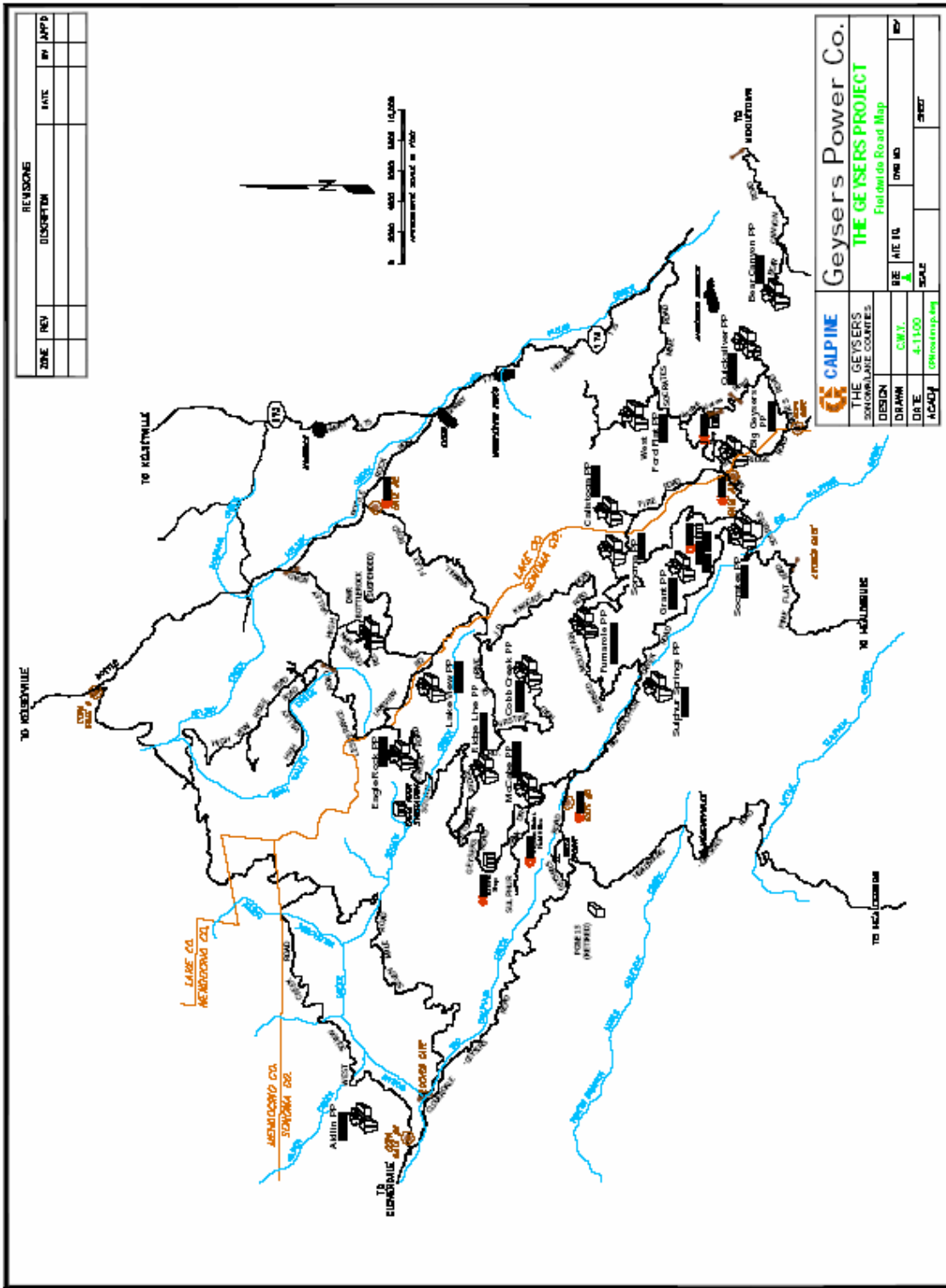
ATTACHMENT #3

Generating Facility Unit Locations in the Geysers Geothermal Field



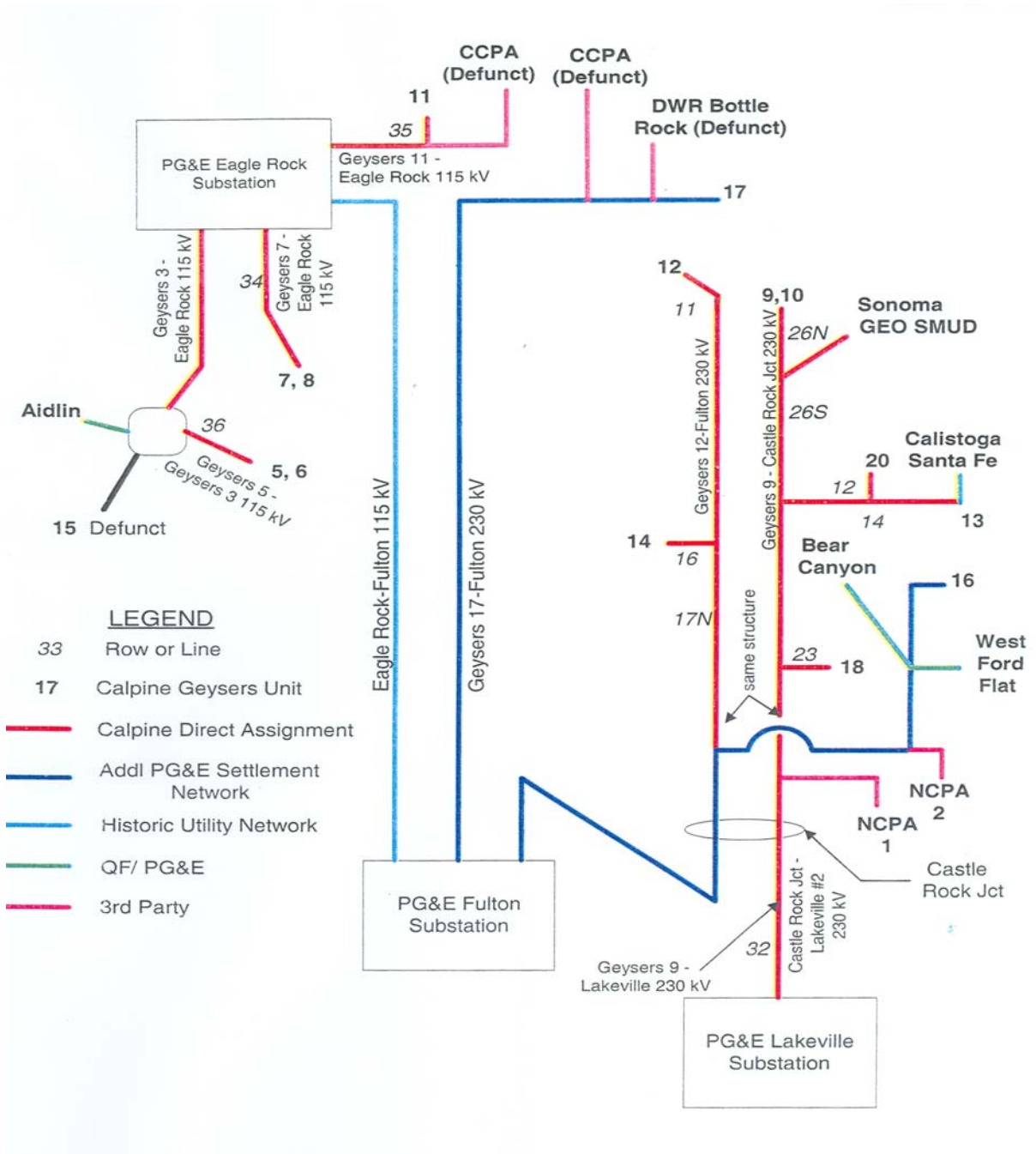
The contents of this document are subject to restrictions on disclosure as set forth herein.

ATTACHMENT #4 Geysers Project Road Map



The contents of this document are subject to restrictions on disclosure as set forth herein.

ATTACHMENT #5
Simplified Electrical One-Line Diagram



*** End of EXHIBIT B ***

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT C

Notice List

The contents of this document are subject to restrictions on disclosure as set forth herein.



EXHIBIT C
Notice List

<i>Seller</i>	<i>SCE</i>
All Notices are deemed provided in accordance with Section 9.07 if made to the address or facsimile numbers provided below:	All Notices are deemed provided in accordance with Section 9.07 if made to the address or facsimile numbers provided below:
Contract Sponsor: Attn: Geysers Power Company, LLC SVP Geothermal Street: 10350 Socrates Mine Road, City: Middletown, California Zip: 95461 Phone: (707) 431-6058 Facsimile: (707) 431-6246 Email: GeysersPPA@Calpine.com	Contract Sponsor: Attn: Director, Renewable and Alternative Power Street: 2244 Walnut Grove Ave, Quad 4-D City: Rosemead, California Zip: 91770 Phone: (626) 302-9594 Facsimile: (626) 302-1102
Reference Numbers: Duns: 16-966-8212 Federal Tax ID Number: 77-0526913	Reference Numbers: Duns: 006900818 Federal Tax ID Number: 95-1240335
Contract Administration: Attn: Director, Asset Management Phone: (707) 431-6077 Facsimile: (707) 431-6246 Email: GeysersPPA@Calpine.com	Contract Administration: Attn: Contract Manager for RAP ID #3107 Phone: (626) 302-2498 Facsimile: (626) 302-1102 Email: Drew.Brabb@SCE.com
Scheduling: Attn: Scheduling Phone: (713) 830-8612 Facsimile: (713) 830-8722	Generation Operations Center: Phone: (626) 302-3285 or Phone: (626) 302-3205

The contents of this document are subject to restrictions on disclosure as set forth herein.

<i>Seller</i>	<i>SCE</i>
<p>Day Ahead Scheduling:</p> <p><u>Manager.</u> Attn: West Trading Phone: (713) 830-8926 Facsimile: Email: MStewart@Calpine.com</p> <p><u>Scheduling Desk.</u> Phone: (713) 830-8793 Fax: (713) 830-8838 Email: WRTG@Calpine.com</p>	<p>Day Ahead Scheduling:</p> <p><u>Manager.</u> Attn: Manager of Day-Ahead Operations Phone: (626) 302-3239 Facsimile: (626) 307-4413 Email: Tracy.Bill@SCE.com</p> <p><u>Scheduling Desk.</u> Phone: (626) 307-4425 Fax: (626) 307-4413 Email: PreSched@SCE.com</p> <p><u>Trading Desk.</u> Phone: (626) 307-4487 Fax: (626) 307-4430 Email: ElecTrade@SCE.com</p>
<p>Real Time Scheduling:</p> <p><u>Manager.</u> Attn: West Scheduling Desk Phone: (713) 830-8793 Facsimile: (713) 830-8838 Email: WRTG@Calpine.com</p>	<p>Real Time Scheduling:</p> <p><u>Manager.</u> Attn: Manager of Real Time Operations Phone: (626) 302-3308 Facsimile: (626) 307-4416 Email: John.Pespisa@SCE.com</p> <p><u>Operations Desk.</u> Phone: (626) 307-4453 Backup: (626) 307-4410 Fax: (626) 307-4416 Email: RealTime@SCE.com</p>
<p>Invoices:</p> <p>Attn: Accounting Supervisor Phone: 707-431-6229 Facsimile: 707-431-6246 Email: SamM@Calpine.com</p>	<p>Invoices:</p> <p>Attn: Payment Team Phone: (626) 302-9272 Facsimile: (626) 302-3276 Email: ContractSettlements@SCE.com</p>
<p>Payments:</p> <p>Attn: Financial Accounting Supervisor Phone: 707-431-6839 Facsimile: 707-431-6192 Email: RudeeM@Calpine.com</p>	<p>Payments:</p> <p>Attn: Payment Team Phone: (626) 302-9272 Facsimile: (626) 302-13276 Email: ContractSettlements@SCE.com</p>

The contents of this document are subject to restrictions on disclosure as set forth herein.

<i>Seller</i>	<i>SCE</i>
<p>Wire Transfer: </p>	<p>Wire Transfer: </p>
<p>Credit and Collections: Attn: Corporate Collections Manager Phone: (713) 830-8877 Facsimile: (713) 570-4764 Email:</p>	<p>Manager of Credit and Collateral: Attn: Manager of Credit Phone: (626) 302-3383 Facsimile: (626) 302-2517 Email: Kelly.Lew-Quintal@SCE.com</p>
<p>With additional Notices of an Event of Default or Potential Event of Default to:</p> <p>Attn: Risk Management Counsel Phone: (713) 830-8835 Facsimile: (713) 830-8751 Email:</p> <p>With copy to: Attn: General Counsel Phone: (408) 995-5115 Facsimile: (408) 995-0505 Email:</p> <p>With copy to: Attn: Managing Counsel Phone: (925) 479-6600 Facsimile: (925) 479-6703 Email: GeysersPPA@Calpine.com</p>	<p>With additional Notices of an Event of Default or Potential Event of Default to:</p> <p>Attn: J.Eric Isken Manager SCE Law Department Power Procurement Section Phone: (626) 302-3141 Facsimile: (626) 302-1904 Email: J.Eric.Isken@SCE.com</p>
<p>Guarantor: Attn: Phone: Facsimile: Email:</p>	

*** End of EXHIBIT C ***

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT D

Scheduling Requirements and Procedures

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT D*Scheduling Requirements and Procedures*1. Introduction.

The Parties shall abide by the Scheduling requirements and procedures described below and shall make reasonable changes to these requirements and procedures from time-to-time, as necessary to:

- (a) Comply with CAISO Tariff changes;
- (b) Accommodate changes to their respective generation technology and organizational structure; and
- (c) Address changes in the operating and scheduling procedures of both SCE and CAISO, including but not limited to, automated schedule and outage submissions.

2. Procedures.(a) Introduction.

Seller must meet all of the following requirements before Scheduling with SCE.

(b) Information Exchange.

Seller shall provide Notice to SCE regarding Seller's Scheduling Coordinator at least thirty (30) days before the expected Term Start Date. Thereafter, Seller shall provide not less than five (5) Business Days' Notice to SCE of any subsequent change in Seller's Scheduling Coordinator. Notice under this Item 2(b) shall include the:

- (i) Scheduling Coordinator's name.
- (ii) Scheduling Coordinator's SCID as assigned by CAISO (*e.g.*, SCE's ID is "SCE1").

Seller's Scheduling Coordinator and SCE shall then exchange their appropriate contact information including: names of authorized scheduling personnel, telephone numbers, facsimile numbers and e-mail addresses.

(c) Delivery Forecasts.

- (i) Format.

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Seller shall provide SCE electronic files containing the Delivery Forecasts set forth in Item No.2c(ii) below.

These files shall:

- (a) Be constructed using reasonable file formats, templates, and naming conventions agreed to by the Parties;
 - (b) Include Seller's contact information;
 - (c) Be sent to "esmstpoutage@sce.com" with a copy to "presched@sce.com" or as otherwise instructed by SCE;
 - (d) Limit hour-to-hour Schedule changes to no less than one (1) MW.
- (ii) Timing.
- (a) Seller shall provide SCE Seller's non-binding forecast of daily Scheduled Amounts for the following four month period by January 1st, May 1st, and September 1st of each Term Year, *provided*, Seller shall provide its initial forecast of daily Scheduled Amounts at least ten (10) days prior to the Term Start Date;
 - (b) Ten (10) Business Days before the beginning of each month during the Term, Seller shall provide a non-binding forecast of each day's average Scheduled Amount, by hour, for the following month;

provided, Seller shall provide its initial non-binding forecast under this Item 2(c)(ii)(b) at least five (5) Business days prior to the Term Start Date. Seller shall update each such forecast by close of business each Wednesday during the Term;
 - (c) Any day-ahead forecast for hourly Scheduling provided by Seller to SCE hereunder shall be considered as a non-binding, good faith estimate.
- (d) Scheduling Coordinator Trades Procedures.

Scheduling between the Parties will be via Scheduling Coordinator Trades, as specified below:

- (i) Unless otherwise agreed, SCE requires telephonic notification in accordance with Exhibit C of all Day-Ahead and Hour-Ahead

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schedules, followed by written electronic confirmation (e-mail preferred, facsimile accepted).

- (ii) Day-Ahead Schedules shall be communicated to SCE's Day-Ahead Group in accordance with Exhibit C no later than 8:30 a.m. the day prior to the effective date of the Schedule. Seller must simultaneously inform its Scheduling Coordinator and SCE of Day-Ahead Schedule changes.
- (iii) Hour-Ahead schedules shall be communicated to SCE's Real-Time Group in accordance with Exhibit C no later than one-half (½) hour prior to the CAISO's Hour-Ahead scheduling deadline.
- (iv) The Scheduling Coordinator Trades quantity must match the Schedule for the Generating Facility Units.

3. Outage Scheduling Procedures.

- (a) In the event of a Forced Outage or a Scheduling change imposed by Transmission Provider or CAISO, which results in a change to the Scheduled Amounts (whether in part or in whole), Seller shall notify SCE immediately by calling SCE's on-duty Scheduling Coordinator to provide any and all changes to the Day-Ahead Schedule and to provide a revised Schedule thereto as soon as possible, but in no event later than one (1) hour before SCE's Scheduling Coordinator is required to submit Hour-Ahead schedules to the CAISO.
- (b) With respect to any Forced Outage, Seller shall use commercially reasonable efforts to notify SCE, by telephone or facsimile to the appropriate individuals identified in Exhibit C, of such Outage within ten (10) minutes of the occurrence of such Outage.
- (c) Seller shall keep SCE informed of any developments that will affect either the duration of such outage or the availability of the Generating Facility Unit during or after the end of such Outage.
- (d) Seller shall promptly prepare and provide to SCE, upon request, all reports of actual or forecasted Outages that may reasonably be required in order for SCE to comply with Section 761.3 of the California Public Utilities Code or any Applicable Law mandating the reporting by investor-owned utilities of expected or experienced outages by electric energy generating facilities under contract to supply electric energy.
- (e) Seller shall be responsible for all Outage coordination communications with CAISO Outage coordination personnel and CAISO operations management,

The contents of this document are subject to restrictions on disclosure as set forth herein.

including submission to CAISO of updates of outage plans, submission of clearance requests, and all other Outage-related communications.

- (f) Seller shall be responsible for all expenses and costs associated with all requirements and timelines for generation outage Scheduling contained in the CAISO's Scheduled and Forced Outage Procedure T-113.

*** End of EXHIBIT D ***

EXHIBIT E

Procedure for Seller's Offer of Additional Renewable Quantity

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT E*Procedure for Seller's Offer of Additional Renewable Power*1. Monthly Renewable Power.(a) Seller's Monthly Additional Renewable Power Offer.

At least forty (40) days before the Final Effective Date, Seller shall provide SCE with Seller's initial Seller's Monthly Additional Renewable Power Offer, if any.

For each month after the Effective Date in which Seller wishes to offer Monthly Additional Renewable Power to SCE, Seller shall email a Monthly Additional Renewable Power Offer to SCE at least ten (10) days before the first day of such month.

Seller's Monthly Additional Renewable Power Offers shall be in the form of an email message with an Excel Workbook attachment formatted to be substantially similar to Attachment No.1 to this Exhibit E.

The name for the Excel Workbooks shall identify Seller as "Geysers" and the applicable date range in "mmddyy" format.
(i.e., Geysers: Monthly Additional Offers: 080107-083107)

Seller shall email the Monthly Additional Renewable Power Offer to ESMstpOutage@SCE.com, until the first full month after SCE has provided Notice that the SCE Web Interface is available to Seller.

For that month and each subsequent month in the Term, Seller shall transmit its Monthly Additional Renewable Power Offer via such Web Interface.

(b) SCE's Acceptance or Rejection of Seller's Monthly Additional Renewable Power Offer.

By 12:00 PPT on the first Business Day after the day that SCE receives Seller's Monthly Additional Renewable Power Offer, SCE shall accept or reject it by returning the applicable Excel Workbook, and marking the Excel Workbook Worksheet to show:

- (i) Accepted Monthly Additional Renewable Power offered highlighted in green; or
- (ii) Rejected Monthly Additional Renewable Power offered highlighted in red.

The contents of this document are subject to restrictions on disclosure as set forth herein.

Promptly upon receipt of an email from SCE accepting a Monthly Additional Renewable Power Offer, Seller shall add the accepted Monthly Additional Renewable Power to the thirty (30) day estimate of hourly Schedules that it provides to SCE in accordance with Exhibit D.

2. Weekly Renewable Power.

(a) Seller's Weekly Additional Renewable Power Offer.

For each week after the Final Effective Date in which Seller wishes to make available Weekly Additional Renewable Power, Seller shall provide a Weekly Additional Renewable Power Offer by 10:00 PPT on the Wednesday immediately preceding the applicable week.

Seller's Weekly Additional Renewable Power Offer shall be in the form of an email message with an Excel Workbook attachment formatted to be substantially similar to Attachment No.1 to this Exhibit E.

The name for the Excel Workbooks shall identify Seller as "Geysers" and the applicable date range in "mmddy" format.

(i.e., Geysers: Weekly Additional Offers: 080107-083107)

Seller shall email the Weekly Additional Renewable Power Offer to ESMstpOutage@SCE.com, until the first Wednesday after SCE has provided Notice that the SCE Web Interface is available to Seller.

For that Wednesday and each subsequent Wednesday in the Term on which Seller wishes to make a Weekly Additional Renewable Power Offer, Seller shall transmit such Weekly Additional Renewable Power Offer via such Web Interface.

(b) SCE's Acceptance or Rejection of Seller's Weekly Additional Renewable Power Offer.

By 12:00 PPT on the first Business Day after the day that SCE receives Seller's Weekly Additional Renewable Power Offer, SCE shall accept or reject it by returning the applicable Excel Workbook, and marking the Excel Workbook Worksheet to show:

- (iii) Accepted Weekly Additional Renewable Power offered highlighted in green; or
- (iv) Rejected Weekly Additional Renewable Power offered highlighted in red.

The contents of this document are subject to restrictions on disclosure as set forth herein.

Promptly upon receipt of an email from SCE accepting a Weekly Additional Renewable Power Offer, Seller shall add the accepted Weekly Additional Renewable Power to the thirty (30) day estimate of hourly Schedules that it provides to SCE in accordance with Exhibit D.

3. Daily Renewable Power.

(a) Seller's Daily Additional Renewable Power Offer.

For each WECC Trade Day after the Final Effective Date on which Seller wishes to provide Daily Additional Renewable Power, Seller shall provide a Daily Additional Renewable Power Offer by 10:00 PPT on the day immediately prior to the applicable WECC Trade day. WECC Trade Days shall be determined as set forth on the WECC calendar on the link below:

WECC Scheduling calendar link:

www.wecc.biz/modules.php?op=modload&name=Downloads&file=index&req=viewsdownload&sid=42

Seller's Daily Additional Renewable Power Offer shall be in the form of an email message with an Excel Workbook attachment formatted to be substantially similar to Attachment No.1 to this Exhibit E.

The name for the Excel Workbooks shall identify Seller as "Geysers" and the applicable WECC Trade Date in "mmddyy" format.
(i.e., Geysers: Daily Additional Offers: 080107-083107)

Seller shall email the Daily Additional Renewable Power Offer to ESMstpOutage@SCE.com, until the day immediately after the day that SCE provided Notice that the SCE Web Interface is available to Seller.

For that and each subsequent day in the Term, Seller shall transmit its Daily Additional Renewable Power Offer via such Web Interface.

(b) SCE's Acceptance or Rejection of Seller's Daily Additional Renewable Power Offer.

By 12:00 PPT on any day that SCE receives a Seller's Daily Additional Renewable Power Offer, SCE shall accept or reject it by returning the applicable Excel Workbook, and marking the Excel Workbook Worksheet to show:

- (i) Accepted Daily Additional Renewable Power offered highlighted in green; or

- (ii) Rejected Daily Additional Renewable Power offered highlighted in red.

Promptly upon receipt of an email from SCE accepting a Daily Additional Renewable Power Offer, Seller shall add the accepted Daily Additional Renewable Power to the thirty (30) day estimate of hourly Schedules that it provides to SCE in accordance with Exhibit D.

4. Hourly Renewable Power.

(a) Seller's Hourly Additional Renewable Power Offer.

On any day after the Final Effective Date that Seller wishes to offer Hourly Additional Renewable Power, Seller shall provide an Hourly Additional Renewable Power Offer at least forty five (45) minutes before the close of the CAISO Hour Ahead scheduling timeline for the day, or subsequent market timeline that most closely resembles the current Hour Ahead Market

Seller shall make any Hourly Additional Renewable Power Offer by calling SCE's Generation Operations Center at the number set forth in Exhibit C, until the first full day after the day that SCE provides Notice that the SCE Web Interface is available to Seller.

For that day and for the remainder of the Term, Seller shall provide Hourly Addition Renewable Power Offers through such Web Interface.

(b) SCE's Acceptance or Rejection of Seller's Hourly Additional Renewable Power Offer.

SCE shall accept or reject each Seller's Hourly Additional Renewable Power Offer by notifying Seller telephonically at the number set forth in Exhibit C, at least fifteen (15) minutes before the close of the CAISO Hour Ahead scheduling timeline, or subsequent market timeline that most closely resembles the current Hour Ahead Market.

5. E-Mail

(a) Email to SCE.

Prior to Notice from SCE of the availability of SCE's Web Interface, all e-mails sent by Seller to SCE pursuant to this Exhibit E shall be sent to:

- (i) The SCE Contract Administrator set forth in Exhibit C;
- (ii) ESMstpOutage@SCE.com; and

The contents of this document are subject to restrictions on disclosure as set forth herein.

(iii) PreSched@SCE.com.

After such Notice, Seller shall send all e-mails to the SCE Web Interface as provided herein.

(b) Email to Seller

SCE will use its Web Interface to return the Excel Workbook containing Seller's Monthly, Weekly and Daily Additional Renewable Power Offers as soon as such interface becomes available.

ATTACHMENT 1

*Seller's 30-Day Additional Renewable Power Forecast
(Form of Microsoft Excel File Attachment to Email Notice)*

		SELLER'S 30 DAY BASE LOAD ENERGY FORECAST																										
		GFD # _____ Geysers Power Company LLC All Amounts are in MWh																										
Day	Date	Monday	0100	0200	0300	0400	0500	0600	0700	0800	0900	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2100	2200	2300	0000		
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*** End of EXHIBIT E ***

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT F

Waiver of Liability for SCE's Access to the Geysers Project

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT F

Waiver of Liability for SCE's Access to the Geysers Project

Visitor Name:		Date:	
Company Affiliation:		Calpine Sponsor:	
Purpose of Visit:			

CALPINE GEYSERS

SAFETY INFORMATION FOR VISITORS

NOTE: *This safety orientation is designed for limited access job scopes and escorted tours – unless fully oriented in accordance with Geysers procedures, no person shall enter a power plant beyond the administration building or enter potentially hazardous steamfield areas unless accompanied by a Calpine representative fully trained in potential hazards and emergency response actions for the facility or area.*

Potential area Hazards:

- Rural Hazards:** rattlesnakes, black widow and other poisonous spiders, deer ticks (Lyme disease), deer mice (Hanta Virus), feral pigs, mountain lions, and bear.
- Thermal Areas and Terrain:** There are several areas of fumaroles in the Geysers. These areas may be marked by distressed vegetation, red, white, and yellow rocks, and wisps of steam. The ground surface may be only a thin covering above boiling mud pots; do not walk or drive in thermal areas.
- Driving Hazards:** The Geysers is in a mountainous area with steep terrain and narrow winding roads. Unless posted otherwise, the speed limit for passenger vehicles is 30 miles per hour and **no** passing is allowed. Trucks and heavy equipment shall always be limited to 25 mph or less. Always stay on your side of the road! Stay on main access roads. Large trucks and heavy equipment have the right of way.
- Noise:** areas within Power Plant may have noise levels, which can make your ears ring and cause temporary loss of hearing. Failures of rupture disks or other equipment through which steam flows in power plants and steamfields may result in noise levels, which can cause physical pain and permanent damage to your hearing. Hearing protection must be worn in turbine buildings and must be available at all times when in steamfield and/or in the proximity of rupture disks.
- Temperature and pressure.** Steam temperatures range from 350 to 450 degrees Fahrenheit; the incinerators burn gases at 1800 - 2100 deg. Fahrenheit; process effluents may approach 180 deg. F., and the skin temperature of geothermal wells and piping may exceed 450 degrees F. On-line pressures of the wells range from 100 to 299 psi, and shut-in pressures may exceed 600 psi. Some equipment may be pressured up to 2,000 psi.

The contents of this document are subject to restrictions on disclosure as set forth herein.

- High voltage electricity.** High voltage electrical lines can be found overhead and underground. In the event of downed lines, remain in your vehicle when possible. Special clearances are required for working next to overhead lines and permits are required for any type of digging.
- Chemical Hazards**

Hydrogen Sulfide is a poisonous gas, a central nervous system toxin; in geothermal steam it can be found up to 250 times the allowable concentration. In some processes in the Power Plants, it can be present at up to 350 times the immediately dangerous levels. It can be smelled at low levels, but cannot be detected by smell at high levels. Egress uphill, upwind.

Solid **sulfur** is very combustible and is a corrosive to skin & mucous membranes. **Sulfur Dioxide** is a corrosive acid gas by-product of burning sulfur. Egress uphill, upwind.

- Right to know

This facility uses and produces chemicals known to the State of California to cause cancer, birth defects, or other reproductive harm. Entering and working in this area may expose you to those chemicals through air emissions or physical contact. Chemical information and/or Material Safety Data Sheets are available upon request.

Inorganic **arsenic** is a Prop 65 carcinogen.

Mercury is a poison and a Prop 65 toxin that accumulates in living tissues; other **heavy metals** may also be present in hazardous concentrations in all geothermal precipitates. Mercury may also be present in ground steam and soils in hazardous concentrations.

Geothermal steam may also contain naturally occurring carbon monoxide, benzene, radon, and other toxins and carcinogens.

Asbestos may be present in the Geysers as a commercial product found in products such as coatings and insulations and as naturally occurring fibers in serpentine; asbestos is a carcinogen and may not be disturbed except by qualified personnel.

Commercial chemicals stored in Plant & on wellpads include **caustics (lyes)**, solvents (which may contain Prop 65 ingredients); and other corrosive and flammable materials.

Proficiencies and Certifications

- Any vendor or contractor who will operate a crane or forklift in the Geysers shall submit a signed demonstration of proficiency for each employee who will operate that equipment.

Required Personal Protective Equipment:

- Hard Hats and safety glasses shall be worn at all times outside of administrative areas.
- Closed-toed, low shoes are highly recommended for all tour participants.

The contents of this document are subject to restrictions on disclosure as set forth herein.

- Earplugs or muffs are to be used in high noise areas, and are to be kept available in potential noise areas.

Medical Services and First Aid:

The control room (**6911** or **431-6911** or **“CONTROL ONE” by radio**) is the center point for ALL emergencies in the Geysers, at any given facility or steamfield.

- Paramedics, REACH (air ambulance) and Henry One (air rescue), as well as surface ambulances are available to respond to medical emergencies within the Geysers.
- SLCFPD maintains a paramedic In Cobb for response to the Geysers.
- Calpine-Geysers employees maintain current First Aid and CPR certifications.

Evacuation Alarms and Procedures

- Always notify your Geysers contact when you enter and leave a facility.
- If an alarm sounds, move towards the staging area and listen for instructions over the loudspeaker/radio. Primary staging areas are:
 - 1) Front gates in Power Plants;
 - 2) At designated light poles in the GAC parking lot.
- In the event of evacuations, everyone must check out with the designated incident commander at the staging area. **Accountability is critical!**
- Photo identification may be required for entrance to the Geysers Geothermal facility.

Job Scope/Comments/discussion:	

Visitor Agreement

In consideration of being permitted by Calpine Corporation ("Calpine") to enter the premises of the Calpine Geysers Facility, I agree as follows:

1. I agree to comply with all applicable rules. I will listen carefully to all information and instructions provided by plant personnel and I will promptly comply with all instructions of plant personnel. I will not engage in any activity inconsistent with the purpose of my visit.
2. I will not use tobacco products except in designated areas while in the Calpine Facility, and I will not bring or possess any weapons of any kind inside the facility or the surrounding area.
3. I will not take photographs inside Calpine Power Plants unless explicitly authorized by Calpine to do so.
4. I can inspect documents in accordance with Section 2.07 of the Renewable Power Purchase and Sale Agreement between Southern California Edison Company and Geysers Power Company LLC ("PPSA").
5. I will not touch or operate any equipment within the Calpine Facility.
6. I understand that there are health and safety risks associated with visiting any power plant, including the Calpine Facility.
7. I acknowledge that I have been provided specific information in the form of a presentation and written materials regarding safety hazards at this site and I have been given an opportunity to ask Calpine staff questions to ensure that I understand such information.
8. I further understand that chemicals known to the State of California to cause cancer, birth defects, or other reproductive harm are present at this Calpine Facility.
9. I agree that Section 9.03(a) of the PPSA applies herein.
10. If any part of this release agreement is found to be unenforceable or invalid, that portion shall be severed, and the remainder will remain in full effect.

The contents of this document are subject to restrictions on disclosure as set forth herein.

I HAVE CAREFULLY READ AND FULLY UNDERSTAND THE WORDS AND LANGUAGE IN THIS AGREEMENT. I HAVE BEEN ADVISED OF THE POTENTIAL DANGERS THAT I MAY ENCOUNTER WHEN I VISIT THIS CALPINE FACILITY. I AM AWARE THAT THIS IS A RELEASE OF LIABILITY, ASSUMPTION OF RISK AND A COVENANT BETWEEN ME AND CALPINE CORPORATION, AND I SIGN IT OF MY OWN FREE WILL.

Date:	
Purpose of Visit:	
Calpine Employee Contact:	

Name	Company	Signature

***** End of EXHIBIT F *****

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT G

Allocated Metered Amounts

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT G

Allocated Metered Amounts

This Exhibit G sets forth examples of:

1. Monthly Certification;
2. Monthly Report of Allocated Metered Amounts; and
3. Revised Monthly Report of Allocated Metered Amounts.

ATTACHMENT 1

Seller's Monthly Certification

Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770

Attention: Contract Manager
Renewable and Alternative Power Department

Subject: SAP RAP ID 3107
Renewable Power Purchase and Sale Agreement
Between SCE and Geysers Power Company, LLC

Regarding: Seller's Monthly Report of Allocated Metered Amounts
for the Month of "xxx" Calendar Year "2xxx"

Dear Contract Manager:

In compliance with Section 2.11 of the Renewable Power Purchase and Sale Agreement Geysers Power Company LLC (GPC) submits this Notice, with accompanying attachments, as our Renewable Power Accounting report for the Month of "xxx" Calendar Year "2xxx."

Capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

GPC has reviewed its plant operating data, including settlement meter data from the CAISO, information in its preschedules and monthly invoices under this agreement, CEC certifications under the RPS Legislation and other appropriate data and reports and has verified the numbers in the attached Monthly Report of Allocated Metered Amounts.

GPC certifies that, to the best of its knowledge under CAISO practices and protocols, the Renewable Power delivered to SCE under this Agreement was produced exclusively from Generating Facility Units at the Geysers Project, as shown in the attached Monthly Report of Allocated Metered Amounts.

GPC also certifies that the data in the Monthly Report of Allocated Metered Amounts is consistent with the reports, filings, and representations that GPC has made or will make to the CAISO or any Governmental Authority, including, but not limited to, the CPUC and CEC.

RAP ID #3107, Geysers Power Company, LLC

Should you have any questions regarding this letter and the accompanying data, please contact me at 707-431-6077.

Sincerely,

Director, Asset Management

cc: VP and Managing Counsel – Western Region
SVP Geothermal

The contents of this document are subject to restrictions on disclosure as set forth herein.

ATTACHMENT 2
Monthly Report of Allocated Metered Amounts

Renewable Power Purchase and Sale Agreement				
<i>Between Southern California Edison and Geysers Power Company, LLC</i>				
				<i>SCE RAP ID 3107</i>
<u>MONTHLY REPORT OF ALLOCATED METERED AMOUNTS</u>				
<i>For the month of January 2008</i>				
<i>Item</i>	<i>Generating Facility Units</i>	<i>Total Metered Amounts for all Generating Facility Units MWh</i>	<i>Allocated Metered Amounts MWh</i>	<i>Percent of Total Metered Amounts</i>
1	Calpine Geothermal Unit 3 (Sonoma)	30,145	-	-
2	Calpine Geothermal Units 5&6	58,515	31,876	54%
3	Calpine Geothermal Units 7&8	50,749	-	-
4	Calpine Geothermal Unit 11	48,353	-	-
5	Calpine Geothermal Unit 12	37,052	35,199	95%
6	Calpine Geothermal Unit 13	35,559	-	-
7	Calpine Geothermal Unit 14	37,830	37,830	100%
8	Calpine Geothermal Unit 16	39,887	39,887	100%
9	Calpine Geothermal Unit 17	41,419	39,348	95%
10	Calpine Geothermal Unit 18	36,164	-	-
11	Calpine Geothermal Unit 20	30,946	-	-
	Totals	446,619	184,140	41%

The contents of this document are subject to restrictions on disclosure as set forth herein.

ATTACHMENT 3

Revised Monthly Report of Allocated Metered Amounts

Renewable Power Purchase and Sale Agreement						
<i>Between Southern California Edison and Geysers Power Company, LLC</i>						
						<i>SCE RAP ID 3107</i>
<u>REVISED MONTHLY REPORT OF ALLOCATED METERED AMOUNTS</u>						
<i>For the month of January 2008</i>						
<i>Item</i>	<i>Generating Facility Units</i>	<i>Total Metered Amounts for all Generating Facility Units MWh</i>	<i>Previously Allocated Metered Amounts MWh</i>	<i>Revised Allocated Metered Amounts MWh</i>	<i>Additional Metered Amounts MWh</i>	<i>Percent of Total Metered Amounts</i>
1	Calpine Geothermal Unit 3 (Sonoma)	30,145	-	-	-	-
2	Calpine Geothermal Units 5&6	58,515	71,045	72,466	1,421	2%
3	Calpine Geothermal Units 7&8	50,749	-	-	-	-
4	Calpine Geothermal Unit 11	48,353	-	-	-	-
5	Calpine Geothermal Unit 12	37,052	35,199	35,903	704	2%
6	Calpine Geothermal Unit 13	35,559	-	-	-	-
7	Calpine Geothermal Unit 14	37,830	37,830	38,587	757	2%
8	Calpine Geothermal Unit 16	39,887	39,887	40,685	798	2%
9	Calpine Geothermal Unit 17	41,419	39,348	40,135	787	2%
10	Calpine Geothermal Unit 18	36,164	-	-	-	-
11	Calpine Geothermal Unit 20	30,946	-	-	-	-
	Totals	446,619	223,310	227,776	4,466	1%

*** End of EXHIBIT G ***

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT H

Monthly Renewable Power Payment Calculation

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT H*Monthly Renewable Power Payment Calculation*

1. Introduction.

All Monthly Renewable Power Payments shall be calculated pursuant to the following formula.

MONTHLY RENEWABLE POWER PAYMENT in dollars

$$= A_{H1} + B_{H1} + C_{H1} + D_{H1} - E_{H1} - F_{H1} - G_{H1} - H_{H1}$$

Where:

A_{H1} = Monthly Base Load Renewable Power and Additional Scheduled Amounts Payment for the Pre MRTU Period, in dollars
(calculated at the end of each month in the Pre-MRTU Period as set forth in Item No.2 of this Exhibit H).

B_{H1} = Monthly Base Load Renewable Power and Additional Scheduled Amounts Payment for the Post-MRTU Period, in dollars
(calculated at the end of each month in the Post-MRTU Period as set forth in Item No.3 of this Exhibit H).

C_{H1} = Monthly Base Load Renewable Power Premium Payment, in dollars
(calculated at the end of each month as set forth in Item No.4 of this Exhibit H).

D_{H1} = Monthly Additional Renewable Power Premium Payment, in dollars
(calculated at the end of each month as set forth in Item No.5 of this Exhibit H).

E_{H1} = Monthly Excess Scheduled Amounts Damages Payment, in dollars
(calculated at the end of each month as set forth in Item No.6 of this Exhibit H).

F_{H1} = Annual Excess Scheduled Amounts Damages Payment, in dollars
(calculated once per Term Year, at the end of each Term Year as set forth in Item No.7 of this Exhibit H).

The contents of this document are subject to restrictions on disclosure as set forth herein.

G_{H1} = Annual Allocated Metered Amounts Shortfall Damages Payment, in dollars
(calculated once per Term Year, at the end of each Term Year as set forth in Item No.8 of this Exhibit H).

H_{H1} = Annual Excess Allocated Metered Amounts Damages Payment, in dollars
(calculated once per Term Year, at the end of each Term Year as set forth in Item No.9 of this Exhibit H).

2. Factor “ A_{H1} ” in Item No.1 of this Exhibit H.

(a) MONTHLY BASE LOAD RENEWABLE POWER AND ADDITIONAL SCHEDULED AMOUNTS PAYMENT for the Pre-MRTU Period, in dollars

$$= A_{H2} + B_{H2}$$

Where:

A_{H2} = Monthly On-Peak Hour Scheduled Amounts Payment, calculated in Item No.2(b) of this Exhibit H, in dollars.

B_{H2} = Monthly Off-Peak Hour Scheduled Amounts Payment, calculated in Item No.2(c) of this Exhibit H, in dollars.

(b) Factor “ A_{H2} ” in Item No.2(a) of this Exhibit H.

MONTHLY ON-PEAK HOUR SCHEDULED AMOUNTS PAYMENT, in dollars

$$= \sum_{\text{1st Day of the Month}}^{\text{Last Day of the Month}} \left\{ \sum_{\text{1st On-Peak Hour of Day}}^{\text{Last On-Peak Hour of Day}} \left[A_{H3} \right]^x B_{H3} \right\}$$

Where:

A_{H3} = The Scheduled Amount during each On-Peak Hour, in MWh.

The contents of this document are subject to restrictions on disclosure as set forth herein.

B_{H3} = Daily Average On-Peak Hour Exchange Quotation Electric Energy Price for the day on which the Scheduled Amounts were delivered, calculated as set forth in Item No.10(a) of this Exhibit H, in dollars per MWh.

If the Post-MRTU Period starts in the middle of a month the reference to the last day of the month in the formula shall be changed to the last day of the Pre-MRTU Period.

(c) *Factor “ B_{H2} ” in Item No.2(a) of this Exhibit H.*

MONTHLY OFF-PEAK HOUR SCHEDULED AMOUNTS PAYMENT, in dollars.

$$= \sum_{\substack{\text{1st Day of the Month} \\ \text{Last Day of the Month}}} \left\{ \sum_{\substack{\text{1st Off-Peak Hour of Day} \\ \text{Last Off-Peak Hour of Day}}} \left[A_{H4} \right] \times B_{H4} \right\}$$

Where:

A_{H4} = The Scheduled Amount during each Off-Peak Hour, in MWh.

B_{H4} = Daily Average Off-Peak Hour Exchange Quotation Electric Energy Price for the day on which the Scheduled Amounts were delivered, calculated as set forth in Item No.10(b) of this Exhibit H, in dollars per MWh.

If the Post-MRTU Period starts in the middle of a month, then the reference to the last day of the month in the formula shall be changed to the last day of the Pre-MRTU Period

3. *Factor “ B_{H1} ” in Item No.1 of this Exhibit H.*

MONTHLY BASE LOAD RENEWABLE POWER AND ADDITIONAL SCHEDULED AMOUNTS PAYMENT for the POST-MRTU PERIOD, in dollars

$$= \sum_{\substack{\text{1st Hour of the Month} \\ \text{Last Hour of the Month}}} \left\{ \sum_{\substack{\text{1st Geysers P Node} \\ \text{Last Geysers P Node}}} \left[A_{H5} \times B_{H5} \right] \right\}$$

The contents of this document are subject to restrictions on disclosure as set forth herein.

Where:

A_{H5} = The hourly Scheduled Amounts at each Geysers P Node, in MWh.

B_{H5} = The hourly Integrated Forward Market Price for such Geysers P Node, in dollars per MWh.

If the Post-MRTU Period starts in the middle of a month the reference to the first hour of the month in the formula shall be changed to the first hour of the Post-MRTU Period.

4. Factor " C_{H1} " in Item No.1 of this Exhibit H.

MONTHLY BASE LOAD RENEWABLE POWER PREMIUM PAYMENT,
in dollars

$$= A_{H6} \times B_{H6}$$

Where:

A_{H6} = All Allocated Base Load Metered Amounts during the month, in MWh.

B_{H6} = Base Load Renewable Power Premium, set forth in Section 1.05(c), in dollars per MWh.

5. Factor " D_{H1} " in Item No.1 of this Exhibit H.

MONTHLY ADDITIONAL RENEWABLE POWER PREMIUM PAYMENT,
in dollars

$$= A_{H7} \times B_{H7}$$

Where:

A_{H7} = All Allocated Additional Metered Amounts during the month, in MWh;

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B_{H7} = Additional Renewable Power Premium, set forth in Section 1.05(d), in dollars per MWh.

6. Factor “ E_{H1} ” in Item No.1 of this Exhibit H.

-
- (a) If the result of the following formula is less than one (1.0), then Seller shall pay Seller’s Monthly Excess Scheduled Amounts Damages Payment, as set forth in Item No.6(b) of the Exhibit H.

$$A_{H8} / B_{H8}$$

Where:

A_{H8} = The sum of all Allocated Metered Amounts during the period that begins on the first day of the Term Year and ends on the last day of the month for which the Monthly Renewable Power Payment is being calculated, in MWh.

B_{H8} = The sum of all Scheduled Amounts during the period that begins on the first day of the Term Year and ends on the last day of the month for which the Monthly Renewable Power Payment is being calculated, in MWh.

-
- (b) MONTHLY EXCESS SCHEDULED AMOUNTS DAMAGES PAYMENT, in dollars

Equals the greater of zero (0) and the result of:

$$[0.95 - (A_{H9} / B_{H9})] \times (C_{H9} \times 10\%)$$

Where:

A_{H9} = Allocated Metered Amounts for the calculation month, in MWh.

B_{H9} = The sum of all Scheduled Amounts for the calculation month, in MWh.

C_{H9} = Monthly Base Load Renewable Power and Additional Scheduled Amounts Payment, in dollars,

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calculated as set forth in Item No.2 and Item No.3 of this Exhibit H.

7. *Factor “F_{H1}” in Item No.1 of this Exhibit H.*

ANNUAL EXCESS SCHEDULED AMOUNTS DAMAGES PAYMENT,
in dollars

Equals the greater of zero (0) and the result of:

$$[0.99 - (A_{H10} / B_{H10})] \times (C_{H10} \times 10\%)$$

Where:

A_{H10} = Allocated Metered Amounts for the calculation Term Year,
in MWh.

B_{H10} = The sum of all Scheduled Amounts for the calculation Term
Year, in MWh.

C_{H10} = Sum of all Monthly Base Load Renewable Power and
Additional Renewable Power Payments for the Term Year, in
dollars, calculated as set forth in Item No.2 and Item No.3 of
this Exhibit H.

8. Factor “ G_{H1} ” in Item No.1 of this Exhibit H.

(a) ANNUAL ALLOCATED METERED AMOUNTS SHORTFALL DAMAGES PAYMENT, in dollars

$$= A_{H11} \times B_{H11} \times C_{H11}$$

Where:

A_{H11} = Annual Allocated Metered Amounts Shortfall, calculated as set forth in Item No.8(b) of this Exhibit H, in MWh.

B_{H11} = The Additional Renewable Power Premium Price set forth in Section 1.05(d), in dollars per MWh.

C_{H11} = The applicable Damage Factor as set forth in the following table.

<i>Allocated Metered Amounts Factor Ranges</i>	<i>Damage Factor</i>
Allocated Metered Amounts Factors ≥ 0.85	1.0
$0.85 >$ Allocated Metered Amounts Factors ≥ 0.75	1.2
$0.75 >$ Allocated Metered Amounts Factors ≥ 0.65	1.4
$0.65 >$ Allocated Metered Amounts Factors ≥ 0.55	1.7
$0.55 >$ Allocated Metered Amounts Factors	2.0

Based upon the Allocated Metered Amounts Factor calculated as set forth in Item No.8(c) of this Exhibit H.

(b) Factor “ A_{H11} ” in Item No.8(a) of this Exhibit H.

ANNUAL ALLOCATED METERED AMOUNTS SHORTFALL, in MWh

Equals the greater of zero (0) and the results of:

$$\left\{ \sum_{\text{1st Hour of the Term year}}^{\text{Last Hour of the Term Year}} \left[A_{H12} + B_{H12} \right] \times 0.95 \right\} - C_{H12} - D_{H12}$$

Where:

The contents of this document are subject to restrictions on disclosure as set forth herein.

A_{H12} = The applicable Base Load Renewable Power Contract Quantity, in MW.

B_{H12} = Additional Scheduled Amounts, in MW.

C_{H12} = The sum of all Lost Output during the applicable Term Year, in MWh.

D_{H12} = The Total Allocated Metered Amounts for the Term Year, in MWh.

(c) *Used in the determination of factor “ C_{H11} ” in Item No.8(a) of this Exhibit H.*

ALLOCATED METERED AMOUNTS FACTOR

$$= \frac{A_{H13} + B_{H13}}{\sum_{\text{1st Hour of the Term year}}^{\text{Last Hour of the Term Year}} (C_{H13} + D_{H13})}$$

Where:

A_{H13} = The total quantity of Allocated Metered Amounts for the Term Year, in MWh.

B_{H13} = The sum of all Lost Output during the applicable Term Year, in MWh.

C_{H13} = The applicable Base Load Renewable Power Contract Quantity, in MW.

D_{H13} = Additional Scheduled Amounts, in MW.

9. *Factor “ H_{H1} ” in Item No.1 of this Exhibit H.*

ANNUAL EXCESS ALLOCATED METERED AMOUNTS DAMAGES PAYMENT, in dollars

Equals the greater of zero (0) and the results of:

The contents of this document are subject to restrictions on disclosure as set forth herein.

$$[(A_{H14} - B_{H14}) / A_{H14}] \times (C_{H14} + D_{H14})$$

Where:

A_{H14} = The total of all Allocated Metered Amounts for the Term Year, in MWh.

B_{H14} = The total of all Scheduled Amounts for the Term Year, in MWh.

C_{H14} = The total of all Monthly Base Load Renewable Power Premium Payment for the Term Year, in dollars (calculated at the end of each month as set forth in Item No.4 of this Exhibit H).

D_{H14} = The total of all Monthly Additional Renewable Power Premium Payment, for the Term Year, in dollars (calculated at the end of each month as set forth in Item No.5 of this Exhibit H).

10. Daily Average Exchange Quotation Electric Energy Prices.

(a) *Factor “B_{H3}” in Item No.2(b) of this Exhibit H.*

DAILY AVERAGE *ON-PEAK* HOUR EXCHANGE QUOTATION
ELECTRIC ENERGY PRICE, in dollars per MWh

$$= (A_{H15} + B_{H15} + C_{H15}) / 3$$

rounded to two (2) decimal places

Where:

A_{H15} = The Dow Jones Electricity Price Indexes’ NP-15, day-ahead, *On-Peak* Hour electric energy price, in dollars per MWh.

B_{H15} = The Platts’ Megawatt Daily’s NP-15, day-ahead, *On-Peak* Hour electric energy price, in dollars per MWh.

C_{H15} = The Intercontinental Exchange’s NP-15, day-ahead, *On-Peak* Hour electric energy price, in dollars per MWh.

The contents of this document are subject to restrictions on disclosure as set forth herein.

- (b) Factor “ B_{H4} ” in Item No.2(c) of this Exhibit H.

DAILY AVERAGE OFF-PEAK HOUR EXCHANGE QUOTATION
ELECTRIC ENERGY PRICE, in dollars per MWh

$$= (A_{H16} + B_{H16} + C_{H16}) / 3$$

rounded to two (2) decimal places

Where:

A_{H16} = The Dow Jones Electricity Price Indexes’ NP-15, day-ahead,
Off-Peak Hour electric energy price, in dollars per MWh.

B_{H16} = The Platts’ Megawatt Daily’s NP-15, day-ahead,
Off-Peak Hour electric energy price, in dollars per MWh.

C_{H16} = The Intercontinental Exchange’s NP-15, day-ahead,
Off-Peak Hour electric energy price, in dollars per MWh.

-
- (c) Procedures for Dealing with Missing Publication Data.

(i) If any one (1) of the three (3) publications does not report an On-Peak Hour or an Off-Peak Hour index price for NP-15 for one (1) or more hours during the month, the Daily Average Exchange Quotation Electric Energy Price for those hours shall be equal to the result of dividing the sum of the prices reported by the remaining two (2) publication by two (2).

(ii) If any two (2) of the three (3) publications does not report an On-Peak Hour or an Off-Peak Hour index price for NP-15 for one (1) or more hours during the month, the Daily Average Exchange Quotation Electric Energy Price for those hours shall be equal to the price reported by the remaining publication.

(iii) If a publication ceases to exist and the Parties are unable to agree on a Replacement Index

then the Parties shall utilize the Expedited Dispute Resolution procedure set for the Section 10.04 in order to select a Replacement Index.

*** End of EXHIBIT H ***

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT I

Form of Guaranty Agreement

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT I*Form of Guaranty Agreement*

This GUARANTEE dated as of _____, is made by _____, a _____ (“Guarantor”), for the benefit of Southern California Edison Company (“SCE”).

WHEREAS, SCE and Geysers Power Company, LLC, a Delaware limited liability company (“GPC”) [and a subsidiary of Guarantor], have entered into that certain Renewable Power Purchase and Sale Agreement dated as of April 12, 2007 (the “PPSA”), and pursuant to the terms of Article Seven of the PPSA, GPC and SCE have agreed that GPC may provide to SCE this Guaranty as Performance Assurance required thereby;

NOW, THEREFORE, as Performance Assurance provided pursuant to the terms of the PPSA, Guarantor agrees as follows:

1. Guarantee. Guarantor irrevocably and unconditionally guarantees to SCE the prompt and complete payment when due, by acceleration or otherwise, of all amounts payable by GPC under the PPSA and any amendments thereto other than contingent liabilities or indemnities which survive the termination of the PPSA (each an “Obligation”) commencing upon the effective date of this Guaranty and terminating (“Termination Date”) when all Obligations have been paid; provided, however, that subject to the provisions below regarding costs and expenses, the aggregate liability of Guarantor under this Guaranty at any time shall not exceed _____ Dollars (US\$ _____), which amount shall be adjusted by Guarantor, with SCE’s prior written consent, pursuant to a termination or transfer or assignment permitted under paragraph 3. This is a guaranty of payment and not of collection. If GPC fails to pay any Obligation for any reason, Guarantor will pay or cause to be paid such Obligation directly for SCE’s benefit within 5 business days after SCE’s demand therefor and without SCE having to make prior demand on GPC. All payments hereunder shall be made without reduction, whether by offset, payment in escrow, or otherwise. Guarantor is liable for, and hereby indemnifies SCE for SCE’s reasonable costs and expenses, including but not limited to reasonable attorneys’ fees, reasonable costs and disbursements, incurred in any effort to collect or enforce any of the obligations under this Guaranty, whether or not any lawsuit is filed. Such indemnification obligation is in addition to the cap set forth above. Notwithstanding anything to the contrary herein, this Guaranty shall continue to be effective or reinstated, as the case may be, if at any time payment of the Obligations, or any part thereof, is rescinded or must otherwise be returned by SCE upon the insolvency, bankruptcy or reorganization of GPC or otherwise, all as though the payment of such Obligations had not been made.

2. Guarantor’s Obligation. Subject to paragraphs 1 and 3, Guarantor’s obligations under this Guaranty are absolute and unconditional, shall remain in force until the Termination Date and shall not be released or discharged for any reason whatsoever prior thereto, including without limitation:

- (i) the extension of time for payment or performance of any Obligation or

The contents of this document are subject to restrictions on disclosure as set forth herein.

- the amendment, extension or renewal of the PPSA or any Obligation, except that any such extension, amendment or renewal shall not enlarge Guarantor's obligations under this Guarantee and Guarantor shall have the benefit of any such extension, amendment or renewal to the same extent as GPC (e.g., if GPC's time for payment of an Obligation has been extended, Guarantor shall have no obligation under this Guarantee to make payment of such Obligation until such time as GPC is required under the extension to make payment);
- (ii) any delay or failure by SCE to enforce or exercise any right or remedy under the PPSA, or waiver by SCE of any such right or remedy;
 - (iii) any permitted transfer, assignment or mortgaging by SCE of any interest in the PPSA or this Guarantee;
 - (iv) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets and liabilities, or the voluntary or involuntary receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization or other similar proceeding affecting GPC, or the disaffirmance of the PPSA in any such proceeding;
 - (v) any merger, consolidation or other reorganization to which GPC, Guarantor or any related entity is a party, or any direct or indirect sale or disposition of Guarantor's or GPC's assets or Guarantor's direct or indirect ownership interest in GPC; or
 - (vi) the existence, validity, enforceability, perfection, release, or extent of any collateral for such Obligations. SCE shall not be obligated to file any claim relating to the Obligations owing to it in the event that GPC becomes subject to a bankruptcy, reorganization, or a similar proceeding, and the failure of SCE to so file shall not affect Guarantor's obligations hereunder.

3. Release and Assignment. Upon the transfer or assignment by GPC of the PPSA or any rights thereunder or the termination of the PPSA or any rights thereunder, Guarantor's obligations under this Guarantee shall be released and discharged with respect to the PPSA or rights thereunder that are transferred or assigned, provided that, with respect to any transfer or assignment, SCE shall have consented to such transfer or assignment to the extent required under the PPSA, and with respect to a termination, this guarantee shall continue to be in effect to the extent that any Obligations remain outstanding under the terminated PPSA and until such time as all such Obligations have been paid in full. SCE hereby agrees to enter into any agreement to evidence, or otherwise provide adequate assurance of, any such release or discharge. Subject to the foregoing sentences, Guarantor may not assign this Guarantee or its

obligations thereunder without prior written consent of SCE, which consent shall not be unreasonably withheld or delayed.

4. Waivers by Guarantor. Guarantor waives notice of the acceptance of this Guarantee, demand or presentment for payment to GPC or the making of any protest, notice of the amount of the Obligations outstanding at any time, notice of failure to perform on the part of GPC, notice of any amendment, modification or waiver of or under the PPSA, and all other notices or demands not specified hereunder.

5. Representations and Warranties. Guarantor hereby represents and warrants that it has all necessary and appropriate powers and authority to execute and perform under this Guarantee and that such Guarantee constitutes its legal, valid and binding obligations enforceable against it in accordance with its terms (except as enforceability may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting enforcement of creditors' rights in general principles of equity).

6. Miscellaneous. No Provision of this Guarantee may be amended or waived except by a written instrument executed by Guarantor and SCE. This Guarantee shall not be deemed to benefit any person except GPC and SCE. This Guarantee shall be governed by the laws of the State of New York. Guarantor agrees to postpone any rights it may acquire by way of subrogation under this Guarantee until all of the Obligations shall have been irrevocably paid to SCE in full.

7. Notices. Notices under this Guarantee shall be deemed received if sent to the address specified below: (i) on the day received if served by overnight express delivery, and (ii) four business days after mailing if sent by certified, first class mail, return receipt requested. Any party may change its address to which notice is given hereunder by providing notice of same in accordance with this paragraph 7.

To SCE:

Southern California Edison Company

2244 Walnut Grove Avenue, Quad 4-D

Rosemead, CA 91770

Attn: Director, Renewable and Alternative Power

Phone: (626) 302-9594

Facsimile: (626) 302-1102

With a copy to:

Southern California Edison Company

2244 Walnut Grove Avenue, Quad 4-D

Rosemead, CA 91770

Attn: Director, Risk Controls

Phone: (626) 302-3141

Facsimile: (626) 302-1904

To Guarantor:

[Guarantor]

[Street]

[City, State Zip]

Attn:

Phone:

Facsimile:

With copy to:

Geysers Power Company, LLC

10350 Socrates Mine Road

Middletown, CA 95461

Attn: Senior Vice President Geothermal

Phone: (707) 431-6058

Facsimile: (707) 431-6246

The contents of this document are subject to restrictions on disclosure as set forth herein.

IN WITNESS WHEREOF, Guarantor has executed this Guarantee as of the date first above written.

[GUARANTOR]

By: _____

Name: _____

Title: _____

Date: _____

**** End of EXHIBIT I ****

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT J

Form of Letter of Credit

The contents of this document are subject to restrictions on disclosure as set forth herein.

EXHIBIT J
Form Of Letter Of Credit

IRREVOCABLE NONTRANSFERABLE STANDBY

LETTER OF CREDIT

Reference Number: _____

Transaction Date:

BENEFICIARY:

Southern California Edison Company
2244 Walnut Grove Avenue
Risk Control GO#1, Quad 2A
Rosemead, CA 91770

Ladies and Gentlemen:

_____ (the “Bank”) hereby establishes this Irrevocable Nontransferable Standby Letter of Credit (“Letter of Credit”) in favor of Southern California Edison Company, a California corporation (the “Beneficiary”), for the account of _____, a _____ corporation, also known as RAP ID#3107 (the “Applicant”), for the amount of **XXX AND XX/100** Dollars (\$ _____) (the “Available Amount”), effective immediately and expiring at 5:00 p.m., California time, on the Expiration Date (as hereinafter defined).

This Letter of Credit shall be of no further force or effect upon the close of business on _____ or, if such day is not a Business Day (as hereinafter defined), on the next preceding Business Day.

For the purposes hereof, “Business Day” shall mean any day on which commercial banks are not authorized or required to close in Los Angeles, California.

The contents of this document are subject to restrictions on disclosure as set forth herein.

Subject to the terms and conditions herein, funds under this Letter of Credit are available to Beneficiary by presentation in compliance on or prior to 5:00 p.m. California time, on or prior to the Expiration Date of the following:

1. The original of this Letter of Credit and all amendments (or photocopy of the original for partial drawings); and
2. The Drawing Certificate issued in the form of Attachment A attached hereto and which forms an integral part hereof, duly completed and purportedly bearing the signature of an authorized representative of the Beneficiary.

Notwithstanding the foregoing, any drawing hereunder may be requested by transmitting the requisite documents as described above to the Bank by facsimile at _____ or such other number as specified from time to time by the Bank.

The facsimile transmittal shall be deemed delivered when received.

Drawings made by facsimile transmittal are deemed to be the operative instrument without the need of originally signed documents.

Partial drawing of funds shall be permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance;

provided that, the Available Amount shall be reduced by the amount of each such drawing.

This Letter of Credit is not transferable or assignable.

Any purported transfer or assignment shall be void and of no force or effect.

Banking charges shall be the sole responsibility of the Applicant.

This Letter of Credit sets forth in full our obligations and such obligations shall not in any way be modified, amended, amplified or limited by reference to any documents, instruments or agreements referred to herein, except only the attachment referred to herein; and any such reference shall not be deemed to incorporate by reference any document, instrument or agreement except for such attachment.

The Bank engages with the Beneficiary that Beneficiary's drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to the Bank on or before the Expiration Date.

Except so far as otherwise stated, this Letter of Credit is subject to the International Standby Practices ISP98 (also known as ICC Publication No. 590), or revision currently in effect (the “ISP”). As to matters not covered by the ISP, the laws of the State of California, without regard to the principles of conflicts of laws there under, shall govern all matters with respect to this Letter of Credit.

AUTHORIZED SIGNATURE for Issuer

(Name)

Title: _____

The contents of this document are subject to restrictions on disclosure as set forth herein.

ATTACHMENT A

DRAWING CERTIFICATE

TO *[Issuing Bank Name]*

IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT

No. ____

DRAWING CERTIFICATE

Bank

Bank Address

Subject: Irrevocable Non-transferable Standby Letter of Credit
Reference Number:

The undersigned _____, an authorized representative of Southern California Edison Company (the “Beneficiary”), hereby certifies to *[Issuing Bank Name]* (the “Bank”), and _____ (the “Applicant”), with reference to Irrevocable Nontransferable Standby Letter of Credit No. { _____ }, dated _____, (the “Letter of Credit”), issued by the Bank in favor of the Beneficiary, as follows as of the date hereof:

1. The Beneficiary is entitled to draw under the Letter of Credit an amount equal to \$ _____, for the following reason(s):
 - []A. An Event of Default, as defined in that certain Renewable Power Purchase and Sale Agreement between Applicant and Beneficiary, dated as of *[Date of Execution]* (the “Agreement”), with respect to the Applicant has occurred and is continuing.
 - []B. An Early Termination Date (as defined in the Agreement) has occurred or been designated as a result of an Event of Default (as defined in the Agreement) with respect to the Applicant for which there exist any unsatisfied payment obligations.
 - []C. The Letter of Credit will expire in fewer than 20 Local Business Days (as defined in the Agreement) from the date hereof, and Applicant has not provided Beneficiary alternative Performance Assurance (as defined in the Agreement) acceptable to Beneficiary.

The contents of this document are subject to restrictions on disclosure as set forth herein.

- []D. The Bank has heretofore provided written notice to the Beneficiary of the Bank’s intent not to renew the Letter of Credit following the present Expiration Date thereof (“Notice of Non-renewal”), and Applicant has failed to provide the Beneficiary with a replacement letter of credit satisfactory to Beneficiary in its sole discretion within thirty (30) days following the date of the Notice of Non-renewal.
- []E. The Beneficiary has not been paid any or all of the Applicant’s payment obligations now due and payable under the Agreement.

2. Based upon the foregoing, the Beneficiary hereby makes demand under the Letter of Credit for payment of U.S. DOLLARS AND ____/100ths (U.S.\$_____), which amount does not exceed the:
 - (i) Amount set forth in paragraph 1 above, and
 - (ii) Available Amount under the Letter of Credit as of the date hereof.
3. Funds paid pursuant to the provisions of the Letter of Credit shall be wire transferred to the Beneficiary in accordance with the following instructions:

Unless otherwise provided herein, capitalized terms which are used and not defined herein shall have the meaning given each such term in the Letter of Credit.

IN WITNESS WHEREOF, this Certificate has been duly executed and delivered on behalf of the Beneficiary by its authorized representative as of this ____ day of _____, _____.

Beneficiary: SOUTHERN CALIFORNIA EDISON COMPANY

By:

Name:

Title:

*** End of EXHIBIT J ***

The contents of this document are subject to restrictions on disclosure as set forth herein.