Daily Heat Rate Option Confirmation

Date: April 10, 2012
To: Company A
From: Company B

Re: Heat Rate Option Transaction – Cash Settled

Supplements ISDA Master Agreement dated July 5, 2007. The definitions and provisions contained in 2005 ISDA Commodity Definitions are incorporated into this Confirmation.

Transaction Reference Number:

Trade Date: April 10, 2012

Option Buyer: Company A
Opton Seller: Company B

Option Type: Call

Option Term: From and including 01 July, 2012 to and including 30 September, 2012

Commodity: Electricity

Notional Quantity Per Settlement Period: 25.00 MW multiplied by the number of calendar days in the relevant Calculation Period

Total Premium: USD 342,000.00

Premium Payment Dates: 05 April, 2012, subject to adjustment in accordance with the Following Business Day Convention

Procedure for Exercise

Exercise Date(s):   Each Applicable Day during the Option Term

Automatic Exercise: Applicable

Cash Settlement Terms

Cash Settlement: Applicable

Settlement Date(s):   In respect of each calendar month the Option Seller shall pay the Net Cash Settlement Amount to the Option Buyer on the tenth (10th) Business Day following the end of the calendar month that includes the relevant Calculation Period(s)

Calculation Periods: Each individual Applicable Day during the Option Term

    Settlement Period(s)

      Applicable Days: In respect of each Calculation Period each Monday to Saturday inclusive excluding North America Electric Reliability Council ("NERC") holidays

      Duration: Hourly

      Start Time: The hour ending 07:00 hours Pacific Prevailing Time

      End Time;   The hour ending 22:00 hours Pacific Prevailing Time

Cash Settlement Amount Details

Cash Settlement Amount: In respect of each Calculation Period the sum of the Cash Settlement Amounts for each Settlement Period in such Calculation Period, where the Cash Settlement Amount for each Settlement Period is calculated as follows:

                                       Notional Quantity x Strike Price Differential
                                       (each in respect of the relevant Settlement Period)

               The Cash Settlement Amounts for all the Calculation Periods during any calendar month, if any, shall be aggregated into a single net amount (the "Net Cash Settlement Amount")

Floating Price

    Power

      Price: "ELECTRICITY-CAISO-SP 15 EZ GEN HUB-DAY AHEAD" means that the price for a Pricing Date will be that day's Specified Price per MWh of electricity for delivery on the Delivery Date, which Specified Price will be the average of the hourly prices, stated in U.S. Dollars, published by the CAISO at http://oasis.caiso.com under the heading "Prices Report: Location Marginal Prices (LMP) Market: DAM Node: TH_SP15_GEN_APND" or any successor headings, that reports prices effective on that Priceing Date

      Specified Price: Locational Marginal Pricing ("LMP") (as defined on the Price Source)

Price Source:	The California ISO Open Access Same0time Information System (or any official successor thereto) website at address http://oasis.caiso.com
Pricing Dates:	In respect of each Calculation Period, the Commodity Business Day on which the Price Source publishes the relevant Commodity Reference Price(s) for the relevant Settletment Periods during such Calculation Period

Strike Price   HR x Gas Index

    Heat Rate ("HR")   11.00

    Gas Index

Commodity Reference Price:	NATURAL GAS – SOCAL GAS – GAS DAILY
Specified Price:	The "Midpoint" price
Delivery Date(s):	The "Flow date(s)" (as defined in the Price Source), corresponding to the relevant Price Date
Price Source:	In respect of each Calculation Period, the Commodity Business Day on which the Price Source publishes the relevant Commodity Reference Price(s) for the relevant Settlement Periods during each Calculation Period. Where a Pricing Date is not a Commodity Business Day, the Commodity Reference Price in respect of the next immediately following Commodity business Day, irrespective of whether or not such Commodity Business Day falls within the Calculation Period

Account Details

Payments to;   Company B Inc.
Account for payments: xxxxxx

Payments to: Company A Inc.
Accounts for payments: xxxxxx