

MRTU ADMINISTRATION AGREEMENT

between:

THE CALIFORNIA DEPARTMENT OF WATER RESOURCES (“CDWR” or “Buyer”)

and

SUNRISE POWER COMPANY, LLC (“Sunrise” or “Seller”)

This agreement (the “MRTU Administration Agreement”) references the Amended and Restated Master Power Purchase and Sale Agreement (the “Master Agreement”), the Amended and Restated Cover Sheet (the “Cover Sheet”), and the Amended and Restated Confirmation Agreement (the “Confirmation”) by and between CDWR and Sunrise dated December 31, 2002. Collectively, the Master Agreement, the Cover Sheet, and the Confirmation shall be referred to hereinafter as the “PPA.” All capitalized terms used, but not otherwise defined herein, shall have the same meaning given to them in the PPA.

CDWR and Sunrise (the “Parties”) understand and agree that the California Independent System Operator’s (“CAISO”) upcoming implementation of the Market Redesign and Technology Upgrade (“MRTU”) will significantly change the energy market in California. This change includes, among other things, the way participants bid and schedule energy, the processes by which transactions are settled, new terminology, and how CAISO costs and charges are allocated to participants.

The Parties enter into this MRTU Administration Agreement to memorialize their agreement with respect to certain issues including billing, scheduling, delivery of electricity, and related contract matters arising out of the implementation of MRTU, which will affect the PPA. To preserve as nearly as possible the current respective financial positions of the Parties upon implementation of MRTU (the “MRTU Start Date”), the Parties agree that administration of the PPA must address MRTU changes. In consideration of the respective benefits to the Parties and for other good and valuable consideration the receipt and sufficiency of which are acknowledged, the Parties hereby enter into this MRTU Administration Agreement, which shall result in the following actions relative to administering the PPA upon the MRTU Start Date (defined below).

1. CAISO Terms

To the extent the exercise by the Parties of their rights and obligations under this MRTU Administration Agreement requires incorporation of CAISO Tariff definitions relating to MRTU, the Parties agree that all such definitions shall, to the extent feasible and practical, be applicable to the PPA.

2. Energy Delivery Scheduling

The Seller or its Scheduling Coordinator (“SC”) shall conduct self-schedules with Inter-SC Trades (“ISTs”) and/or bid Net Electric Energy up to the Contract Capacity into the applicable CAISO markets as directed by the Buyer or Buyer’s agent. During the Delivery Term, each Party or each Party’s SC shall conduct all Net Electric Energy bidding and scheduling in full compliance with the applicable CAISO Tariff, protocols, and scheduling practices.

3. Delivery Point

The Delivery Point shall also have the following PNode designation:
SUNRIS_2_PL1X3-APND.

4. Load Uplift Obligation

Seller or Seller’s SC shall schedule ISTs with Buyer or Buyer’s SC for Load Uplift Obligation equal to the Net Electric Energy volume corresponding to the Day Ahead self-schedule. In case the volume of Load Uplift Obligation IST is more than the Day Ahead self-schedule, the Buyer shall be financially responsible for the CAISO Load Uplift Obligation charges resulting from such difference.

5. Resource Adequacy

Seller or Seller’s SC shall file monthly Resource Adequacy supply plans (based on the Estimated Monthly Availability Schedule) to the CAISO, in accordance with the CAISO Tariff, consistent with the generating capability of the Facility and will send a copy of these plans to Buyer, and Buyer’s agent, at least 48 hours before they are due to the CAISO for review. If neither Buyer nor Buyer’s agent comments within 24 hours, Buyer will be deemed to have approved the plan(s). Any CAISO charges which are the result of providing Resource Adequacy capacity to Buyer will be fully reimbursed by the Buyer.

6. Additional Changes to Address MRTU

Because of the likelihood of either (1) the emergence of unforeseen effects of MRTU upon the administration of the PPA which do not become apparent until after the MRTU Start Date, and/or (2) changes made to MRTU by CAISO after the MRTU Start Date, within six (6) months from the MRTU Start Date, the Parties shall meet to address these issues. In addition, the Parties agree to meet and confer on any MRTU-related issue which arises throughout the term of the PPA, as the Parties become aware of such issues.

The clarifications to the PPA administrative practices enumerated above shall become effective on the MRTU Start Date. Based on the latest information available from CAISO, the Parties currently expect the MRTU Start Date to be March 31, 2009. However, the Parties understand that this date is subject to change at CAISO's discretion. This MRTU Administration Agreement shall terminate upon termination of the PPA.

The Parties agree that if CAISO reverts to the market systems in place prior to implementation of MRTU, then the terms of this MRTU Administration Agreement shall be suspended during the period of reversion. When CAISO resumes MRTU, this MRTU Administration Agreement will again be in full force and effect.

By entering into this MRTU Administration Agreement, the Parties agree that neither CDWR nor Sunrise waives or releases any claim or right it may have under the PPA except for those expressly waived by this MRTU Administration Agreement.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this MRTU Administration Agreement on the respective dates set forth below and made it effective as of the MRTU Start Date set forth above, notwithstanding the date of their execution of this MRTU Administration Agreement.

CALIFORNIA DEPARTMENT OF WATER RESOURCES, a department of the California Resources Agency, an agency of the State of California, with respect to its responsibilities pursuant to California Water Code Section 80000, et seq., regarding the Department of Water Resources Electric Power Fund, separate and apart from its powers and responsibilities with respect to the State Water Resources Development Systems

By: _____

Name: _____

Title: _____

Date: _____

Acknowledged and Agreed:

SUNRISE POWER COMPANY, LLC

By: _____

Name: _____

Title: _____

Date: _____

bcc: John Pacheco
Jim Spence
Tim Haines
Gurdip Rehal
Stuart Chan
Dave Alexander
Chuck Toney
Tom McGivney
Gwenn O'Hara
Iryna Kwasny
Bryan Gibson
Keith Van Wagner
Mary Akens
Jim Openshaw
Jacque George

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