

LJM2 Capital Management, L.P.  
333 Clay Street, Suite 1203  
Houston, Texas 77002

May 10, 2001

Enron Corp.  
1400 Smith Street  
Room EB4906  
Houston, Texas 77002  
Attn: Mr. J. Mark Metts

LJM2 Capital Management, L.P., the general partner of LJM2 Co-Investment, L.P. (together, "LJM2"), recently submitted a proposal to acquire (the "Transaction") Enron Renewable Energy Corp. and its subsidiaries (collectively, the "Company") from affiliates of Enron Corp. LJM2 is planning to submit in the near future a revised proposal, and wishes to proceed to develop a mutually acceptable transaction structure, conduct and complete business, legal, accounting and other due diligence, obtain commitments for financing and negotiate a definitive purchase and sale agreement (the "Definitive Agreement") and related documents. LJM2 recognizes and understands that such actions shall be undertaken on a non-exclusive basis with Enron and its affiliates, and that Enron currently is in discussions with other parties at this time with respect to a possible disposition of the Company. As a material inducement to LJM2 to undertake all of those activities, the undersigned Enron Corp. ("Enron") agrees as follows:

1. *Expenses.* Enron shall reimburse LJM2 upon demand for all reasonable and documented out-of-pocket expenses paid or incurred by or on behalf of LJM2, from and after May 1, 2001 and prior to the date (if it occurs) upon which LJM2 (or its affiliate) and Enron execute and deliver the Definitive Agreement to each other (the "Signing Date"), in connection with evaluating and pursuing the Transaction with Enron and its affiliates, including conducting due diligence investigations, negotiating and preparing the Definitive Agreement and all related documentation and obtaining commitments and other assurances from third parties to finance the proposed acquisition, including reasonable out-of-pocket costs for travel and lodging, reasonable fees and expenses of attorneys, accountants, consultants, financing sources and other representatives (collectively, "Representatives"), filing and other fees; *provided first*, that Enron shall not be obligated to reimburse LJM2 for any regulatory filings made without Enron's prior consent; *provided second*, that Enron shall not be obligated to reimburse LJM2 for any commitment or other similar financing fees paid to its financing sources in connection with obtaining financing commitments; and *provided third*, that Enron shall not be obligated to reimburse LJM2 for any "break" fees (i.e., incremental fees paid for failing to consummate the Transaction) to any of its Representatives.

2. *Fee.* In addition to its expense reimbursement obligations under paragraph 1, Enron shall pay to LJM2 Capital Management, L.P. or its designee a monthly fee of \$150,000, payable in advance in cash (a) within two business days after the date hereof for the month of May 2001, and (b) on the first day of each month commencing after the date of this agreement and prior to the earlier of (i) the termination of this agreement, and (ii) the Signing Date; *provided that in no event shall Enron be obligated to pay LJM2 more than \$600,000 in fees in the aggregate under this paragraph 2.*

GOVERNMENT  
EXHIBIT  
24619  
Crim No. H 04-0025

EC 000476476

3. *Termination.* This agreement may be terminated by either party by giving written notice to the other party (at the address set forth on the first page of this letter) not less than two business days prior to the date of termination; *provided* that a termination of this Agreement shall not affect LJM2's right to reimbursement under paragraph 1 for expenses paid or incurred prior to termination, LJM2's right to receive or retain any fee payable under paragraph 2 that is earned prior to termination, or LJM2's obligation (if any) under paragraph 4 hereof. Upon termination of this agreement, LJM2 shall reimburse Enron for the portion of any monthly fee paid to LJM2 under paragraph 2 above that relates to the portion of such month occurring after termination of this agreement; *provided* that the \$150,000 payable to LJM2 pursuant to paragraph 2(a) shall be considered fully earned upon execution of this agreement and LJM2 shall not be obligated to reimburse Enron for any portion of that payment.

4. *Definitive Agreement.* If the Signing Date occurs, then upon the first to occur of (a) the consummation of the purchase and sale transaction contemplated by the Definitive Agreement, and (b) the twelfth business day after the termination of the Definitive Agreement in accordance with its terms, LJM2 shall remit to Enron in cash the aggregate amount of expenses that were previously reimbursed by Enron pursuant to paragraph 1 hereof, and the aggregate amount of any fees previously paid by Enron pursuant to paragraph 2 hereof.

5. *No Implied Obligations.* This agreement does not create any right or impose any obligation on Enron or LJM2 to consummate the Transaction or to purchase from or sell to the other party (or its affiliates) any of the securities, assets or business of the Company (or to make or accept an offer to effect the foregoing), nor does it create any right or impose any obligation on Enron or LJM2 to enter into, or to continue negotiations regarding, a Definitive Agreement.

6. *Miscellaneous.* This agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. This agreement shall be binding upon the parties hereto and their respective successors and assigns. The parties agree that with respect to any action to recover amounts owing under this agreement, the prevailing party shall be entitled to recover all reasonable costs and expenses paid or incurred by it or on its behalf in connection therewith. If any term or provision contained in this agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable or against its regulatory policy, the remainder of the terms and provisions contained in this agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Neither party shall have any liability in connection with this letter agreement for consequential, punitive, exemplary, or special damages. The provisions of this agreement may not be waived, amended or modified except by a writing that expressly refers to this agreement and is signed by the parties hereto. This letter shall be governed by, and construed in accordance with, the laws of the State of Texas (without regard to conflicts of law or choice of law principles thereof).

[END OF PAGE]  
[SIGNATURE PAGE FOLLOWS]

EC 000476477

Please confirm our agreement by fully executing a copy of this letter in the space provided below and returning it to us at the address listed above.

Sincerely,

LJM2 CAPITAL MANAGEMENT, L.P.

By: LJM2 Capital Management, LLC,  
Its General Partner

By: \_\_\_\_\_  
Name:  
Title:

Acknowledged and Agreed To  
as of the date first written above:

ENRON CORP.

By:

  
\_\_\_\_\_  
J. Mark Metts  
Executive Vice President,  
Corporate Development

WMS

Please confirm our agreement by fully executing a copy of this letter in the space provided below and returning it to us at the address listed above.

Sincerely,

LJM2 CAPITAL MANAGEMENT, L.P.

By: LJM2 Capital Management, LLC,  
Its General Partner

By:   
Name: \_\_\_\_\_  
Title: **Kathy M. Lynn**  
**Authorized Person**

Acknowledged and Agreed To  
as of the date first written above:

ENRON CORP.

By: \_\_\_\_\_  
J. Mark Metts  
Executive Vice President,  
Corporate Development

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