

CONFIDENTIAL -  
EXECUTION COPY

SECOND AMENDED AND RESTATED  
POWER PURCHASE AND SALE AGREEMENT

between

PACIFIC GAS AND ELECTRIC COMPANY

(as "Buyer," as further defined herein)

and

RUSSELL CITY ENERGY COMPANY, LLC

(as "Seller")

PACIFIC GAS AND ELECTRIC COMPANY  
SECOND AMENDED AND RESTATED  
POWER PURCHASE AND SALE AGREEMENT  
CONFIDENTIAL -  
EXECUTION COPY

- a. Both Units are operating: 195 MW
- b. One Unit is operating: 100 MW

Ancillary Services, at ISO conditions, Continuous Duct Firing Mode:

- Minimum load one Unit: 178 MW (Estimated value, not guaranteed)
- Maximum load one Unit: 299 MW
- Minimum load two Units: 362 MW (Estimated value, not guaranteed)
- Maximum load two Units: 601 MW

1. Spinning Reserves:

- a. Both Units are operating: 233 MW (Estimated value, not guaranteed)
- b. One Unit is operating: 118 MW (Estimated value, not guaranteed)

2. Regulating Reserves:

- a. Both Units are operating: 233 MW (Estimated value, not guaranteed)
- b. One Unit is operating: 118 MW (Estimated value, not guaranteed)

Minimum Load of Each Unit

Refer to Ancillary Services above.

Emissions Restrictions

The Units must be operated in a manner that permits their compliance with the Authority to Construct ("ATC") issued by the Bay Area Air Quality Management District ("BAAQMD"). Seller will obtain an amended ATC from the BAAQMD, allowing the Units to be constructed at a slightly modified site, with no material adverse alteration to the allowable emissions currently permitted under the ATC.

The ATC shall allow for up to 50 weeks of operation on Buyer's behalf in "6x16" mode per year, where the Units are started and operated for up to 16 hours, and subsequently shut down each day for 6 days per week. The ATC shall also allow for operation on Buyer's behalf up to 8264 hours per year, with each duct burner operating up to 4,000 hours per year at full output, with the number of Start-Ups and Shut-Downs that would result in this level of operation.