

**AMENDMENT NO. 1 TO THE
POWER PURCHASE CONTRACT BETWEEN
SOUTHERN CALIFORNIA EDISON COMPANY AND
ENERGY DEVELOPMENT & CONSTRUCTION CORPORATION (Karen Windfarm)**

QFID No. 6062

1. PARTIES

Southern California Edison Company, a California corporation ("Edison") and Energy Development & Construction Corporation, a Delaware corporation ("Seller") hereby enter into this Amendment No. 1 ("Amendment") to the power purchase contract between them dated December 13, 1984. Edison and Seller are sometimes referred to herein individually as a "Party" and jointly as the "Parties."

2. RECITALS

This Amendment is made with reference to the following facts:

- 2.1 On December 13, 1984, Edison and Seller entered into the power purchase contract, whereby Edison agreed to purchase electricity generated by the Karen wind turbine project (the "Project" or the "Generating Facility"). The power purchase contract is referred to herein as the "Contract."
- 2.2 The Parties desire to amend the Contract to specify, among other things, a limit on the amount of electricity sold to Edison under the Contract.
- 2.3 By executing this Amendment, the Parties intend to meet the requirements of Section 45(d)(7)(B) of the Internal Revenue Code of 1986 (26 USC Section 45(d)(7)(B)), as amended, by (1) specifying a limit on the amount of electricity that Edison is obligated to purchase at prices in excess of avoided cost prices determined at the time of delivery, (2) specifying that Seller has elected not to sell to third parties any electricity that is produced by Seller's Generating Facility in excess of the foregoing amount, and (3) specifying that the price that Edison is obligated to pay for energy and capacity exceeding the limit identified in (1) above shall not exceed avoided cost prices determined at the time of delivery, as provided for in Section 292.403(d)(1) of Title 18 of the Code of Federal Regulations (or any successor regulation).
- 2.4 The Parties acknowledge and agree that the Contract was originally entered into before January 1, 1987 and that said Contract has not been previously amended.

3. AMENDMENT

Subject to the conditions precedent described in Sections 4 and 5, below, the Parties hereby amend the Contract as follows:

3.1 A new Section 2.15.1 shall be added to the Contract, as follows:

“2.15.1 Contract Energy Sales Limit: For each time-of-use period (*i.e.*, on-peak, mid-peak, off-peak and super off-peak periods, as defined in Edison’s Tariff Schedule TOU-8) of each calendar month, the amount of kWh that is specified in Schedule A to Amendment No. 1 to this Contract for each such time-of-use period of each such month is the limit of that power which may be sold to Edison at rates in excess of short run avoided cost rates.”

3.2 Section 9.1.1 of the Contract shall be deleted in its entirety and replaced with the following:

“9.1.1 Capacity Payment Option A -- As Available Capacity.
If Seller selects Capacity Payment Option A, Seller shall be paid a monthly capacity payment calculated pursuant to the following formula:

$$\text{MONTHLY CAPACITY PAYMENT} = (A \times E) + (B \times E) + (C \times E) + (D \times E)$$

Where:

A = The lesser of (1) the kWh delivered by Seller during the on-peak periods (as defined in Edison’s Tariff Schedule TOU-8) of the month or (2) the applicable Contract Energy Sales Limit for the on-peak periods of the month.

B = The lesser of (1) the kWh delivered by Seller during the mid-peak periods (as defined in Edison’s Tariff Schedule TOU-8) of the month or (2) the applicable Contract Energy Sales Limit for the mid-peak periods of the month.

C = The lesser of (1) the kWh delivered by Seller during the off-peak periods (as defined in Edison’s Tariff Schedule TOU-8) of the month or (2) the applicable Contract Energy Sales Limit for the off-peak periods of the month.

D = The lesser of (1) the kWh delivered by Seller during the super off-peak periods (as defined in Edison’s Tariff Schedule TOU-8) of the month or (2) the applicable

Contract Energy Sales Limit for the super off-peak periods of the month.

E = The appropriate time differentiated capacity price from either the Standard Offer No. 1 Capacity Payment Schedule or Forecast of Annual As-Available Capacity Payment Schedule as specified by Seller in Section 1.11.”

3.3 A new Section 9.6 shall be added to the Contract, as follows:

“9.6 Notwithstanding anything to the contrary in Sections 9.1 through 9.3 of this Contract or any other agreement related to the price of energy to be paid to Seller, including, without limitation, the Agreement Addressing Renewable Energy Pricing and Payment Issues dated June 19, 2001, or Amendment No. 1 thereto dated November 30, 2001, the prices that Edison shall pay to Seller for electricity delivered to Edison in excess of the applicable Contract Energy Sales Limit, shall be equal to the sum of Edison’s Short Run Avoided Cost of capacity (if any) as updated periodically and authorized by the Commission and Edison’s Short Run Avoided Cost Energy Price Update for Qualifying Facilities determined at the time of delivery, as updated periodically and authorized by the Commission. The posted Short Run Avoided Cost Energy Price shall not be the 5.37 cents per kWh provided for in the Agreement Addressing Renewable Energy Pricing and Payment Issues.”

3.4 A new Section 2.44 shall be added to the Contract, as follows:

“2.44 Environmental Attributes: Any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Generating Facility, and its displacement of conventional energy generation. Environmental Attributes include but are not limited to (i) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants; (ii) any avoided emissions of carbon dioxide (CO₂), methane (CH₄) and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (iii) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include, without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of

The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a kWh basis and one Green Tag represents the Environmental Attributes associated with one (1) MWh of energy. Environmental Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Generating Facility, (ii) production tax credits associated with the construction or operation of the Generating Facility and other financial incentives in the form of credits, reductions, or allowances associated with the Generating Facility that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or ‘tipping fees’ that may be paid to Seller to accept certain fuels, or local subsidies received by the Seller for the destruction of particular pre-existing pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Generating Facility for compliance with local, state, or federal operating and/or air quality permits.”

3.5 A new Section 2.45 shall be added to the Contract, as follows:

“2.45 RPS Legislation: The State of California Renewable Portfolio Standard Program, as codified at California Public Utilities Code Section 399.1 *et seq.* or any successor to this legislation.”

3.6 A new Section 4.4.16 shall be added to the Contract, as follows:

“4.4.16 Seller represents and warrants that Seller has not and will not convey to any person or entity other than Edison any Environmental Attributes associated with the output from the Generating Facility throughout the Contract Term. Seller shall use commercially reasonable efforts to ensure that, throughout the Contract Term: (i) the Generating Facility is certified by the California Energy Commission (“CEC”) as an Eligible Renewable Energy Resource (“ERR”) for purposes of the RPS Legislation; and (ii) all electrical output delivered to Edison from the Generating Facility is certified by the CEC as an ERR for purposes of the RPS Legislation. Edison may, at its sole discretion, terminate the Contract in the event of a breach of: (a) any of the representations, warranties, covenants, or other obligations and promises in this Section 4.4.16; or (b) any of the obligations under Section 4.4.19.”

3.7 A new Section 4.4.17 shall be added to the Contract, as follows:

“4.4.17 Seller shall reimburse Edison for any loss of whatever kind which Edison incurs as a result of Seller’s breach of any representation, warranty, covenant, or other obligation or promise in Section 4.4.16.”

3.8 A new Section 4.4.18 shall be added to the Contract, as follows:

“4.4.18 If a loss of qualifying facility status occurs due to a change in the law governing qualifying facility status occasioned by regulatory, legislative, or judicial action, Seller shall compensate Edison for any economic detriment incurred by Edison should Seller choose not to make the changes necessary to continue its qualifying facility status.”

3.9 A new Section 4.4.19 shall be added to the Contract, as follows:

“4.4.19 Seller shall use commercially reasonable efforts to promptly submit, provide and/or make available to Edison and/or to the CEC all certifications, applications, documentation or other information required to ensure that the Generating Facility and any output from the Generating Facility is certified and/or qualifies as an ERR for purposes of the RPS Legislation.”

4. FINAL COMMISSION APPROVAL

- 4.1 This Amendment is subject to the condition precedent of Final Commission Approval (as defined in Section 4.2 below) and shall be of no force or effect until Final Commission Approval is obtained or waived by Edison as provided in Section 4.5 below.
- 4.2 “Final Commission Approval” shall mean that a decision, resolution or order by the Commission approving this Amendment in its entirety, without condition or modification, has become final and non-appealable and which contains the Required Findings defined in Section 4.3, below.
- 4.3 “Required Findings” means findings that this Amendment and Edison’s entry into this Amendment are reasonable and prudent and that the payments made and expenses to be incurred by Edison under this Amendment are reasonable and prudent and shall be recovered in full by Edison, subject only to review of the reasonableness of Edison’s administration of the Contract, as amended.
- 4.4 Edison shall promptly seek and diligently pursue Final Commission Approval (to be achieved on or before June 30, 2005) by submitting an advice letter filing (“Advice Filing”) or, if an advice letter filing is rejected as - or determined by both parties to be - procedurally improper, a formal application (“Application”), in either case for a Commission decision approving the Amendment. Edison shall have no obligation to reveal to Seller any ratepayer benefit analysis of the Amendment which it files or proposes to file with the Commission as part of the Advice Filing or Application. Seller shall not oppose any application by Edison to the Commission for confidential treatment of any such ratepayer benefit analysis.

4.5 If (i) Final Commission Approval is not obtained by June 30, 2005, or such other later date mutually agreed to in writing by the Parties, (ii) the Commission issues a decision in response to the Advice Filing or Application that is final and no longer subject to appeal that does not contain the Required Findings; or (iii) the Commission issues a decision in response to the Advice Filing or Application that is final and no longer subject to appeal and that disapproves the Advice Filing or Application, then on the first date of any of these occurrences (the "Disapproval Date"), this Amendment shall terminate as of the Disapproval Date and be of no further force or effect. In its sole discretion, Edison may waive Final Commission Approval at any time prior to termination of this Amendment by giving notice of such waiver to Seller.

5. NOTICE OF INTENT TO CLAIM CREDITS

The changes and additions to the Contract set forth in Sections 3.1-3.9 shall be made on the later of the following dates: (i) the first day of the first full calendar month after Final Commission Approval is obtained or waived by Edison as provided in Section 4.5 above or (ii) the first day of the first full calendar month after Seller provides Edison with written notice, by certified mail, to the address below, of Seller's intent to claim production tax credits under Section 45(d)(7)(B) of the Internal Revenue Code (26 USC § 45(d)(7)(B)). Notice will be deemed effective as of the date that Edison receives it. Seller acknowledges that it shall not qualify for any production tax credits under Section 45 of the Internal Revenue Code unless and until it has given Edison the notice described in this Section 5.

Notice shall be sent to the following:
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770
Attention: Director, QF Resources

6. EFFECTIVE DATE

The Amendment shall be effective as of the date the last Party signs it. Except as expressly set forth in this Amendment, the terms and conditions of the Contract, including, but not limited to, the Generating Facility Nameplate Rating set forth in Section 1.2(a) of the Contract, shall remain in full force and effect.

7. OTHER CONTRACT TERMS AND CONDITIONS

7.1 Capitalized Terms Or Words

Terms or words that are capitalized, but not defined in this Amendment, shall have the same meaning as in the Contract.

7.2 Representations

Each Party represents and warrants that the person who signs below on behalf of that Party has authority to execute this Amendment on behalf of such Party and that all requisite approvals and consents to enter into and bind each Party to the terms of this Amendment have been obtained.

7.3 Counterparts

This Amendment may be executed in counterparts, each of which shall be deemed an original and which together shall constitute a single instrument.

7.4 Entire Agreement; Modification

This Amendment constitutes the entire agreement of the Parties and supersedes any and all prior negotiations, correspondence, undertakings, and agreements between the Parties concerning the subject matter of this Amendment. This Amendment shall not be amended or modified except by an instrument in writing executed by both Parties.

7.5 Successor and Assigns

This Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

7.6 Construction

This Amendment is the result of negotiation and each Party has participated in its preparation and negotiation. Accordingly, any rules of construction to the effect that an ambiguity is to be resolved against the drafting Party shall not be employed in the interpretation of this Amendment. Furthermore, the underlined headings used in this Amendment are for reference purposes only and do not themselves constitute any of the terms of this Amendment.

7.7 Governing Law

This Amendment shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California (without giving effect to choice of laws provisions that might apply the law of a different jurisdiction).

8. NO WARRANTY

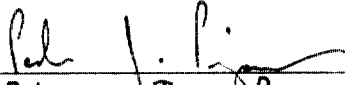
In entering into this Amendment, Edison makes no warranty or other representation to Seller that Seller will actually receive any benefit from any renewable electricity production tax credits under Section 45 of the Internal Revenue Code, and the Parties expressly acknowledge and agree that this Amendment shall remain in full force and

effect pursuant to its terms even if Seller fails to receive such production incentive payments and/or fails to benefit from such electricity production tax credits.

In witness whereof, the Parties have caused this Amendment to be duly executed as of the date of last signature provided below:

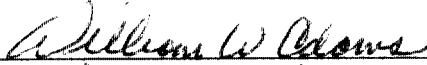
DATE: Nov. 12, 2004

SOUTHERN CALIFORNIA EDISON COMPANY
a California corporation

By: 
Name: Pedro J. Pizarro
Title: Vice President

DATE: Nov 3, 2004

ENERGY DEVELOPMENT & CONSTRUCTION
CORPORATION
a Delaware corporation

By: 
Name: WILLIAM W. ADAMS
Title: PRESIDENT

SCHEDULE A

CONTRACT ENERGY SALES LIMIT

1. For each calendar month in any year, the Contract Energy Sales Limit for each time-of-use period (*i.e.*, on-peak, mid-peak, off-peak and super off-peak periods, as defined in Edison's Tariff Schedule TOU-8) shall equal the greater of: (1) the product of (a) 22,000,000 kWh, and (b) the Period Production Factor for the month, as defined below; or (2) the product of (a) the average of the total annual kWh produced by Seller's Generating Facility in the same time-of-use period in 1995, 1996, 1997 and 1998, and (b) the Period Production Factor for the month.
2. For purposes of this Schedule A, the "Period Production Factor" for a particular month (" $PPF_{TOU,month}$ ") shall mean, for each time-of-use period in each calendar month, the average over the four years, 1995 - 1998, of the annual period production factors determined as described below for each of the same time-of-use periods in the same calendar months in each of the years 1995, 1996, 1997 and 1998. The $PPF_{TOU,month}$ shall be derived pursuant to the following two-step calculation:

Step 1: $PPF_{TOU,month,year} =$

$$\frac{\text{total kWh produced by Seller's Generating Facility in the time-of-use period in the month in each test year (i.e., 1995-1998)}}{\text{total kWh produced by Seller's Generating Facility in that year}}$$

Step 2: $PPF_{TOU,month} =$ average of PPF values for same TOU period and month over four years

$$= 0.25 * \Sigma PPF_{TOU,month,year}$$

3. Based on the foregoing, the Contract Energy Sales Limit for Seller's Generating Facility for each time-of-use period in each calendar month is specified below in kWh:

January:	Mid-Peak:	435,169
	Off-Peak:	352,889
	Super Off-Peak:	287,967
February:	Mid-Peak:	472,189
	Off-Peak:	460,524
	Super Off-Peak:	276,760
March:	Mid-Peak:	737,719
	Off-Peak:	627,473
	Super Off-Peak:	399,337
April:	Mid-Peak:	1,104,321
	Off-Peak:	968,774
	Super Off-Peak:	616,465
May:	Mid-Peak:	1,325,244
	Off-Peak:	1,345,629
	Super Off-Peak:	846,016
June:	On-Peak:	661,152
	Mid-Peak:	978,988
	Off-Peak:	1,602,042
July:	On-Peak:	366,828
	Mid-Peak:	668,264
	Off-Peak:	1,029,461
August:	On-Peak:	268,717
	Mid-Peak:	532,673
	Off-Peak:	880,811
September:	On-Peak:	320,900
	Mid-Peak:	537,834
	Off-Peak:	941,537
October:	Mid-Peak:	537,462
	Off-Peak:	508,046
	Super Off-Peak:	311,557
November:	Mid-Peak:	291,056
	Off-Peak:	341,629
	Super Off-Peak:	196,636
December:	Mid-Peak:	323,041
	Off-Peak:	255,463
	Super Off-Peak:	189,427