



IDAHO POWER COMPANY
P.O. BOX 70
BOISE, IDAHO 83707

BARTON L. KLINE
Senior Attorney

October 20, 2005

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P. O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-05-32
Application For Approval of Firm Energy Sales Agreement
Between Idaho Power and Notch Butte Wind Park LLC

Dear Ms. Jewell:

Please find enclosed for filing an original and seven (7) copies of Idaho Power Company's Application For Approval of A Firm Energy Sales Agreement for the Sale and Purchase of Electric Energy Between Idaho Power Company and Notch Butte Park LLC.

I would appreciate it if you would return a stamped copy of this transmittal letter in the enclosed self-addressed, stamped envelope.

Very truly yours,

Barton L. Kline

BLK:jb
Enclosures

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BARTON L. KLINE, ISB # 1526
MONICA B. MOEN, ISB # 5734
Idaho Power Company
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Boise, Idaho 83707
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Attorneys 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 NOTCH BUTTE)
WIND PARK LLC)
_____)

CASE NO. IPC-E-05-32

APPLICATION

COMES NOW, Idaho Power Company ("Idaho Power" or "the Company")
and, pursuant to RP 52, hereby requests that the Commission issue its Order approving
a Firm Energy Sales Agreement between Idaho Power and Notch Butte Wind Park LLC
("Notch Butte") under which Notch Butte would sell and Idaho Power would purchase
electric energy generated by the Notch Butte Wind Generating Facility located near
Notch Butte which is between Twin Falls and Shoshone Idaho ("Facility").

This Application is based on the following:

I.

Notch Butte represents that the Facility will be a 18 MW wind generating facility that will be a qualified small power production facility under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 ("PURPA").

II.

On October 14, 2005, Idaho Power and Notch Butte entered into a Firm Energy Sales Agreement ("Agreement") pursuant to the terms and conditions of Commission Order Nos. 29632, 29646, 29839, 29851 and 29872. Under the terms of the Agreement, Notch Butte elected to contract with Idaho Power for a twenty-year term. Notch Butte further elected to contract with the Company using the non-levelized published avoided cost rates as currently established by the Commission for projects that, under normal operating conditions, will not generate more than 10 aMW on a monthly basis.

III.

The Agreement is similar in virtually all respects to several recent PURPA 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). The Agreement contains terms and conditions previously approved by the Commission in reviewing other PURPA agreements and is consistent with Order No. 29632 in Case No. IPC-E-04-8 (U.S. Geothermal Complaint).

IV.

The nameplate rating of the Facility is expected to be 18 MW. As provided by the Agreement, Notch Butte will be required to provide data on the Facility that Idaho Power will use to confirm that, under normal and/or average conditions, generation from the Facility will not exceed 10 aMW on a monthly basis.

V.

In Order No. 29839 issued in Case No. IPC-E-05-22, the Commission ordered that the size cap for QF wind generation facilities entitled to receive the published avoided cost rates be reduced from 10 aMW to 100 kW. In Order No. 29839, the Commission identified several criteria that the Commission would consider to determine whether a particular QF wind generation facility was sufficiently mature so as to justify "grandfathering" the project to entitlement to the published rates. In Order No. 29872 issued on September 21, 2005 in the same case, the Commission addressed several motions for reconsideration of Order No. 29851 and specified that the deadline for "grandfathering" would be changed from the previously-ordered July 1, 2005, until August 4, 2005, the date of interlocutory Order No. 29839. In Order No. 29872, the Commission confirmed the criteria it would consider for determining eligibility to the published rates for those QFs in the negotiation queue on August 4, 2005. These criteria are as follows:

- (1) submittal of a signed power purchase agreement to the utility, or
- (2) submittal to the utility of a completed Application for Interconnection Study and payment of fee.

In addition to a finding of existence of one or both of the preceding threshold criteria, the QF must also be able to demonstrate other indicia of substantial progress and project maturity, e.g.,

- (1) a wind study demonstrating a viable site for the project,
- (2) a signed contract for wind turbines,
- (3) arranged financing for the project, and/or
- (4) related progress on the facility permitting and licensing path.

(Order No. 29839, p. 10, August 4, 2005)

VI.

In order to comply with the Commission's order regarding grandfathering, Idaho Power identified 14 wind generating project developers that had contacted Idaho Power regarding a potential wind QF project. By letter dated August 8, 2005, the Company requested that each of the identified QF developers provide Idaho Power information regarding their project that the Company could use to determine whether or not the particular wind QF would meet the criteria for grandfathering described by the Commission. A copy of the letter sent to Notch Butte is enclosed as Attachment 1. In response to Attachment 1, Notch Butte provided responses to each of the items identified in Attachment 1. A summary of Notch Butte's responses is enclosed as Attachment 2.

As noted in Attachment 2, several of Notch Butte's responses indicated that Notch Butte was concerned about the confidentiality of documents. Therefore, rather than requiring copies of the documents be provided, Idaho Power reviewed the documents in Notch Butte's office to confirm that the documents supported Notch Butte's representations.

VII.

While Idaho Power reviewed Notch Butte's compliance with all of the criteria identified in Attachment 1, the Company does not expect that a QF must have *completed* all of the criteria to be entitled to grandfather status. The relative weight given to completion of each criterion must be considered on its own merits. For example, one criterion that Idaho Power identified as being entitled to great weight is a signed contract for wind turbines. Based on discussions with QF wind developers and other publicly available information, Idaho Power has determined that the supply of wind turbines is extremely tight and, if a turbine has not been procured, it may be many months before turbines are available. Therefore, possession of a contract that binds a wind turbine manufacturer to deliver the needed wind turbines to the QF within the time periods specified by the QF developer was deemed by Idaho Power to be critical to a determination that a QF was sufficiently mature so as to qualify for grandfathering. The Notch Butte project has entered into such a contract and Idaho Power has reviewed the contract documents binding the wind turbine manufacturer.

VIII.

Considering and weighing all of the Commission-identified criteria, Idaho Power believes that Notch Butte is sufficiently far enough along the development path that it should be "grandfathered" to the published rates.

IX.

Notch Butte has selected November 2006 as the scheduled first energy date and May 2007 as the scheduled operation date for the project. As the Agreement specifies, once a project requests and is assigned an operation date, various terms of

the Agreement are activated, primarily the 90%/110% performance criteria. Prior to the operation date, the Agreement requires that only the monthly variable non-firm price for energy be paid for the energy production from this project. Based on past experience, the Notch Butte developer has determined that it typically takes a few months to fine tune the turbines at each specific project; therefore, the developer has allowed for this fine tuning time frame in the scheduled first energy and schedule operation date. In the Agreement, various requirements have been placed on Notch Butte in order for Idaho Power to accept 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.

X.

Section 22 of the Agreement provides that the Agreement will not become effective until the Commission has approved all of the agreements, terms and conditions and determined that all payments that Idaho Power will make to Notch Butte for purchases of energy under the Agreement will be allowed as prudently incurred expenses for ratemaking purposes.

XI.

The Agreement, as signed and submitted by the parties hereto, contains non-levelized published avoided cost rates in conformity with applicable IPUC Orders and is enclosed as Attachment 3.

XII.

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

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

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

XIII.

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

- (1) Approving the enclosed Firm Energy Sales Agreement between Idaho Power and Notch Butte without change or condition; and
- (2) Declaring that all payments for purchase of energy under the Agreement will be allowed as prudently incurred expenses for ratemaking purposes.

Respectfully submitted this 20th day of October, 2005.



BARTON L. KLINE
Attorney for Idaho Power Company

ATTACHMENT 1



Randy C. Allphin
Contract Administrator

August 8, 2005

James Carkulis
Exergy Development Group, LLC
P O Box 5212
Helena, MT 59601

E-mail Copy: mtli@in-tch.com

Original: US Mail

RE: Notch Butte Wind Park
Request for a PURPA contract for a proposed Wind Generation Facility.

Dear James:

On June 17, 2005, Idaho Power Company (Company) filed a Petition with the Idaho Public Utilities Commission (Commission) requesting a temporary suspension of the Company's obligation to enter into new contracts to purchase energy generated by qualifying wind-powered small power production facilities (QFs) at the published rates.

On August 4, 2005, the Commission issued Order No. 29839 in response to the Petition filed by Idaho Power Company. In Order No. 29839, the Commission ruled that only intermittent wind generation projects with a nameplate rating of 100 kW or less are eligible for the published avoided cost rates. In this Order the Commission also established criteria to assess the eligibility of larger wind generation projects that had commenced the development process prior to July 1, 2005 to receive PURPA contracts containing the published rates. The eligibility criteria for those larger projects, as set out in Order No. 29839, are as follows:

- 1) Submittal of a signed power purchase agreement to the utility no later than July 1, 2005 or submittal of a completed Application for Interconnection Study and payment of study fees to the utility no later than July 1, 2005.

- 2) In addition to the eligibility criteria set out in item 1, to qualify for the published rates the larger QF must also be able to demonstrate other indicia of substantial progress and project maturity. Examples of these items include but are not limited to:
 - a.) A QF certificate for the project
 - b.) Wind study(s) demonstrating a viable site for the project
 - c.) Project and access road site control
 - d.) A signed contract for the supply of wind turbines
 - e.) Arranged financing for the project
 - f.) Progress on facility permitting and licensing

Our records indicate you contacted Idaho Power concerning a PURPA contract for the Notch Butte Wind Park with an estimated size of 18 MW prior to the issuance of Commission Order No. 29839.

Summarized below are Idaho Power Power Supply's records in regards to the data you have submitted for your proposed wind project and the status of meeting the eligibility criteria as described in Commission Order No. 29839.

Item 1

- a.) Submittal of a signed Purchase Power Agreement

Idaho Power has received a developer originated signed Purchase Power Agreement prior to July 1, 2005.

- b.) Submittal of a completed Application for Interconnection

What is the status of your application for interconnection for your proposed wind project?

While this may seem to be a strange request coming from Idaho Power, Federal Energy Regulatory Commission orders prohibit Idaho Power's Power Supply business unit from obtaining this information directly from the Idaho Power Delivery business unit. Please provide complete interconnection application status information, including when application was made for interconnection and evidence that the required study fees have been paid to Idaho Power Delivery business unit.

- ✓ If your project has submitted one or both of the above-required documents please provide the documentation of the items specified below in Item 2.
- ✓ If neither of the above documents had been submitted to Idaho Power Company prior to July 1, 2005, as specified in the Commission Order, your project is subject to the revised published rate eligibility cap for a qualified intermittent wind projects of 100 kW or smaller.

Item 2

Please provide documentation that demonstrates other indicia of substantial progress and project maturity. Examples of these items include but are not limited to:

- a.) A QF certificate for the project
Idaho Power has on file a copy of your notice of Self Certification dated August 3, 2005.
- b.) Wind study demonstrating a viable site for the project
- c.) Project and access road site control
- d.) A signed contract for the supply of wind turbines
- e.) Arranged financing for the project
- f.) Progress on facility permitting and licensing

If there is other data that you believe indicates that your project was substantially mature or complete as of July 1, 2005, please provide this data at the same time.

Please provide the requested data to Randy Allphin at Idaho Power Company:

US Mail: Idaho Power Company
Attn: Randy Allphin
P O Box 70
Boise, Idaho 83707

Email: Rallphin@idahopower.com

Fax: (208) 433-5163

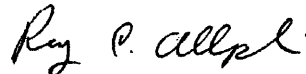
Please mark all Faxes – Attention Randy Allphin and also notify Randy Allphin by e-mail or telephone that a Fax is being sent.

Idaho Power will review the provided data and may request addition information. If it is determined that the project has met the eligibility criteria as established by the Commission, Idaho Power will prepare and provide a draft PURPA agreement for your review. Please note this is not an offer to purchase and no PURPA contract is effective until the Idaho Public Utilities Commission has reviewed it and approved it for ratemaking purposes.

The Commission has set stringent time limits for continued processing of this case. As a result, it is important that we receive your response to this letter no later than **5 PM, Mountain Standard Time, August 15, 2005**. Failure to provide complete information within this time period may mean that your request would not be considered eligible to receive the published rates.

If you have any questions please contact me at your convenience.

Very truly yours,



Randy C. Allphin
Idaho Power Company
Contract Administrator

ATTACHMENT 2

Summary of Compliance Analysis

Notch Butte

18.00 MW

Jerome and Lincoln County

<p>1.) <u>Purchase Power agreement</u> Submittal of a signed power purchase</p> <p style="text-align: center;">And / Or</p> <p><u>Interconnection Application</u> Submittal to the Utility of a completed</p>	<p>Yes, developer provided agreement signed June 17, 2005</p> <p>Yes, 101.5 MW request filed with IPC on Feb 2005. Fees paid and Feasibility Study completed by IPC.</p>
<p>2.) <u>Demonstrate other indicia of substantial progress and project maturity</u></p>	
<p>a. QF Certificate</p>	<p>Filed with FERC 8/3/2005</p>
<p>b. Site Control</p>	<p>8/15/2005 Developer response received, stating all contracts are complete and available for our review upon request.</p> <p>8/23/2005 Company representatives met with developer and reviewed various documents supporting conclusion that adequate site control was in place.</p>
<p>c. Wind Study data</p>	<p>8/15/2005 Developer response received, stating data collected but confidential.</p> <p>8/23/2005 Company representatives met with developer and reviewed various documents indicating wind data had been collected for this project. In addition, the Developer has provided monthly kWh commitments for inclusion in the agreement based upon the c</p>
<p>d. Turbine supply confirmation</p>	<p>8/15/2005 Developer response received, stating all contracts are complete but confidential.</p> <p>8/23/2005 Company representatives met with developer and reviewed the Turbine supply agreement and confirmed that a binding agreement with manufacturer for the supply of turbines is in place for this project.</p>
<p>e. Completed project financing</p>	<p>8/15/2005 Letter received, stating premature to have final financing in place until a PPA is complete. Prior Company experience confirms that ability to obtain firm financial commitments usually require PPA in place. Developer has previously obtained fin</p>
<p>f. Planning and Zoning permit progress</p>	<p>8/15/2005 Letter received, stating initial work begun, but premature to finalize until PPA in place. Company's representatives met with developer and confirmed initial permitting due diligence commenced.</p>

ATTACHMENT 3

FIRM ENERGY SALES AGREEMENT

BETWEEN

IDAHO POWER COMPANY

AND

NOTCH BUTTE WIND PARK LLC

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FIRM ENERGY SALES AGREEMENT
(10 aMW or Less)

NOTCH BUTTE WIND PARK LLC

Project Number: 31615300

THIS AGREEMENT, entered into on this 14 day of Oct 2005 between NOTCH BUTTE WIND PARK, an Idaho limited liability company (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 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.

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 - Submit to Idaho Power such data as Idaho Power may reasonably require to perform the Initial Capacity Determination. Such data will include but not be limited to, equipment specifications, prime mover data, resource characteristics, normal and/or average operating design conditions and Station Use data.

Upon receipt of this information, Idaho Power will review the provided data and if necessary, request additional data to complete the Initial Capacity Determination within a reasonable time.

- 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.
- 4.1.7 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.

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 and has requested an

Operation Date in written form.

- d) Seller has requested an Operation Date from Idaho Power in a written format.
- 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.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

6.1 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	5,077,634
	April	4,358,815
	May	4,512,845
Season 2	July	3,391,624
	August	3,090,413
	November	4,811,622
	December	4,766,515
Season 3	June	4,667,598
	September	3,861,307
	October	5,017,769
	January	4,082,420
	February	5,309,837

