

SECOND AMENDMENT
to
POWER PURCHASE AGREEMENT

This Second Amendment to Power Purchase Agreement (the "Second Amendment") is made and entered into by San Diego Gas & Electric Company ("Buyer"), a California corporation, and CSolar IV South, LLC ("Seller"), a Delaware limited liability company, as of October 30, 2015 (the "Effective Date").

RECITALS

- A. Seller and Buyer are Parties to that certain Power Purchase Agreement, dated as of November 10, 2010, as amended by that certain First Amendment to Power Purchase Agreement dated as of March 20, 2013 (as amended, the "Agreement"), under which, among other things, Seller will sell to Buyer, and Buyer will purchase from Seller, the Product as described therein.
- B. In connection with FERC Order No. 764, the CAISO amended its Tariff to establish new scheduling procedures for variable energy resources.
- C. Seller and Buyer now desire to amend the Agreement in order to implement the new scheduling procedures in the CAISO Tariff as set forth in this Second Amendment.

AGREEMENT

In consideration of the promises, mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, as set forth herein, the Parties agree to amend the Agreement as follows:

- 1. Definitions. Any capitalized term used but not defined herein has the meaning ascribed to it in the Agreement.
- 2. Effectiveness of this Second Amendment. This Second Amendment is in full force and effect on the date hereof.
- 3. Amendments.
 - a. Section 1.1 of the Agreement is amended by adding the following defined terms in alphabetical order (where any of the following terms are already defined in Section 1.1, such terms in Section 1.1 shall be replaced in their entirety with the corresponding term below, and where any of the following terms are not already defined in Section 1.1, such terms below shall be added to Section 1.1 in alphabetical order):

"Deemed Delivered Energy" means the amount of Energy that Seller could reasonably have delivered to Buyer but was prevented from delivering to Buyer by reason of Economic Dispatch Down. The quantity of Deemed

Delivered Energy shall be equal to (a) the Deemed Delivery Forecast of Energy corresponding to the applicable Economic Dispatch Down periods, whether or not Seller is participating in the VER Forecasting Program during such events, less the amount of Energy scheduled during the applicable Economic Dispatch Down period as specified in the Dispatch Notice during such periods, and less any amount of Energy that was not delivered associated with any concurrent Planned Outage, Forced Outage, Force Majeure and/or any System Dispatch Down but only to the extent the Deemed Delivery Forecast does not already reflect the foregoing *provided that*, if the applicable amount calculated pursuant to this clause (a) is negative, the Deemed Delivered Energy shall be zero (0), or (b) if there is no such Deemed Delivery Forecast available during the applicable Economic Dispatch Down periods the amount of Delivered Energy that Seller could reasonably have delivered to Buyer but was prevented from delivering to Buyer as a result of Economic Dispatch Down as determined by Buyer in a commercially reasonable manner, which amount shall not include any amount of Energy that was not delivered associated with any concurrent Planned Outage, Forced Outage, Force Majeure and/or any System Dispatch Down.

“Deemed Delivery Forecast” means the forecast of the Energy to be produced by the Project prepared by the CAISO or its agent in accordance with the VER Forecasting Program and communicated to the Scheduling Coordinator, which forecast is the last such forecast prepared by the CAISO for the corresponding Economic Dispatch Down period that does not reflect curtailed production as a result of Economic Dispatch Down periods. As of the Execution Date, such Deemed Delivery Forecast is the CAISO forecast generated through its Resource Specific VER Forecast Usage Report.

“Dispatch Down Period” means the period of curtailment of delivery of Product from the Project resulting from System Dispatch Down or Economic Dispatch Down.

“Dispatch Notice” means the operating instruction, and any subsequent updates given either by Buyer to Seller or by the CAISO to Seller, directing Seller to operate the Project at a specified megawatt output for the period of time set forth in such order.

“Economic Dispatch Down” means curtailment of delivery of Product from the Project that is the result of economic curtailment where Buyer (as the Scheduling Coordinator) or a third party Scheduling Coordinator (in accordance with Buyer’s directions) either submits a self-schedule with a Product quantity or an economic bid in the applicable CAISO market or fails to submit any such schedule or bid, in either case, that when implemented by the CAISO results in an otherwise available Product quantity not being scheduled or awarded in such CAISO market and such curtailment is not concurrently the result of a Planned Outage, Forced Outage, Force Majeure and/or a System Dispatch Down.

“Imbalance Energy” means the amount of Energy, in any given settlement period, by which the amount of Delivered Energy deviates from the amount of Scheduled Energy, in each case determined at the PNode corresponding to the Delivery Point.

“PNode” has the meaning set forth in the CAISO Tariff.

“System Dispatch Down” means curtailment of delivery of Product from the Project resulting from (a) curtailment ordered by the CAISO (whether directly or through the Scheduling Coordinator or the Participating Transmission Owner), for any reason, including, but not limited to, an Exceptional Dispatch (as defined in the CAISO Tariff), any system emergency as defined in the CAISO Tariff (“System Emergency”), any warning of an anticipated System Emergency, or any warning of an imminent condition or situation which could jeopardize the CAISO’s or Participating Transmission Owner’s electric system integrity or the integrity of other systems to which the CAISO or Participating Transmission Owner is connected, any warning, forecast, or anticipated overgeneration conditions, including a request from CAISO to manage over-generation conditions; (b) curtailment ordered by the Participating Transmission Owner or distribution operator (if interconnected to distribution or sub-transmission system) for reasons including, but not limited to, (i) any situation that affects normal function of the electric system including, but not limited to, any abnormal condition that requires action to prevent circumstances such as equipment damage, loss of load, or abnormal voltage conditions, (ii) any warning, forecast or anticipation of conditions or situations that jeopardize the Participating Transmission Owner’s electric system integrity or the integrity of other systems to which the Participating Transmission Owner is connected; (c) curtailment ordered by the Participating Transmission Owner or distribution operator (if interconnected to distribution or sub-transmission system) as a result of scheduled or unscheduled maintenance or construction on the Participating Transmission Owner’s transmission facilities or distribution operator’s facilities (if interconnected to distribution or sub-transmission system) that prevents the delivery or receipt of Delivered Energy to or at the Delivery Point, or (d) curtailment in accordance with Seller’s obligations under its interconnection agreement with the Participating Transmission Owner or distribution operator; provided, however, that System Dispatch Down shall not include Economic Dispatch Down.

“VER Forecasting Program” means the rules, protocols, procedures and standards for Participating Intermittent Resources under the CAISO’s Eligible Intermittent Resource Protocol, as may be amended from time to time, as set forth in the CAISO Tariff.

- b. Section 1.1 of the Agreement is further amended by deleting the definition of “PIRP” or “Participating Intermittent Resource Program” in its entirety where it appears therein.

- c. Section 3.1(d) of the Agreement is amended by adding the following phrase at the end of the only sentence of such Section: “and for financial settlement purposes under the applicable CAISO market, the PNode corresponding to such point.”
- d. Section 3.1(h)(ii) of the Agreement is amended by adding the following phrase immediately after the term “during Dispatch Down Periods” where it appears in the first sentence: “(except that Buyer shall not be excused from paying for the Product as required under Section 3.4 during periods of Economic Dispatch Down).”
- e. Section 3.3(a) of the Agreement is amended by replacing such section in its entirety with the following:

(a) VER Forecasting Program Requirements. Seller shall cause the Project to become a Participating Intermittent Resource including executing all necessary documents to become a Participating Intermittent Resource. Seller shall be responsible for all CAISO forecasting fees and related charges associated with the Project becoming a Participating Intermittent Resource and participating in the VER Forecasting Program. Seller and Buyer shall comply with the VER Forecasting Program, and all additional protocols issued by the CAISO relating to Participating Intermittent Resources, including the VER Forecasting Program, for the Delivery Term. Seller has previously provided Buyer with a copy of the notice from the CAISO certifying the Project as a Participating Intermittent Resource. In the event that the VER Forecasting Program or the CAISO Tariff and/or any protocols relating thereto are changed, amended, modified replaced or terminated, Seller and Buyer agree to comply with such revisions and, to the extent practical, to implement such revisions in a manner that maintains the relative economic positions of the Parties as of the date of this Agreement.

- f. Section 3.3(b)(i) of the Agreement is amended by replacing such section in its entirety with the following:

(i) Buyer as Scheduling Coordinator for the Project. Upon initial synchronization of the Project to the CAISO Grid, Buyer shall be the Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with the CAISO for the Project for both the delivery and the receipt of the Product at the Delivery Point. At least thirty (30) days prior to the initial synchronization of the Project to the CAISO Grid, Seller shall take all actions and execute and deliver to Buyer and the CAISO all documents necessary to authorize or designate Buyer as Seller’s Scheduling Coordinator for the Project effective as of initial synchronization of the Project to the CAISO Grid. On and after initial synchronization of the Project to the CAISO Grid, Seller shall not authorize or designate any other party to act as Seller’s Scheduling Coordinator, nor shall Seller perform for its own benefit the duties of Scheduling Coordinator, and Seller shall not revoke Buyer’s authorization to act as Seller’s Scheduling Coordinator unless agreed to by Buyer. Buyer (as Seller’s SC) shall submit Schedules to the CAISO based on the final Schedule developed in accordance

with this Agreement, the operating procedures developed by the Parties pursuant to Section 3.10, and the applicable CAISO Tariff, protocols and Scheduling practices for Product on a day-ahead, hour-ahead, or real time basis, as determined by Buyer. Buyer (as Seller's SC) shall submit Schedules and any updates to such Schedules to the CAISO based on the most current forecast of Delivered Energy consistent with the VER Forecasting Program whenever the VER Forecasting Program is available, and consistent with Buyers' best estimate based on the information reasonably available to Buyer including Buyer's forecast whenever the VER Forecasting Program is not available. In all cases, consistent with its Economic Dispatch Down curtailment rights, Buyer (as the Scheduling Coordinator) may, or may direct the third party Scheduling Coordinator to, submit a self-schedule or an economic bid in the applicable CAISO market in order to Schedule the Product with the CAISO.

- g. Section 3.3(b)(iii) of the Agreement is amended by replacing such section in its entirety with the following:

(iii) CAISO Costs and Revenues. Except as otherwise set forth below, in Section 3.4(c)(ii), and elsewhere in this Agreement, Buyer (as Seller's SC) shall be responsible for CAISO costs (including penalties, Negative Imbalance Energy costs or revenues, and other charges) and shall be entitled to all CAISO revenues (including credits, Positive Imbalance Energy revenues or costs, and other payments) as the Scheduling Coordinator for the Project, including revenues associated with CAISO dispatches, bid cost recovery, inter-SC trade credits, or other credits in respect of the Product Scheduled or delivered from the Project. Seller shall be responsible for all CAISO charges or penalties net of credits and payments (including without limitation all Imbalance Energy costs), in each case, resulting from the Seller not notifying the CAISO and Buyer (as Seller's SC) of outages or other unavailability of Project capacity in a timely manner (in accordance with the CAISO Tariff and as set forth in Section 3.7) or any other failure by Seller to abide by the CAISO Tariff. The Parties agree that any Availability Incentive Payments are for the benefit of the Seller and for Seller's account and that any Non-Availability Charges are the responsibility of the Seller and for Seller's account. In addition, if during the Delivery Term, the CAISO implements or has implemented any sanction or penalty related to scheduling, outage reporting, or generator operation, and any such sanctions or penalties are imposed upon the Project or to Buyer as Scheduling Coordinator due to the actions or inactions of Seller, the cost of the sanctions or penalties shall be the Seller's responsibility.

- h. Section 3.3(b)(v) of the Agreement is amended by replacing such section in its entirety with the following:

(v) Dispute Costs. Buyer (as Seller's SC) may be required by Seller to dispute CAISO settlements in respect of the Project. Seller agrees to pay Buyer's costs and expenses (including reasonable attorneys' fees, including reasonably allocated costs of in-house counsel of the Buyer) associated with its involvement

with such CAISO disputes to the extent they relate to CAISO charges payable by Seller with respect to the Project and which Seller has required Buyer to dispute. In no event shall Buyer (or its third party designee, as Scheduling Coordinator) be liable to Seller for the actions, inactions, errors, or omissions of the CAISO or its agents in the performance of CAISO's or its agents' scheduling functions.

- i. Section 3.3(e) of the Agreement is amended by replacing such section in its entirety with the following:

(e) Daily Delivery Schedules. By 5:30 AM Pacific Prevailing Time on the Business Day immediately preceding the date of delivery, Seller shall provide Buyer with a non-binding forecast of the Project's available capacity (or if the VER Forecasting Program is not available for any reason, the expected Delivered Energy) for each hour of the immediately succeeding day ("Day-Ahead Forecast"). A Day-Ahead Forecast provided in a day prior to any non-Business Day(s) shall include Schedules for the immediate day, each succeeding non-Business Day and the next Business Day. Each Day-Ahead Forecast shall clearly identify, for each hour, Seller's best estimate of the Project's available capacity (or if the VER Forecasting Program is not available for any reason, the expected Delivered Energy). Seller may not change such forecast past the deadlines provided in this section except in the event of a Forced Outage or Schedule change imposed by Buyer or the CAISO, in which case Seller shall promptly provide Buyer with a copy of any and all updates to such forecast indicating changes from the then-current forecast. These notices and changes to the forecasts shall be sent to Buyer's on-duty Scheduling Coordinator. If Seller fails to provide Buyer with a Day-Ahead Forecast as required herein, then for such unscheduled delivery period only Buyer shall rely on the delivery forecast provided in the Monthly Delivery Forecast or Buyer's best estimate based on information reasonably available to Buyer and Seller shall be liable for Scheduling and delivery based on such Monthly Delivery Forecast or Buyer's best estimate.

- j. Section 3.4 of the Agreement is amended by replacing such section in its entirety with the following:

3.4. Dispatch Notices.

(a) General. Subject to the Project's operating restrictions set forth in Exhibit H, Seller shall reduce delivery amounts as directed by the CAISO, the Participating Transmission Owner, Buyer, or a Transmission Provider during any Dispatch Down Period.

(b) System Requirements. (i) On or prior to the 45th day after the Effective Date of that certain Second Amendment to Power Purchase Agreement, dated as of October 30, 2015, by and between Buyer and Seller, Seller shall acquire, install, and, subject to Buyer's compliance with the testing protocols developed pursuant to clause (ii) of this paragraph (b), test such

facilities, communications links and other equipment, and implement such protocols and practices, and thereafter maintain such facilities, communications links and other equipment, as necessary (x) for Seller to respond and follow instructions, including an electronic signal conveying real time instructions, to operate the Project as directed by the Buyer and/or the CAISO, including to implement a System Dispatch Down or an Economic Dispatch Down in accordance with the then-current methodology used to transmit such instructions as it may change from time to time, and (y) for Buyer and/or the CAISO to control the quantity of Product generated by the Project in order to implement a System Dispatch Down or an Economic Dispatch Down, in each case, in accordance with the then-current methodology used to transmit such instructions as it may change from time to time (the "Required Systems"). As of the Execution Date, the Required Systems include at a minimum the CAISO's Automatic Dispatch System (as described in the CAISO website) and the systems required to comply with clause (y) include at a minimum the CAISO'S Application Programming Interfaces (as described in the CAISO website). If at any time during the Delivery Term Seller's facilities, communications links or other equipment, protocols or practices are not in compliance with then-current methodologies, Seller shall take all commercially reasonable steps necessary to become compliant as soon as possible. Seller shall be liable pursuant to Section 3.4(c)(ii) for failure to comply with an order directing a Dispatch Down Period, during the time that Seller's facilities, communications links or other equipment, protocols or practices are not in compliance with then-current methodologies. An order directing a Dispatch Down Period via such systems and facilities shall have the same force and effect on Seller as any other form of communication. Buyer and/or CAISO shall communicate such orders electronically via the Automatic Dispatch System (as described in the CAISO website) provided that during any period of time that an electronic communication using such systems is not possible, Buyer and/or the CAISO may provide Dispatch Notices by (in order or preference) electronic mail, telephonically, or facsimile transmission to Seller's personnel designated to receive such communications, as provided by Seller in writing and Seller shall maintain communications systems necessary to permit such transmittal of Dispatch Notices. The Parties shall describe with more specificity the Economic Dispatch Down process (including the automated communication process for Dispatch Notices) in the operating procedures developed by the Parties pursuant to Section 3.10.

(ii) Seller shall be entitled to not less than five (5) and not more than ten (10) Business Days (the "Required Systems Testing Period") during which the Required Systems shall be tested, including by the Buyer or CAISO sending orders directing a Dispatch Down electronically via the Automatic Dispatch System (as described in the CAISO website). The (x) exact duration of the Required Systems Testing Period, (y) number and timing of orders directing a Dispatch Down sent electronically via the Automatic Dispatch System (as described in the CAISO website) during the Required Systems Testing Period, and (z) detailed testing procedures shall be

agreed in writing by Seller and Buyer on or before the 30th day after the Effective Date of that certain Second Amendment to Power Purchase Agreement, dated as of October 30, 2015, by and between Buyer and Seller. Seller shall have no liability pursuant to Section 3.4(c)(ii) or otherwise for failure to comply with orders directing a Dispatch Down electronically via the Automatic Dispatch System during the Required Testing Period, it being agreed that any actions or failure to act by Seller and its systems during such period shall be solely in the context of testing of the Automatic Dispatch System and the related Required Systems and that the testing protocol shall specify the conditions to such systems being deemed "live" for purposes of this Agreement.

(c) Economic Dispatch Down. Before or after the Commercial Operation Date, each of Buyer and the CAISO has the right to order Seller to curtail deliveries of Energy from the Project to the Delivery Point for Economic Dispatch Down purposes, seven days per week and 24 hours per day (including holidays), by providing Dispatch Notices and updated Dispatch Notices to Seller electronically via the communications systems described in Section 3.4(b), subject to the requirements and limitations set forth in this Agreement, including the Project operating restrictions set forth in Exhibit H. Each Dispatch Notice will be effective unless and until Buyer (or the CAISO) modifies such Dispatch Notice by providing Seller with an updated Dispatch Notice. In addition to any other requirements set forth or referred to in this Agreement, all Dispatch Notices and updated Dispatch Notices will be made in accordance with the timelines as specified in the CAISO Tariff. Subject to the Project's operating restrictions set forth in Exhibit H, Seller agrees to adjust the Project's Delivered Energy as set forth in a Dispatch Notice that meets the requirements of Economic Dispatch Down.

(i) Buyer Payments. On and after the Commercial Operation Date, Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which any such Economic Dispatch Down occurred an amount equal to the positive difference, if any, of (Y) the product of the Energy Price, times the weighted average TOD Factor for such period of Economic Dispatch Down, times the amount of Deemed Delivered Energy resulting from such Economic Dispatch Down, minus (Z) the product of the positive value of the Sales Price, if received, times the amount of Deemed Delivered Energy resulting from such Economic Dispatch Down.

(ii) Failure to Comply. If, subject to the Project's operating restrictions set forth in Exhibit H, Seller fails to comply with a Dispatch Notice related to Economic Dispatch Down, then, for the deviation between the Delivered Energy and the amount of Energy that should have been delivered as set forth in such Dispatch Notice, Seller shall pay Buyer an amount equal to the sum of (A) + (B) + (C), where: (A) is the amount, if any, paid to Seller by Buyer for any Delivered Energy in excess of the amount of Energy that should have been delivered as set forth in the Dispatch Notice (for example, the Energy Price

adjusted by TOD Factors), and (B) is all Imbalance Energy costs or charges (excluding any revenues or credits), and (C) is any penalties or other charges imposed by CAISO resulting from Seller's failure to comply with the Dispatch Notice.

- k. Section 3.6(c) of the Agreement is amended by replacing such section in its entirety with the following:

(c) Meteorological Station. Seller, at its own expense, shall install and maintain such stand-alone meteorological stations at the Project as may be required under the VER Forecasting Program and the CAISO Tariff to monitor and report weather data to both the CAISO and Buyer's weather station data collection system. Each station shall be equipped with instruments and equipment that meet the specifications of the VER Forecasting Program and shall measure, collect, record, format, and communicate the data required under the VER Forecasting Program. Seller shall submit to Buyer for review and approval, which shall not be unreasonably withheld, its technical specifications for the meteorological station along with a site plan showing the location of the station within the Project. Seller shall correct any problems with such equipment as soon as practicable.

- l. Section 12.3(i) of the Agreement is amended by deleting such section in its entirety.
- m. The Agreement is amended by adding a new Exhibit H thereto in the form of Exhibit H attached hereto.

4. Miscellaneous.

- a. Each Party expressly reserves all of its respective rights and remedies under the Agreement.
- b. Except as expressly set forth in this Second Amendment, the Agreement remains unchanged and in full force and effect.
- c. The terms and provisions hereof shall be binding on, inure to the benefit of, and be enforceable by, the successors and assigns of the Parties, whether so expressed or not. Notwithstanding the foregoing, neither Party shall assign any rights or delegate any duties under the Agreement, as modified by this Second Amendment, except as provided in Section 13.2 of the Agreement.
- d. If any provision of this Second Amendment is held invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.
- e. THIS SECOND AMENDMENT 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.

- f. This Second Amendment may be executed in one or more counterparts, each of which will be deemed to be an original of this Second Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Second Amendment and of signature pages by facsimile transmission or by other electronic means shall constitute effective execution and delivery of this Second Amendment as to the Parties and may be used in lieu of the original Second Amendment for all purposes. Signatures of the Parties transmitted by facsimile or by other electronic means shall be deemed to be their original signatures for all purposes.
- g. Each Party represents and warrants that the execution, delivery and performance of this Second Amendment 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, and that the person who signs below on behalf of that Party has authority to execute this Second Amendment on behalf of such Party and to bind such Party to this Second Amendment.
- h. This Second Amendment sets forth the entire agreement of the Parties with respect to the subject matter herein, and supersedes all previous understandings, written or oral, with respect thereto.
- i. This Second Amendment may not be amended, modified, abrogated or superseded by a subsequent agreement unless such subsequent agreement is in the form of a written instrument executed by each Party.
- j. This Second Amendment is the result of negotiation and each Party has participated in its preparation and negotiation. Accordingly, any rules of construction that direct an ambiguity to be resolved against the drafting Party shall not be employed in the interpretation of this Second Amendment.

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IN WITNESS WHEREOF the Parties hereto have caused this Second Amendment to be duly executed as of the date first above written.

CSOLAR IV SOUTH, LLC
a Delaware limited liability company

By: 
Name: AARON O. DUBBERLY
Title: VICE PRESIDENT

SAN DIEGO GAS & ELECTRIC COMPANY
a California corporation


By: 
Name: Emily Shults
Title: V.P. Electric and Fuel Procurement

EXHIBIT H

PROJECT OPERATING RESTRICTIONS

Operational characteristics of the Project for Dispatch Notices, which in each case must be equal to or greater than the resource flexibility reflected in the resource Master File, as such term is defined in the CAISO Tariff. Buyer may request that CAISO modify the Master File for the Project to reflect the findings of a CAISO audit of the Project and to ensure that the information provided by Seller is true and accurate. Seller agrees to coordinate with Buyer and any third party Scheduling Coordinator to ensure all information provided to the CAISO regarding the operational and technical constraints in the Master File for the Project are accurate and are actually based on physical characteristics of the resource. The Parties agree to make reasonable modifications to this Exhibit H to modify existing operating restrictions or add additional operating restrictions that may be necessary to address changes in the CAISO Tariff or applicable Law applicable to the Products provided from this Project.

- Nameplate capacity of the Project: 130MW
- Minimum operating capacity: 13MW
- Advance notification required for a Dispatch Notice: Seven Minutes
- Ramp Rate: 13MW/minute