

MONICA MOEN, ISB # 5734
BARTON KLINE, ISB # 1526
Idaho Power Company
1221 West Idaho Street
P. O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-2692
FAX Telephone: (208) 388-6936

Idaho Public Utilities Commission
Office of the Secretary
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JUL - 6 2005

Boise, Idaho

Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR APPROVAL)
OF A FIRM ENERGY SALES AGREEMENT)
FOR THE SALE AND PURCHASE OF)
ELECTRIC ENERGY BETWEEN IDAHO)
POWER COMPANY AND TWIN FALLS)
ENERGY COMPANY, INC.)
_____)

CASE NO. IPC-E-05-23

APPLICATION

COMES NOW Idaho Power Company ("Idaho Power" or the "Company") and, pursuant to RP 52, hereby applies for an Idaho Public Utilities Commission ("IPUC" or the "Commission") Order approving a Firm Energy Sales Agreement between Idaho Power and Twin Falls Energy Company, Inc. ("Twin Falls") under which Twin Falls would sell and Idaho Power would purchase electric energy generated by the Low Line Midway Hydroelectric Project located near Twin Falls, Idaho ("Facility").

This Application is based on the following:

I.

Twin Falls proposes to design, construct, install, own, operate and maintain a 2.5 MW hydro generating facility to be located near Twin Falls, Idaho. The Facility will be a

qualified small power production facility under the applicable provisions of the Public Utility Regulatory Policy Act of 1978 ("PURPA").

II.

On June 27, 2005, Idaho Power and Twin Falls entered into a Firm Energy Sales Agreement ("Agreement") pursuant to the terms and conditions of Commission Order No. 29632 and Commission Order 29646. Under the terms of that Agreement, Twin Falls elected to contract with Idaho Power for a 20-year term. Twin Falls further elected to contract with the Company using the Levelized Published Avoided Cost Rates as currently established by the Commission for energy deliveries of less than 10 average MW.

III.

The Twin Falls Agreement is the first levelized agreement to be entered into in recent history. This Agreement is similar to recent agreements entered into by Idaho Power and approved by the Commission (i.e., Pilgrim Stage Station Wind Park, IPUC Order No. 29771; Oregon Trails Wind Park, IPUC Order No. 29772; Tuana Gulch Wind Park, IPUC Order No. 29773; and the Thousand Springs Wind Park, IPUC Order No. 29770). The Agreement contains the various PURPA terms and conditions previously approved by the Commission in other PURPA agreements and as revised by Commission Order No. 29632 in Case No. IPC-E-04-8 (US Geothermal Complaint). In addition, since this is a levelized agreement, the Agreement also contains the various security requirements required by the Commission for levelized agreements.

IV.

The nameplate rating of this Facility is 2.5 MW. As defined in Paragraph 1.10 of the Agreement and as described in Paragraph 4.1.3 of the Agreement, Twin Falls will be required to provide data on the Facility that Idaho Power will use to confirm that, under

normal and/or average conditions, the Facility will not exceed 10 average MW on a monthly basis. Because the proposed Facility's nameplate rating is 2.5 MW, well below the 10 average MW threshold, this process will primarily be a confirmation of the nameplate rating of this Facility. Furthermore, as described in Paragraph 7.3 of the Agreement, should the Facility exceed 10 average MW on a monthly basis, Idaho Power will accept the energy ("Inadvertent Energy") that does not exceed the Maximum Capacity Amount, but will not purchase or pay for this Inadvertent Energy.

V.

Section 24 of the Agreement provides that the Agreement will not become effective until the Commission has approved all of the Agreement's terms and conditions and declared that all payments Idaho Power makes to Twin Falls for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

VI.

Twin Falls has elected March 10, 2007 as the First Energy Date and April 1, 2007 as the Operation Date for this Facility (Appendix B). Various requirements have been placed upon Twin Falls in order for Idaho Power to accept energy deliveries from this Facility. Idaho Power will monitor compliance with these initial requirements. In addition, Idaho Power will continue to monitor the ongoing requirements through the full term of this Agreement. Should the Commission approve this Agreement, Idaho Power intends to consider the Effective Date of the Agreement to be June 27, 2005.

VII.

The Agreement, as signed and submitted by the Parties thereto, contains Levelized Published Avoided Cost Rates in conformity with applicable IPUC Orders. All applicable interconnection charges and monthly operation and maintenance charges under

Schedule 72 will be assessed Twin Falls.

VIII.

Service of pleadings, exhibits, orders and other documents relating to this proceeding should be served on the following:

Monica B. Moen, Attorney II
Barton L. Kline, Senior Attorney
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
mmeon@idahopower.com
bkline@idahopower.com

Randy C. Allphin
Contract Administrator
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
rallphin@idahopower.com

NOW, THEREFORE, based on the foregoing, Idaho Power Company hereby requests that the Commission issue its Order:

- (1) Approving the Firm Energy Sales Agreement between Idaho Power Company and Twin Falls Energy Company, Inc. without change or condition; and
- (2) Declaring that all payments for purchases of energy under the Firm Energy Sales Agreement between Idaho Power Company and Twin Falls Energy Company, Inc. be allowed as prudently incurred expenses for ratemaking purposes.

Respectfully submitted this 6th of July 2005.



MONICA B. MOEN
Attorney for Idaho Power Company

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on the 6th day of July 2005, I served a true and correct copy of the within and foregoing APPLICATION upon the following named parties by the method indicated below, and addressed to the following:

Vince Alberdi
Twin Falls Energy Company, Inc
P. O. Box 326
Twin Falls, ID 83303

<input type="checkbox"/>	Hand Delivered
<input checked="" type="checkbox"/>	U.S. Mail
<input type="checkbox"/>	Overnight Mail
<input type="checkbox"/>	FAX



MONICA B. MOEN

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-05-23

IDAHO POWER COMPANY

EXHIBIT 1

FIRM ENERGY SALES AGREEMENT
BETWEEN
IDAHO POWER COMPANY
AND
TWIN FALLS ENERGY COMPANY, INC.
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FIRM ENERGY SALES AGREEMENT
(10 aMW or Less)

LOW LINE MIDWAY HYDROELECTRIC PROJECT

Project Number: 31615130

THIS AGREEMENT, entered into on this 27th day of June 2005 between TWIN FALLS ENERGY COMPANY, INC., an Idaho corporation (Seller), and IDAHO POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as "Parties" or individually as "Party."

WITNESSETH:

WHEREAS, Seller will design, construct, own, maintain and operate an electric generation facility; and

WHEREAS, Seller wishes to sell, and Idaho Power is willing to purchase, firm electric energy produced by the Seller's Facility.

THEREFORE, In consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

ARTICLE I: DEFINITIONS

As used in this Agreement and the appendices attached hereto, the following terms shall have the following meanings:

- 1.1 "Commission" - The Idaho Public Utilities Commission.
- 1.2 "Contract Year" - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.3 "Designated Dispatch Facility" - Idaho Power's Systems Operations Group, or any subsequent group designated by Idaho Power.
- 1.4 "Disconnection Equipment" - All equipment specified in Schedule 72 and the Generation Interconnection Process and any additional equipment specified in Appendix B.
- 1.5 "Facility" - That electric generation facility described in Appendix B of this Agreement.

- 1.6 "First Energy Date" - The day commencing at 0001 hours, Mountain Time, following the day that Seller has satisfied the requirements of Article IV and the Seller begins delivering energy to Idaho Power's system at the Point of Delivery.
- 1.7 "Generation Interconnection Process" – Idaho Power's generation interconnection application and engineering review process developed to ensure a safe and reliable generation interconnection in compliance with all applicable regulatory requirements, Prudent Electrical Practices and national safety standards.
- 1.8 "Inadvertent Energy" – Electric energy Seller does not intend to generate. Inadvertent energy is more particularly described in paragraph 7.3 of this Agreement.
- 1.9 "Interconnection Facilities" - All equipment specified in Schedule 72 and the Generation Interconnection Process and any additional equipment specified in Appendix B.
- 1.10 "Initial Capacity Determination" – The process by which Idaho Power confirms that under normal or average design conditions the Facility will generate at no more than 10 average MW per month and is therefore eligible to be paid the published rates in accordance with Commission Order No. 29632.
- 1.11 "Losses" – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility's energy is metered and the point the Facility's energy is delivered to the Idaho Power electrical system. The loss calculation formula will be as specified in Appendix B of this Agreement.
- 1.12 "Market Energy Cost" – Eighty-five percent (85%) of the weighted average of the daily on-peak and off-peak Dow Jones Mid-Columbia Index (Dow Jones Mid-C Index) prices for non-firm energy. If the Dow Jones Mid-Columbia Index price is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the Dow Jones Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and a commonly used index by the electrical industry.
- 1.13 "Material Breach" – A Default (paragraph 22.2.1) subject to paragraph 22.2.2.

- 1.14 “Maximum Capacity Amount” – The maximum capacity (MW) of the Facility will be as specified in Appendix B of this Agreement.
- 1.15 “Metering Equipment” - All equipment specified in Schedule 72, the Generation Interconnection Process, this Agreement and any additional equipment specified in Appendix B required to measure, record and telemeter power flows between the Seller's electric generation plant and Idaho Power's system.
- 1.16 “Net Energy” – All of the electric energy produced by the Facility, less Station Use, less Losses, expressed in kilowatt hours (kWh). Seller commits to deliver all Net Energy to Idaho Power at the Point of Delivery for the full term of the Agreement. Net Energy does not include Inadvertent Energy.
- 1.17 “Operation Date” – The day commencing at 0001 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.18 “Point of Delivery” – The location specified in Appendix B, where Idaho Power’s and the Seller’s electrical facilities are interconnected.
- 1.19 “Prudent Electrical Practices” – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.
- 1.20 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date.
- 1.21 “Schedule 72” – Idaho Power’s Tariff No 101, Schedule 72 or its successor schedules as approved by the Commission.
- 1.22 “Season” – The three periods identified in paragraph 6.2.1 of this Agreement.
- 1.23 “Special Facilities” - Additions or alterations of transmission and/or distribution lines and transformers as described in Appendix B, Schedule 72 or the Generation Interconnection Process required to safely interconnect the Seller's Facility to the Idaho Power system.
- 1.24 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility.

- 1.25 “Surplus Energy” – (1) Net Energy produced by the Seller’s Facility and delivered to the Idaho Power electrical system during the month which exceeds 110% of the monthly Net Energy Amount for the corresponding month specified in paragraph 6.2. or (2) If the Net Energy produced by the Seller’s Facility and delivered to the Idaho Power electrical system during the month is less than 90% of the monthly Net Energy Amount for the corresponding month specified in paragraph 6.2, then all Net Energy delivered by the Facility to the Idaho Power electrical system for that given month or (3) All Net Energy produced by the Seller’s Facility and delivered by the Facility to the Idaho Power electrical system prior to the Operation Date.
- 1.26 “Total Cost of the Facility” - The total replacement cost of structures, equipment and appurtenances.

ARTICLE II: NO RELIANCE ON IDAHO POWER

- 2.1 Seller Independent Investigation - Seller warrants and represents to Idaho Power that in entering into this Agreement and the undertaking by Seller of the obligations set forth herein, Seller has investigated and determined that it is capable of performing hereunder and has not relied upon the advice, experience or expertise of Idaho Power in connection with the transactions contemplated by this Agreement.
- 2.2 Seller Independent Experts - All professionals or experts including, but not limited to, engineers, attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement have been solely those of Seller.

ARTICLE III: WARRANTIES

- 3.1 No Warranty by Idaho Power - Any review, acceptance or failure to review Seller’s design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho Power and Idaho Power makes no warranties, expressed or implied, regarding any aspect of Seller’s design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

- 3.2 Qualifying Facility Status - Seller warrants that the Facility is a "Qualifying Facility," as that term is used and defined in 18 CFR §292.207. After initial qualification, Seller will take such steps as may be required to maintain the Facility's Qualifying Facility status during the term of this Agreement and Seller's failure to maintain Qualifying Facility status will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.
- 3.3 FERC License - Seller warrants that Seller possesses a valid license or exemption from licensing from the Federal Energy Regulatory Commission ("FERC") for the Facility. Seller recognizes that Seller's possession and retention of a valid FERC license or exemption is a material part of the consideration for Idaho Power's execution of this Agreement. Seller will take such steps as may be required to maintain a valid FERC license or exemption for the Facility during the term of this Agreement, and Seller's failure to maintain a valid FERC license or exemption will be a material breach of this Agreement.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

- 4.1 Prior to the First Energy Date and as a condition of Idaho Power's acceptance of deliveries of energy from the Seller, Seller shall:
- 4.1.1 Submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.207.
- 4.1.2 Opinion of Counsel - Submit to Idaho Power an Opinion Letter signed by an attorney admitted to practice and in good standing in the State of Idaho providing an opinion that Seller's licenses, permits and approvals as set forth in paragraph 4.1.1 above are legally and validly issued, are held in the name of the Seller and, based on a reasonable independent review, counsel is of the opinion that Seller is in substantial compliance with said permits as of the date of the Opinion Letter. The Opinion Letter will be in a form acceptable to Idaho Power and will acknowledge that the attorney

rendering the opinion understands that Idaho Power is relying on said opinion. Idaho Power's acceptance of the form will not be unreasonably withheld. The Opinion Letter will be governed by and shall be interpreted in accordance with the legal opinion accord of the American Bar Association Section of Business Law (1991).

- 4.1.3 Initial Capacity Determination - The Seller will submit to Idaho Power data confirming the nameplate rating of this Facility as being the rating as specified in Appendix B of this Agreement, upon confirmation of the nameplate rating being 2.5 MW or less as specified in Appendix B, Idaho Power will accept this documentation as satisfying the Initial Capacity Determination requirement of this Agreement.
- 4.1.4 Engineer's Certifications - Submit an executed Engineer's Certification of Design & Construction Adequacy and an Engineer's Certification of Operations and Maintenance (O&M) Policy as described in Commission Order No. 21690. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.
- 4.1.5 Insurance - Submit written proof to Idaho Power of all insurance required in Article XV.
- 4.1.6 Interconnection - Provide written proof to Idaho Power that all Schedule 72 and Generation Interconnection Process requirements have been completed.
- 4.1.6 Written Acceptance - Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller's request and will not be unreasonably withheld by Idaho Power.
- 4.1.7 Reserve Accounts - Demonstrate to Idaho Power's satisfaction that the Seller has established and funded (1) a debt service reserve account in a form and with a fund holder which complies with paragraph 22.3.2 and (2) demonstrate to Idaho Power's satisfaction that the Seller has established a maintenance reserve account in a form and with a fund holder acceptable to Idaho Power. Said maintenance reserve account shall be structured and funded as follows:

- 4.1.7.1 All funds will be prudently invested, in a guaranteed, insured account and all cost of implementing and operating the maintenance reserve account shall be paid by the Seller. All interest earned on the funds on deposit will be retained in the maintenance reserve account. At the end of the term of this Agreement, any balance remaining in the maintenance reserve account shall be the property of the Seller.
- 4.1.7.2 Within 60 days after the completion of each Contract Year, the Seller will deposit cash in the maintenance reserve account in an amount equal to 5% of the Facility's estimated gross income for the ensuing Contract Year, less an amount equal to the Facility's actual maintenance, repair and replacement expense (maintenance expenses) incurred during the prior Contract Year. At Seller's option, the cash required hereunder to be maintained in such reserve may be replaced by an irrevocable standby letter of credit in the same amount.
- 4.1.7.3 The maximum amount of deposit retained in the maintenance reserve account shall be \$435,000. This maximum amount will be adjusted either upward or downward to reflect current replacement cost of a turbine/generator. This adjustment will be made at the same time and replacement value determined by the replacement cost valuation methods as described within paragraph 15.2.6.c. In the event this adjustment results in a maximum value being 10% less than the actual balance within this account the Seller may request a disbursement of funds as specified in paragraph 4.1.7.6.
- 4.1.7.4 At the time Seller makes the deposit described in paragraph 4.1.7.2, Seller will provide Idaho Power with an accurate, verifiable report showing the prior Contract Year's actual maintenance expenses, identified by appropriate FERC maintenance account number, and the

estimate of the Facility's gross income for the ensuing Contract Year used to compute the deposit amount, together with documentation supporting the estimate of gross income.

4.1.7.5 If at any time it appears that the maintenance expense for that Contract Year will exceed 5% of the Facility's estimated gross income for that Contract Year, the Seller may request that Idaho Power consent to the release of funds from the maintenance reserve account in an amount sufficient to pay the anticipated additional maintenance expenses. The request must include documentation supporting the Seller's projection of excess maintenance expense, identified by appropriate FERC maintenance account number, and such documentation shall be submitted to Idaho Power. Upon approval by Idaho Power, the required funds will be released to Seller in accordance with Paragraph 4.1.7.6.

4.1.7.6 Control of the maintenance reserve account will be maintained by Idaho Power through the requirement of dual signatures on the account. The only authorized signers will be the Chief Operating Officer and the Chief Financial Officer of Idaho Power (or their respective designees) and the Treasurer of Seller (or his/her respective designee). Accordingly, funds will only be released from the maintenance reserve account upon the signatures of both Idaho Power authorized signers or one Idaho Power authorized signer and Seller's authorized signer.

4.1.7.7 At the end of the Contract Year, Seller will provide Idaho Power with evidence of compliance with the maintenance reserve account requirements set out in this Agreement. This evidence of compliance will be provided in a manner and form acceptable to Idaho Power. The maintenance reserve fund will be subject to the lien rights described in paragraph 4.1.8 below.

4.1.8 Security Interests - Provide Idaho Power with acceptable security against Seller's default under this Agreement. Acceptable security will conform to Commission Order No. 21690 and No. 21800 and may include, but will not be limited to (1) title insurance, security interests in the real property associated with the Facility, equipment, fixtures, contracts, permits, the FERC license or exemption from licensing, water rights, including evidence of third party downstream water rights, easements, rights-of-way, funds held in escrow in which Seller has an interest and that relate to the operation of the Facility, and other reasonable security arrangements consistent with the Facility's financing and ownership arrangements; or (2) the seller may post liquid security in accordance with paragraph 4.1.8.5 in an amount equal to at least thirty five percent (35%) of the Accumulated Overpayment Amount specified for the year in Appendix D.

4.1.8.1 Idaho Power's security interests will be superior and senior to all liens other than the first mortgage lien and other security interests permitted in accordance with paragraphs 4.1.8.2.

4.1.8.2 If Seller desires to incur a first mortgage lien or other security interests that will be superior to Idaho Power's security interests in the Facility, at least twenty-one (21) days prior to their execution Seller shall provide Idaho Power with draft copies of the deeds of trust, mortgages and other security agreements that will be used to secure such first lien. Upon their execution Seller shall provide Idaho Power with copies of the executed first lien documents. The executed first lien documents shall not be assigned, amended, modified, or extended, and no replacement or refinancing of any nature shall be undertaken, without Idaho Power's prior written consent which consent shall not be unreasonably withheld. In no event will the amount of any first mortgage lien exceed \$4,000,000. The total amount of all refinanced or replaced first liens shall not exceed the unpaid principal balance of the first mortgage liens

they replace.

4.1.8.3 Other than the first mortgage liens permitted herein, or temporary mechanic's, statutory or similar liens incurred in the ordinary course of business in an amount not to exceed in aggregate \$50,000. Seller will not permit any liens or encumbrances of any nature whatsoever to be placed on the Facility without Idaho Power's prior written consent, which consent will not be unreasonably withheld. If any unpermitted lien or encumbrance is placed on the Facility, Seller will provide Idaho Power with a bond, insurance or other security acceptable to Idaho Power in an amount sufficient to secure the full discharge of such unpermitted lien or encumbrance.

4.1.8.4 During the remaining term of this Agreement, Seller shall maintain compliance with all requirements of Idaho Power's security interests described above in paragraph 4.1.8 of this Agreement and Commission Order No. 21690. Seller's failure to comply with those requirements, will be an event of default and in addition to any other remedies available under this Agreement, Commission Order No. 21690, and the security interests, Seller will be required by Idaho Power to post liquid security in accordance with paragraph 4.1.8.5 in an amount equal to at least thirty five percent (35%) of the Accumulated Overpayment Amount specified for that year in Appendix D.

4.1.8.5 Liquid Security – If, pursuant to this Agreement or Commission Order No. 21690, Seller becomes obligated to post liquid security, such obligation may be satisfied by Seller's (1) depositing cash in an escrow to be held and managed by a bank or savings and loan association located and in good standing in the State of Idaho; or (2) providing an irrevocable standby letter of credit acceptable to Idaho Power. The

escrow holder and the escrow instructions for the case deposit will be acceptable to both Idaho Power and Seller. Payment of all taxes on the amounts deposited in the escrow will be the obligation of the Seller. The liquid security escrow account will be maintained separately from the reserve accounts described in paragraph 4.1.7. Failure to maintain and provide the liquid security required by this Agreement and Commission Order No. 21690 and No. 21800 shall be an event of default.

ARTICLE V: TERM AND OPERATION DATE

- 5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of twenty (20) Contract Years from the Operation Date.
- 5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the following:
- a) Achieved the First Energy Date.
 - b) Commission approval of this Agreement in a form acceptable to Idaho Power has been received.
 - c) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner.
 - d) Seller has requested an Operation Date from Idaho Power in a written form.
 - e) Seller has received written confirmation from Idaho Power of the Operation Date.
- This confirmation will not be unreasonably withheld by Idaho Power.
- 5.3 Seller's failure to achieve the Operation Date within ten (10) months of the Scheduled Operation Date will be an event of default.
- 5.4 Early Termination Payment - If Idaho Power terminates this Agreement due to any default by the Seller, Seller will make a termination payment to Idaho Power. The termination payment will include but not be limited to the Accumulated Overpayment Amount specified in Appendix D of

this Agreement.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

6.1.1 Delivery and Acceptance of Net Energy - Except when either Party's performance is excused as provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy to Idaho Power at the Point of Delivery. All Inadvertent Energy produced by the Facility will also be delivered by the Seller to Idaho Power at the Point of Delivery. At no time will the total amount of Net Energy and/or Inadvertent Energy produced by the Facility and delivered by the Seller to the Point of Delivery exceed the Maximum Capacity Amount.

6.2 Net Energy Amounts - Seller intends to produce and deliver Net Energy in the following monthly amounts:

6.2.1 Initial Year Monthly Net Energy Amounts:

	<u>Month</u>	<u>kWh</u>
Season 1	March	400,000
	April	500,000
	May	1,200,000
Season 2	July	1,550,000
	August	1,410,000
	November	300,000
	December	0
Season 3	June	1,430,000
	September	1,140,000
	October	570,000
	January	0
	February	0

6.2.2 Ongoing Monthly Net Energy Amounts - Seller shall initially provide Idaho Power with one year of monthly generation estimates (Initial Year Monthly Net Energy Amounts) and beginning at the end of month nine and every three months thereafter provide Idaho Power with an additional three months of forward generation estimates. This information will be provided to Idaho Power by written notice in accordance with paragraph 28.1, no

later than 5:00 PM of the 5th day following the end of the previous month. If the Seller does not provide the Ongoing Monthly Net Energy amounts in a timely manner, Idaho Power will use the most recent 3 months of the Initial Year Monthly Net Energy Amounts specified in paragraph 6.2.1 for the next 3 months of monthly Net Energy amounts.

6.2.3 Seller's Adjustment of Net Energy Amount –

6.2.3.1 No later than the Operation Date, by written notice given to Idaho Power in accordance with paragraph 28.1, the Seller may revise all of the previously provided Initial Year Monthly Net Energy Amounts.

6.2.3.2 Beginning with the end of the 3rd month after the Operation Date and at the end of every third month thereafter: (1) the Seller may not revise the immediate next three months of previously provided Net Energy Amounts, (2) but by written notice given to Idaho Power in accordance with paragraph 28.1, no later than 5:00 PM of the 5th day following the end of the previous month, the Seller may revise all other previously provided Net Energy Amounts. Failure to provide timely written notice of changed amounts will be deemed to be an election of no change.

6.2.4 Idaho Power Adjustment of Net Energy Amount – If Idaho Power is excused from accepting the Seller's Net Energy as specified in paragraph 14.2.1 or if the Seller declares a Suspension of Energy Deliveries as specified in paragraph 14.3.1 and the Seller's declared Suspension of Energy Deliveries is accepted by Idaho Power, the Net Energy Amount as specified in paragraph 6.2 for the specific month in which the reduction or suspension under paragraph 14.2.1 or 14.3.1 occurs will be reduced in accordance with the following:

