



February 13, 2008

Mr. Nick King
G2 Energy, FL, LLC
645 Spalding Drive
Atlanta, GA 30328

Dear Mr. King:

Section 14.1.6 of the Negotiated Contract for the Purchase of Firm Capacity and Energy between G2 Energy, FL LLC a Qualifying Facility and Florida Power Corporation Doing Business As Progress Energy Florida, Inc. dated September 8, 2005 (the "Contract") states that the Contract is in a Pre-Operational Event of Default if "(T)he facility fails to achieve Commercial In-Service Status on or before the Contract In-Service Date". Further, the Contract defines the Contract In-Service Date as January 1, 2008. Therefore, pursuant to Section 14.1.6 of the contract, Progress Energy Florida is hereby declaring that the Contract is in a Pre-Operational Event of Default and has elected to terminate the Contract.

Progress Energy Florida remains hopeful that future agreements can be reached with G2 Energy to the benefit of both parties.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Gammon', with a long horizontal flourish extending to the right.

David Gammon
Cogeneration Manager

Cc: John Bean