

**THIRD AMENDMENT TO THE JUNE 25, 2007 POWER PURCHASE AND  
SALE AGREEMENT BETWEEN CALRENEW-1 LLC AND PACIFIC GAS AND  
ELECTRIC COMPANY**

THIS THIRD AMENDMENT ("Third Amendment") is entered into by and between CalRENEW-1 LLC ("Seller") and Pacific Gas and Electric Company ("Buyer"). Seller and Buyer are sometimes referred to herein individually as "Party" and collectively as "Parties".

**RECITALS**

**A.** Whereas, Seller and Buyer are Parties to that certain Power Purchase and Sale Agreement, dated June 25, 2007, as amended by that First Amendment dated September 21, 2007 and that Second Amendment dated November 27, 2007 (collectively, the "PPA").

**B.** Whereas, Section 10.1(c) of the PPA provides that Seller may terminate the PPA no later than March 31, 2008 ("ETC Termination Deadline") if federal legislation providing for an extension of the 30% Energy Tax Credit ("ETC Legislation") for solar projects installed by December 31, 2009 is not enacted by December 31, 2007.

**C.** Whereas, by letter agreement dated March 31, 2008 ("Letter Agreement"), the Parties agreed to extend the ETC Termination Deadline such that Seller may terminate the PPA no later than March 31, 2009 ("Extended ETC Termination Deadline") if ETC Legislation for solar projects installed by December 31, 2010 is not enacted by March 24, 2009; provided that, if this Third Amendment is terminated pursuant to Section 3 below, then the Extended ETC Termination Deadline automatically shall be modified to be that date which is thirty days following such termination.

**D.** Whereas, the Parties desire to extend the deadlines for the Milestones and the Guaranteed Project Milestones under the PPA because the unavailability of the ETC Legislation likely will impact Seller's ability to achieve such Milestones and Guaranteed Project Milestones by their specified deadlines. In addition, the Parties desire to allow the Commercial Operation Date to occur more than one hundred eighty (180) days prior to the extended Guaranteed Commercial Operation Date in the event that Seller is able to achieve Commercial Operation of the Project in 2008.

In consideration of the mutual promises and covenants contained herein, the Parties agree to amend the PPA as follows:

1. **Rules of Construction.** Capitalized terms used herein and not otherwise defined shall be used as defined in the PPA.

2. **Amendments to the PPA.**

a. Section 3.9(c)(iii)(A) shall be deleted in its entirety and replaced with the following:

“(A) The Construction Start Date shall occur no later than November 1, 2009 (the “Guaranteed Construction Start Date”); and”

b. Section 3.9(c)(iii)(B) shall be deleted in its entirety and replaced with the following:

“(B) Seller shall have demonstrated Commercial Operation per the terms of Appendix VI no later than April 30, 2010 (the “Guaranteed Commercial Operation Date”).”

c. Appendix III attached to the PPA, entitled “Milestones Schedule”, shall be replaced in its entirety with the Amended Appendix III attached to this Third Amendment. The first four Milestones in such Amended Appendix III have not been modified or changed as the deadlines for these Milestones already have occurred.

d. The proviso in the first sentence of Section 3.9(c)(iv) shall be deleted in its entirety and replaced with the following:

“provided, however, the Parties agree that the Commercial Operation Date may occur more than one hundred eighty (180) days prior to the Guaranteed Commercial Operation Date.”

e. Section 10.1(c) of the PPA shall be deleted in its entirety and replaced with the following:

“Energy Tax Credit. If federal legislation providing for an extension of the Energy Tax Credit, in substantially the same form and substance as in effect as of the Execution Date hereof (e.g., an Energy Tax Credit of 30%), is not enacted by March 24, 2009 and in effect of any project installed by December 31, 2010, then Seller may terminate this Agreement and the Transaction entered into hereunder by written notice to Buyer. If Seller has the right to terminate this Agreement and the Transaction pursuant to this subsection 10.1(c), but fails to send written notice of termination by March 31, 2009, then Seller’s termination right per this subsection 10.1(c) shall be deemed waived in its entirety.”

3. **CPUC Approval.**

This Third Amendment shall become effective upon satisfaction of the following conditions precedent:

a. CPUC Approval of the Third Amendment; and

b. PG&E's receipt of a final and non-appealable CPUC order that finds that PG&E's entry into the Third Amendment is reasonable and that payments to be made by PG&E under the PPA as amended by this Third Amendment are recoverable in rates.

If both of the above-listed conditions precedent are not satisfied or waived in writing by both Parties on or before one hundred eighty (180) days from the date on which Buyer files this Third Amendment for CPUC Approval, then either Party may terminate this Third Amendment effective upon receipt of Notice by the other Party. As set forth in the Parties' Letter Agreement, if the Third Amendment is terminated pursuant to this Section 3, then the Extended ETC Termination Deadline automatically shall be modified to be that date which is thirty (30) days following such termination.

4. **No Other Modifications.** Except as otherwise expressly modified hereby, the PPA remains in full force and effect. If there is a conflict between the terms of the PPA and those of this Third Amendment, this Third Amendment shall control.

5. **Miscellaneous.**

a. **Governing Law.** This Third Amendment shall be governed by Section 10.12 of the PPA. The Parties agree to comply with Article Twelve of the PPA with respect to any dispute relating to this Third Amendment.

b. **Headings.** Headings in this Third Amendment are included herein for convenience of reference only and shall not constitute a part of this Third Amendment for any other purpose.

c. **Counterparts.** This Third Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signature provided via facsimile shall have the same legal effect as an original.

d. **Any Amendments or Modifications.** This Third Amendment may only be amended or otherwise modified in writing signed by each of the Parties.

*[Remainder of this page intentionally left blank]*



**IN WITNESS WHEREOF**, the Parties have caused this Third Amendment to be executed by their duly authorized representatives, effective as of the latest date set forth in the signature block below. By signing this Third Amendment, the representatives of the Parties warrant that they have the requisite authority to bind their respective principals.

**PACIFIC GAS AND ELECTRIC  
COMPANY**

**CALRENEW-1 LLC**



By: Garrett P. Jeung  
Title: Senior Director, Structured  
Transactions  
Date: 3/31/08



By: Bill Barnes  
Title: Chief Executive Officer  
Date: 3-31-2008

**AMENDED APPENDIX III**

**MILESTONES SCHEDULE**

<b>Identify Milestone</b>	<b>Date for Completion</b>
Anticipated date Advice Letter for this Agreement will be filed with the CPUC and PGC Fund Amount data relating to this Agreement will be filed with the CEC	June 6, 2007
Begin CEQA and local permitting processes	October 15, 2007
File Interconnection Application with CAISO	October 15, 2007
File grading and building permit applications	February 28, 2008
Close project financing	May 1, 2009
Place initial equipment orders	May 30, 2009
Place balance of equipment orders	July 30, 2009
Guaranteed Construction Start Date	November 1, 2009
Synchronize Facility to CAISO Grid	March 31, 2010
Guaranteed Commercial Operation Date	April 30, 2010