

SECOND AMENDMENT

TO THE  
MASTER POWER PURCHASE AND SALE AGREEMENT  
BETWEEN  
SAN DIEGO GAS & ELECTRIC COMPANY  
AND  
MOUNTAIN VIEW POWER PARTNERS III, LLC  
AND  
PHOENIX WIND POWER LLC

SDG&E CONTRACT NO. 02-042

1. Effect.

1.1 Adoption by Parties. This Second Amendment (“Amendment”) is entered into this 31<sup>st</sup> day of March, 2009 by and between San Diego Gas & Electric Company (“SDG&E”), Mountain View Power Partners III, LLC (as successor-in-interest to PacifiCorp Power Marketing, Inc.) (“MV III”), and Phoenix Wind Power LLC (“Phoenix”), to amend the Master Power Purchase and Sale Agreement and related Confirmation Letter dated as of October 31, 2002, and as amended by the First Amendment dated November 7, 2003, by and between SDG&E and MV III (as successor-in –interest to PacifiCorp Power Marketing, Inc.); and the Master Power Purchase and Sale Agreement Confirmation Letter dated November 7, 2003 by and between SDG&E and Phoenix (collectively referred to as the “Agreement”). SDG&E, MV III and Phoenix are individually sometimes referred to herein as “Party” and collectively as the “Parties.”

1.2 Effectiveness. This Amendment shall be effective between the Parties immediately upon CAISO’s implementation of MRTU with SIBR operational (“MRTU Implementation”).

1.3 Application. This Amendment applies only to SC-to-SC Transactions in IST-enabled Products within CAISO. This Amendment does not apply to a Transaction in which Buyer is its own SC and acts as SC for the Seller under the same SC identification number. A Transaction with a Delivery Point at an Intertie as defined in the Tariff intended by the Parties to be imported into CAISO shall be either (a) delivered to a point outside CASIO with Buyer as an importing SC, in the case of an IST-enabled Product being imported into California, without use of Section 3 of this Amendment, or (b) at the option of the Parties upon mutual agreement, (i) cleared in the appropriate CAISO market the EZ Gen Hub or LAP mutually agreed upon by the Parties, and Buyer and Seller will perform pursuant to this Amendment or (ii) financially settled between the Parties outside CAISO.

2. Definitions. Initially capitalized terms used and not otherwise defined herein are defined in the Tariff, or, if not defined in the Tariff, the BPM. In this Amendment, in addition to the definitions in Section 1.1:

“Amendment” means this MRTU Amendment.

“BPM” means CAISO MRTU Business Practice Manuals.

“Buyer” means the buying SC in a Transaction.

“Contract Price” is defined in the Agreement.

“Contract Quantity” in the case of the WSPP Agreement is defined in the Agreement, and in the case of the EEI Agreement, means “Quantity” as that term is defined in the EEI Agreement.

“CPT” and “Converted Physical Trade” are defined in the Tariff.

“Converted Quantity” is defined in the Tariff.

“DA-LMP” means Day Ahead LMP.

“Delivery Point” is defined in the Agreement.

“EEI Agreement” means the Edison Electric Institute Master Power Purchase & Sale Agreement as in effect between the Parties, if any.

“EZ Gen Hub Price” is the LMP at the EZ Gen Hub.

“IFM” means “Integrated Forward Market” as defined in the Tariff.

“IST” means “Inter-Scheduling Coordinator Trade” as defined in the Tariff.

“IST-enabled Product” means any SC-to-SC traded product for which an IST can be submitted and for which CAISO will make a payment or issue an invoice, including Energy, Tier I IFM Bid Cost Recovery Obligations and Ancillary Service Obligation trades, as each are defined in the Tariff.

“IST Delivery Point” means the Delivery Point if such Delivery Point is a Pnode, a LAP, an EZ Gen Hub, or another point recognized by CAISO to be a valid trading point for ISTs; otherwise the IST Delivery Point shall be a point recognized by CAISO to be a valid trading point for ISTs as mutually agreed upon by the Parties.

“IST Delivery Point Price” means the LMP at the IST Delivery Point.

“LAP” and “Load Aggregation Point” are defined in the Tariff.

“LAP Price” means the LMP at the LAP.

“LMP” and “Locational Marginal Pricing” are defined in the Tariff; the “DA-LMP Price”

is the Day Ahead Price and “RT-LMP Price” is the Real-Time Price.

“MRTU” means CAISO’s Market Redesign and Technology Upgrade program.

“MRTU Implementation” is defined in Section 1.2.

“Pnode” is defined in the Tariff.

“Pnode Price” means the LMP at the Pnode.

“SC” means “Scheduling Coordinator” as defined in the Tariff.

“Seller” means the selling SC in a Transaction.

“SIBR” means the CAISO Scheduling Infrastructure and Business Rules system.

“Tariff” means the CAISO MRTU Tariff.

“Transaction” means an agreement between the Parties under the Agreement to purchase and sell an IST-enabled Product.

“WSPP Agreement” means the WSPP Agreement published by WSPP, Inc., formerly known as the Western Systems Power Pool.

### 3. IST Settlements and Submissions.

3.1 Purpose. The Parties adopt this Amendment to address what would otherwise be a double payment to the Seller and a double charge to Buyer through CAISO settlement of Transactions in IST-enabled Products, and to ensure that the amounts each have agreed to pay or receive for IST-enabled Product remain the Contract Price, and that the payments each makes to the other under the Agreement shall be properly adjusted for payments made to or received by CAISO.

3.2 ISTs. Each Party will settle Transactions by making the payments to each other required in the Agreement. Each Party also will submit, before the applicable IST deadline, ISTs to SIBR that match the terms of the Transactions to produce a final economic result between them that is fully consistent with the Agreement and the Contract Price by causing CAISO to pay the IST Delivery Point Price to Buyer, unless the Parties have otherwise agreed in writing not to use ISTs for any particular Transaction. Each Party further agrees that it will not abuse SIBR or ISTs in order to double bill or double collect for the same IST-enabled Product, but will rather seek to use SIBR and ISTs in order to accomplish the essential intent and purpose of this Amendment as set forth in Section 3.1. To the extent any elections may be made as part of an IST submission, each Party covenants to make those elections that would best fulfill the purpose of this Amendment. Each Party will submit ISTs to CAISO to provide that the IST Delivery Point is the delivery point under the IST.

3.3 Payment Validation. Each Party shall within one business day following Transaction flow date verify that both Parties have submitted ISTs on SIBR and that such IST has been validated by SIBR. If SIBR does not validate or accept an IST, the Parties shall within three business days of Transaction flow date meet in person or telephonically and in good faith to determine why. If CAISO does not accept an IST in a circumstance where it should according to the Tariff, both Parties will either settle the Transaction pursuant to Section 3.4 or as is otherwise appropriate to accomplish the purposes of this Amendment or jointly bring the matter to the attention of CAISO to be rectified pursuant to appropriate proceedings. If the Parties are unable to cause CAISO to rectify the matter before payment for the Transaction is due under the Agreement, they will settle the Transaction pursuant to Section 3.4 or as is otherwise appropriate to accomplish the purposes of this Amendment.

3.4 Settlements if IST Is Not Used or Available. If the Parties do not use the IST for a Transaction in an IST-enabled Product, whether through their own action or inaction caused by a force majeure event or the unavailability of the IST process due to a force majeure event, change to or suspension of the Tariff or other event, or the CAISO IST process otherwise does not function correctly, this Amendment nevertheless applies, and subject to Sections 3.5 and 3.6, Seller will pay Buyer on the due date in the Agreement for payment for the Transaction the Contract Quantity times the IST Delivery Point Price. If the IST Delivery Point Price is negative, Buyer shall pay Seller the Contract Quantity times the absolute value of the IST Delivery Point Price. If after payment is made as provided in this Section 3.4 the Transaction does become subject to the IST process, the payments made pursuant to this Section shall be refunded as appropriate to accomplish the purposes of this Amendment.

3.5 Conversion to EZ Gen Hub. If a Transaction has been converted by CAISO in whole or in part from one that did not settle at an EZ Gen Hub to one that does, then to the extent of such conversion, (a) if the Pnode Price is greater than the EZ Gen Hub Price, Seller shall pay Buyer (x) the Converted Quantity times (y) (i) Pnode Price minus (ii) EZ Gen Hub Price and (b) if the EZ Gen Hub Price is greater than the LMP Price, Buyer shall pay Seller (x) the Converted Quantity times (y) (i) EZ Gen Hub Price minus (ii) Pnode Price.

3.6 Failures to Perform. The provisions of this Amendment apply notwithstanding any provision in the Agreement that provides a remedy or specifies that damages are an “exclusive remedy” for an unexcused failure of a Party to schedule, purchase, sell, deliver or receive all or part of an IST-enabled Product pursuant to a Transaction. A Party’s failure to perform that results in there being no IST not excused by Section 3.4, shall constitute a failure to deliver or receive, as applicable, and shall be addressed pursuant to the Agreement.

3.7 Payment Adjustments.

3.7.1 CAISO Subsequent Adjustments. If the prices used to calculate the amount paid by Seller pursuant to Section 3.4, or any other amount paid or payable by CAISO pursuant to an IST is subsequently changed by CAISO, the Parties shall within five days of notice thereof reconcile the payments made by each Party to the other hereunder to account for such adjustment.

3.7.2 Sales Tax. If CAISO collects sales or use tax on amounts exchanged through ISTs, such tax will be allocated between the Parties as provided in the Agreement as if a sales or use tax had been levied at the Delivery Point.

3.8 Exculpation. Neither Party shall be liable to the other for any delay caused by such other Party's failure to provide correct bank or funds transfer information to CAISO.

4. Potential Amendment to Governing Law. If the Agreement provides (a) that it is governed by the laws of a jurisdiction other than California, and (b) that the internal laws of states other than the governing law state, or the principles of conflicts of laws, may not be used or referred to, then such clause is amended to provide that to the extent necessary to implement this Amendment, the internal laws of the state of California will apply to any actions or inactions of CAISO, and to any actions or inactions of any Party to, with or against CAISO.

5. No Other Amendment. Except as specifically set forth herein, nothing herein amends or cancels the Agreement. This Amendment is not a "conversion" product and is in no way intended to change the allocation of the economic benefits and burdens of the Parties; rather, the Parties enter into this Amendment in order to preserve them. Nothing in the Amendment changes Delivery Points or Contract Prices. Nothing in this Amendment changes the IST-enabled Product traded between the Parties, and all transfers of title of Energy shall be consistent with the Tariff. Headings, introductory commentary, usage notes and footnotes, if any, are included for convenience only and are not to be considered in interpretation. Each term hereof is to be construed simply according to its fair meaning and not strictly for or against either Party. No term hereof is to be construed against a Party on the ground that the Party is the author of that provision.

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Amendment by their duly authorized officers or agents as of the date first above written.

**San Diego Gas & Electric Company**

By: *Matt Burkhardt*

Name: *Matt Burkhardt*

Title: *VP - Electric & Gas Procurement*

**Mountain View Power Partners III LLC**

By: *Kevin Devlin*

Name: **Kevin Devlin**  
Authorized Representative

Title:

By: *Trevor Mihalik*

Name: **Trevor Mihalik**  
Authorized Representative

Title:

**Phoenix Wind Power LLC**

By: *Kevin Devlin*

Name: **Kevin Devlin**  
Authorized Representative

Title:

By: *Trevor Mihalik*

Name: **Trevor Mihalik**  
Authorized Representative

Title:

**Approved: Iberdrola Renewables Inc.**

By: *Kevin Devlin*  
Name: **Kevin Devlin**  
Authorized Representative

By: *Trevor Mihalik*  
Name: **Trevor Mihalik**  
Authorized Representative