

APPENDIX 2D

BBID Will Serve Letter



June 30, 2008

Mr. Bo Buchynsky
Executive Director
Diamond Generating Corporation
333 South Grand Avenue, Suite 1570
Los Angeles, California 90071

CHARLES SPATAFORE JR.
President
Division VIII

RUSSELL KAGEHIRO
Vice President
Division VI

SANDRA FREDRICKSON
Director
Division I

GERALD TENNANT
Director
Division II

TIM MAGGIORE
Director
Division III

MARK FRANCO
Director
Division IV

FELIX MUSCO
Director
Division V

LEE CLEMONS
Director
Division VII

JEFF BROWN
Director
Division IX

—

RICK GILMORE
General Manager
Secretary

Dear Mr. Buchynsky,

This "will serve" letter is in response to Diamond Generating Corporation's ("DGC's") request to Byron-Bethany Irrigation District ("BBID or District") to supply water to a simple cycle, peaking, electric power plant. The proposed DGC Kelso facility is located on lands within District boundaries, on the Lee property at the southeast corner of Kelso and Bruns Roads in northeastern Alameda County.

The District is a California Irrigation District operating under and by virtue of Division 11 of the California Water Code. BBID is legally authorized, pursuant to Water Code sections 22075 and 22076, to deliver water for domestic, municipal and industrial purposes.

It is the District's understanding DGC Kelso projects a water demand of 250 gallons per minute and an annual average usage of 185 acre-feet per year. In peak years, demand could be as high as 275 acre-feet per year. BBID has sufficient water to meet these projected demands of the DGC Kelso project and hereby advises DGC that the District is willing and able to provide water service to the DGC Kelso facility. Delivery of water to DGC Kelso will require the construction of a pumping station and conveyance facilities. All construction costs, including any engineering or permitting costs, must be borne by DGC Kelso.

The delivery of water will be subject to all rules and regulations established by the District and DGC Kelso shall be required to pay for the cost of all water delivered at the then applicable municipal and industrial rate charges by the District.

The District's obligation to serve the DGC Kelso facility must be confirmed by such further agreements, as the parties deem necessary.

If you have any questions, please feel free to contact me.

Sincerely,



Rick Gilmore
General Manager

C:
Board of Directors
General Counsel.