

1. Parties:

This Amendment No. 2 to the Power Purchase Contract between KENETECH Windpower, Inc. and Southern California Edison Company ("Contract") is entered into by KENETECH Windpower, Inc. ("Seller") and Southern California Edison Company ("Edison"), a California corporation, individually "Party," collectively "Parties."

2. Recitals:

This Amendment No. 2 to the Contract is made with reference to the following facts, among others:

2.1 The Contract was executed between Renewable Energy Ventures Incorporated ("REV") and Edison as of April 16, 1985.

2.2 Amendment No. 1 to the Contract was executed between REV and Edison as of November 16, 1987.

2.3 The Contract was assigned by REV to Riverview Ventures, Inc. ("RVI") on March 1, 1987.

2.4 The Contract was assigned by RVI to Seller on April 29, 1994.

2.5 The Seller desires to install additional wind turbines on a portion of the site of the KENETECH Windpower, Inc. ("KWI")/Whitewater project (identified by Edison QFID No. 6035) and to interconnect such additional wind turbines with the Generating Facility by means of an electrical conductor to be installed, owned, and operated by Seller at its own expense.

2.6 Edison has objected to the installation of additional wind turbines described in Recital 2.5 on the grounds that (i) power purchase contracts are site specific; (ii) the property on which the Seller proposes to install the wind turbines is not part of the site of the Generating Facility; (iii) only the Seller under the Contract may install wind turbines on the site of the Generating Facility; and (iv) the proposed installation of additional wind turbines would, therefore, constitute a change to the site of the Generating Facility and the site of the KWI/Whitewater project.

2.7 Seller disagrees with Edison's aforementioned position, and maintains instead that the site of the Generating Facility has not been so further defined, modified or amended, and, accordingly, the Contract gives it the right to install additional wind turbines in any location, consistent with the Contract, within the property described in the definition of Generating Facility in Section 1.2 of the Contract.

2.8 In order to resolve this dispute, and to provide benefit to Edison's Ratepayers, Seller agrees (a) to limit the aggregate amount of nameplate capacity it may install under the Contract for a period of three years,

(b) to reflect the installation of additional wind turbines on a portion of the site of the KWI/Whitewater project to comprise a portion of the Generating Facility, and (c) to amend the Contract to more clearly specify the location of the Generating Facility for a period of three years, all on the terms and conditions specified herein.

2.9 Notwithstanding Recital 2.8, the Parties acknowledge that the matters set forth herein are the product of each Party's concessions and unique circumstances, and are not intended to set a precedent for other transactions involving Seller or its affiliates or Edison.

2.10 Edison and KWI are concurrently amending the Power Purchase Contract for the KWI/Whitewater Project ("KWI/Whitewater Contract") to designate a portion of the site of the KWI/Whitewater Project as a site for the installation of additional wind turbines comprising a portion of the Generating Facility.

3. Agreement:

The Parties agree to amend the Contract as follows:

3.1 Section 1.2.a is amended to read in its entirety as follows: "The aggregate installed Nameplate Rating of the Generators shall not exceed 4,800 kW on or before March 12, 1997 and 6,200 kW thereafter."

3.2 Section 1.2.b is amended in its entirety to read as follows:

1.2(b)(1) Location: Section 14; Township 3 South, Range 3 East, SBB&M. In the unincorporated area of the County of Riverside, State of California.

1.2(b)(2) A portion of the present site of the KWI/Whitewater project (identified by Edison QFID No. 6035), described in Exhibit A to Amendment No. 2 to this Contract ("Amendment No. 2"), has been designated as a site ("Additional Turbine Site") for the installation of additional wind turbines (including any replacements thereof, "Additional Turbines") comprising a portion of the Generating Facility. Accordingly, but without further effect or implication with respect to the parties, positions set forth in Recitals 2.6 and 2.7 to Amendment No. 2, the Additional Turbine Site is hereby added to the site of the Generating Facility for the greater of three years or until Seller notifies Edison that it has elected that the site of such turbines within the Additional Turbine Site shall cease to be part of the Generating Facility site, as described below. Accordingly, the site of the Generating Facility on or before March 12, 1997 is described in Exhibit B to Amendment No. 2. After March 12, 1997, Seller may, by written notice to Edison, designate by such notice that any one or more of the sites of the Additional Turbines shall be deleted from the site of the Generating Facility. Upon such notice, the turbine(s) which are the subject of the notice shall cease to be a part of the Generating Facility and, subject to the nameplate rating limitations of the KWI/Whitewater Contract (as defined in Amendment No. 2), shall only deliver power under the KWI/Whitewater Contract. The site(s) of any such turbine(s)

shall be concurrently deleted from the Generating Facility site under the Contract and become part of the generating facility site under the KWI/Whitewater Contract. The provisions of this Section shall be subject, in each case, to the condition that the seller under the KWI/Whitewater Contract shall have notified Edison of its election to have such sites revert to the site of the generating facility under the KWI/Whitewater Contract."

3.3 Section 2.23.1 is amended to read in its entirety as follows:

"2.23.1 Nameplate Rating: The Nameplate Rating of a wind turbine shall mean the manufacturer's nameplate rating of the wind turbine's generators, as indicated on the nameplate attached mechanically to the individual generators of the wind turbine.,,

4. Permits.

Seller shall be solely responsible for obtaining all permits or other governmental approvals necessary to effectuate the purpose of this Amendment.

5. Other Contract Terms And Conditions:

Except as expressly amended, the terms and conditions of the original Contract shall remain in full force and effect.

6. Acknowledgment:

Seller acknowledges that it is not the manufacturer of the individual generators of the wind turbines, as those terms are used in Section 3.1 hereof.

7. Effective Date:

This Amendment shall become effective upon execution hereof by each of the Parties hereto.

8. Signature Clause:

The signatories hereto represent that they have been duly authorized to enter into this Amendment No. 2 to the Contract on behalf of the Party for whom they sign. This Amendment No. 2 to the Contract is hereby executed as of this 8 day of June , 1994.

SOUTHERN CALIFORNIA EDISON COMPANY

By:

Name: Vikram S. Budhreja

Title: Vice President

Date:

KENETECH WINDPOWER, INC.,

By:

Name: Michael U. Alvarez

Title: Vice President

Date: 6/07/94

EXHIBIT A

The sites comprising the seven turbines in the "H Row" labeled USW 6 through USW 12 (Phase 3), inclusive, as designated on the map entitled "San Gorgonio Wind Associates, IV; Whitewater Windpark", produced by Wintec Ltd., dated December 6, 1993, and approved by the U.S. Department of Interior, Bureau of Land Management, in conjunction with the approved Amended Plan of Operations for Right-of-Way Grant Serial Number CA-15549, January, 1994.

EXHIBIT B

WIND AND WINDPOWER FACILITIES EASEMENT LEGAL DESCRIPTION - RIVERVIEW

A portion of the west half of the northeast quarter and also a portion of the east half of the east half of the northwest quarter of Section 14. Township 3 South, Range 3 East, San Bernardino Base and Meridian, In the County of Riverside, State of California as shown on the attached Exhibit D. and more particularly described as follows:

Beginning at the center of said Section 14; Thence North 89-66'35" West a distance of 663.14 feet along the southerly fine of said east half of the east half of the northwest quarter of Section 14; Thence northerly along the west fine of said east half of the east half of the northwest quarter of Section 14, North 00-26'36" East a distance of 938.13 feet to the True Point of Beginning.

Thence continuing along said west line North 00-26'36" East a distance of 1159-04:

Thence North 85-54'19" East a distance of 269.09 feet;

Thence North 68-57'57" East a distance of 1240.92 feet:

Thence South 00-26'36" West a distance of 2278.71 feet:

Thence North 65-12'20" West a distance of 1561.96 feet to the True Point of Beginning.
Excepting therefrom the follows described parcel:

Beginning at the said center of Section 14; Thence North 89-56'35" West a distance of 663.14 feet along the southerly fine of said east half of the east half of the northwest quarter of Section 14; Thence northerly along the west fine of said east half of the east half of the northwest quarter of Section 14, North 00-26'36" East a distance of 1957.97 feet Thence South 89-33'24" East a distance of 91.07 feet to the True Point of Beginning.

Thence North 00-21'30" East a distance of 135.47 feet;

Thence North 89-26'23" East a distance of 256.27 feet:

Thence South 02-27'05" West a distance of 150.39 feet:

Thence North 87-11'47" West a distance of 250.97 feet to the True Point of Beginning.

Grantor also reserves the following 25 foot wide nonexclusive easement for ingress and egress purposes: A 25 foot wide strip of land the centerline of which is described as follows:

Beginning at the Said center of Section 14: Thence North 89-56'35" West a distance of 663.14 feet along the southerly fine of said east half of the east half of the northwest quarter of Section 14, Thence northerly along the west line of said east half of the east half of the northwest quarter of Section 14 North 00-26'36" East a distance of 1970.47 feet to the True Point of Beginning.

Thence South 89-33'24" East a distance of 91.05 feet to a Point of Terminus which bears North 15-46'51" East a distance of 2047.54 feet from said center of Section 14.

The sites comprising the seven turbines in the "H Row" labeled USW 6 through USW 12 (Phase 3), inclusive, as designated on the map entitled "San Gorgonio Wind Associates, IV; Whitewater Windpark", produced by Wintec Ltd., dated December 6, 1993, and approved by the U.S. Department of Interior, Bureau of Land Management, in conjunction with the approved Amended Plan of Operations for Right-of-Way Grant Serial Number CA-1SS49, January, 1994.