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IDAHO PUBLIC  
UTILITIES COMMISSION

February 21, 2008

Ms. Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
P O Box 83720  
Boise ID 83720-0074

**RE: Case No. IPC-E-07-13**

Dear Ms. Jewell:

Enclosed please find an original and seven (7) copies of the EXERGY DEVELOPMENT GROUP OF IDAHO'S PETITION FOR RECONSIDERATION.

I have also enclosed an extra copy to be service-dated and returned to us for our files. Thank you.

Sincerely,

Nina Curtis  
Administrative Assistant

encl.

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UTILITIES COMMISSION

Attorneys for Exergy Development Group of Idaho LLC

BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION

EXERGY DEVELOPMENT GROUP OF IDAHO LLC,	)	CASE NO. IPC-E-07-13
	)	
PETITIONER	)	
	)	
VS.	)	EXERGY DEVELOPMENT GROUP OF IDAHO'S PETITION FOR RECONSIDERATION
	)	
IDAHO POWER COMPANY,	)	
	)	
<u>RESPONDENT.</u>	)	

**COMES NOW**, Exergy Development Group of Idaho LLC (“Exergy”) by and through its attorney of record, Peter J. Richardson, and pursuant to Rule 331 of the Commission’s Rules of Procedure and respectfully lodges its Petition for Reconsideration of Order No. 30493.

I  
SUMMARY

Rule 331.01 requires that a petition for reconsideration specify the grounds why the petitioner contends that the order is “erroneous” or “unlawful” or “not in conformity with the law”. As set out in more detail below, Exergy respectfully submits that Order No. 30493 is unlawful and not in conformity with the law in that it violates a fundamental tenant of regulatory

law known as the “filed rate doctrine.” Idaho Power’s unilateral adoption of the FERC interconnection process for application to Idaho PUC jurisdictional interconnections was done without this Commission’s review or approval as required by Idaho Code Sections 61-305, 61-313 and 61-315.

Furthermore, the Commission’s order is erroneous in that it misquotes Schedule 72 in such a way as to change the meaning of that tariff in a significant way. In the ordering paragraph of Order No. 30493 the Commission finds that:

the estimates of transmission upgrade costs provided to Exergy . . . to be the “initial cost estimates” [sic] required under Idaho Power tariff Schedule 72.

At page 7.

Schedule 72 is misquoted in the Order in such a way as to change the plain meaning of that tariff. Schedule 72 does not allow for “initial cost estimates” in the plural as quoted in the Commission’s order. Schedule 72 contemplates “an initial cost estimate” - in the singular. Changing the word “estimate” to “estimates” changes the meaning of the tariff schedule in a subtle, albeit significant way.

## II ADDITIONAL PROCEEDINGS

Order 30493, by its own terms, demonstrates that Idaho Power has been operating outside of its tariff. The Commission ruled that:

To achieve greater transparency between the Company’s tariffs and implementation policy, however, we find it reasonable to require the Company to propose additional language to its Schedule 72 tariff. The additional language should describe in general the three-step study process that the Company follows including (1) opportunities to pay for additional required studies on incremental amounts, (2) opportunities to exit the Exergy Development Group of Idaho’s Petition for Reconsideration IPC-E-07-13

interconnection process, and (3) opportunities to qualify for and provide alternative financial guarantees in lieu of full prepayment of the initial cost estimate.

Order No 30493 at page 6.

It is certainly reasonable to explore these issues in detail in order to craft a comprehensive and understandable interconnection rule for Idaho Power. However, the fact that the Commission believes it necessary for Idaho Power to embark on this additional path in order to make the interconnection process “reasonable” suggests that the current method for interconnections is NOT reasonable. Exergy seeks reconsideration on the scope and extent of additional filing Idaho Power has been asked to make. Among the questions that need to be addressed are: (1) Will the additional filing be in the nature of a rule making that has generic implications for all jurisdictional utilities in the state? (2) Will the filing be in the form of a new tariff in which interconnection customers will have an opportunity to have input? (3) Will the additional filing be, as implied, simply an extension of Idaho Power’s “internal administrative template” *id. at p. 6* which is not approved by nor examined by the Commission and in which interconnection customers have no opportunity for input?

The Commission’s goal of “achieving greater transparency between the Company’s tariffs and implementation policy” is vague and Exergy seeks clarification of the Commission’s intent with respect to its goal of “transparency.” The Company’s “implementation policy template” is apparently to simply adopt FERC’s rules, yet this Commission has not approved FERC’s rules. Furthermore, interconnection customers have not had the opportunity to participate in, or even review in advance, the development of the Company’s implementation policy. If by “greater transparency” the Commission means nothing more than to continue to allow Idaho Power to unilaterally decide what process it chooses to adopt with respect to

interconnection, then Exergy respectfully submits that the Commission's order is unlawful in that it would abdicate its oversight obligations as a regulator. If by "greater transparency" the Commission means that it intends to exercise its regulatory authority over Idaho Power's interconnection process, then Exergy seeks reconsideration relative to the questions noted immediately above.

### III FILED RATE DOCTRINE

The filed rate doctrine is routinely used by the Commission to protect the utilities it regulates from claims by ratepayers for favorable treatment with respect to rates. For example, as recently as last September, the Commission issued an order in an under-billing dispute between Idaho Power and a ratepayer who was inadvertently under-billed for several years. In that order the Commission made clear that the utility has no choice but to reach back and correct the under-billing regardless of the hardship or mitigating claims by the ratepayer:

The filed rate doctrine is a basic principle of utility regulation that was embodied in *Idaho Code* §§ 61-313 and 61-315 shortly after the turn of the 20<sup>th</sup> Century when our Public Utility Laws were first adopted (1913). It has a long history and precedent with the federal regulatory system and the United States Supreme Court. Simply put, the filed rate doctrine states that a utility may charge only the approved rates and charges it has on file with its regulatory body, i.e., its approved tariff on file with the Commission. It means the utility cannot charge more, and also that it cannot charge less than its filed rate. *Idaho Code* § 61-313 provides that no public utility shall collect or receive greater or less or different compensation for any service rendered to the public than the rates and

charges applicable to such service as specified in its tariffs on file with the Commission and in effect at the time.

*Phillips v. Idaho Power* IPC-E-07-1 at pp. 6-7 (2007).

The Idaho PUC Laws very unequivocally require that every charge, every rule, every regulation and every rate that is charged or imposed by a regulated utility be on file with and approved by the Commission in order for that charge, rule, regulation or rate to be legally enforceable. Allowing regulated utilities to charge rates or impose rules that are not approved by the Commission defeats the very purpose of having a public utilities commission in the first place. The legal requirements are clear, and encompass all aspects of utility service:

Under such rules and regulations as the commission may prescribe, every public utility other than a common carrier shall file with the commission within such time and in such form as the commission may designate, and shall print and keep open to public inspection schedules showing all rates, tolls, rentals, charges and classifications collected or enforced, or to be collected or enforced, together with all rules, regulations, contracts, privileges and facilities which in any manner affect or relate to rates, tolls, rentals, classifications or services

*Idaho Code* § 61-305

There can be no doubt that FERC's interconnection rules are encompassed in the above statute which requires that all rules, regulations, contracts, and privileges be on file with the Commission. Idaho Code Section 61-313 explicitly prohibits a regulated utility from deviating from the rules it has on file with the Commission:

Except as in this act otherwise provided, no public utility shall charge, demand, collect or receive a greater or less or different compensation from any product or commodity

furnished or to be furnished for any service rendered or to be rendered, than the rates, tolls, rentals and charges applicable to such product or commodity or service as specified in its schedules on file and in effect at the time.

Idaho Power has been forthright in its admission that it is using rules, regulations and charges for interconnecting customers on its system that are not on file with the Commission and that have not been approved by the Commission. The Commission's finding simply does not pass muster when held up against the clear and unequivocal requirement that every rate-toll-rental-charge-classification along with every rule-regulation-contract-privilege-facility that in any manner affects or relates to rates-tolls-rentals-classifications or services be on file with and approved by the Commission.

In spite of the clear requirement that Idaho Power's rules relating to customer interconnections be filed and approved, the Commission found that:

We do not find the Company's use of FERC's small-generator interconnection rules as an internal administrative template for QF interconnection requests to be inconsistent with Schedule 72.

*Order No. 30493* p. 6, emphasis provided. It is irrelevant whether Idaho Power's "internal administrative template" is or is not consistent with Schedule 72. The fundamental question that must be answered before any utility may impose rules (interconnection or otherwise) is whether they have been filed with, and approved by, the Commission. FERC's small-generator interconnection rules have not been filed with nor have they been approved by the Commission. The very notion of "internal administrative template[s]" replacing the thoughtful deliberative process of this Commission's rate and service regulation duties is anathema to the concept of permitting state sanctioned regulated monopolies to exist in the first place.

Order No. 30493 only addresses this issue head on in a single sentence:

Exergy contends that use of the FERC rules as a template by the Company to achieve uniformity in practice requires Commission approval. We disagree.

*Order No. 30493* p. 6, emphasis provided. With that two word sentence, the Commission appears to have endorsed Idaho Power's use of internal administrative templates as a replacement for Commission regulation of this public utility service (customer interconnections.) Although not conceding that Idaho Power's "internal administrative template" is a rule that the Commission must approve before it may be imposed on Idaho Power's customers, the Commission stated that:

To achieve greater transparency between the Company's tariffs and implementation policy, however, we find it reasonable to require the Company to propose additional language to its Schedule 72 tariff. The additional language should describe in general the three-step study process that the Company follows including (1) opportunities to pay for additional required studies on incremental amounts, (2) opportunities to exit the interconnection process, and (3) opportunities to qualify for and provide alternative financial guarantees in lieu of full prepayment of the initial cost estimate.

Order No 30493 at page 6.

In addition to the issues raised by this requirement noted in Section II above, it appears that the Commission, by requiring Idaho Power to "propose additional language" to its Schedule 72 does understand that Idaho Power has, in fact, adopted a rule (a.k.a. "internal administrative template") that requires Commission review and approval. However, the Commission's request for "additional language" is no more than a small step to a full review of all of Idaho Power's

“internal administrative templates” as they relate to the provision of interconnection services that are within this Commission’s regulatory purview.

#### IV SCHEDULE 72

The Commission, in Order No. 30493, attempts to shoehorn all of FERC’s detailed and complex integration rules into Schedule 72 by finding that:

The Commission finds the “estimated cost of all required upgrades” amounts included in the generator interconnection feasibility studies provided Exergy to be the “initial cost estimate” required by the Company’s Schedule 72 tariff.

*Order No. 30493 p. 6.*

Assuming the Commission’s finding is correct, that the initial cost estimate required by Schedule 72 is satisfied by Idaho Power’s provision of a cost estimate pursuant to a Feasibility Study, then the interconnection process would cease at that time and Idaho Power would be required to commence construction upon the payment by the developer of that initial cost estimate.

However, the initial cost estimate is not used by Idaho Power as contemplated in Schedule 72.

After receipt of what Order No. 30493 has found to be the initial cost estimate pursuant to Schedule 72, Idaho Power then goes beyond Schedule 72 and requires a developer to proceed to execute a System Impact Study Agreement which is not approved by the Commission or even mentioned in Schedule 72. The System Impact Study Agreement requires the developer to post a deposit which is not approved by the Commission or even mentioned in Schedule 72. Upon the conclusion of the System Impact Study, the developer is then required to enter into a Facility Study Agreement which is not approved by the Commission and not even mentioned in Schedule 72. The Facility Study Agreement requires the developer to post a deposit which is not approved by the Commission or even mentioned in Schedule 72. Indeed, none of the agreements Idaho Exergy Development Group of Idaho’s Petition for Reconsideration IPC-E-07-13

Power requires developers to sign – the Feasibility Study Agreement, the System Impact Study Agreement, nor the Facility Study Agreement have been filed with or approved by the Commission. Adoption of FERC’s small-generator interconnection rules goes well beyond the interconnection process approved by this Commission in Schedule 72.

V  
CONFUSION AND INCONSISTENCIES

Allowing Idaho Power to unilaterally choose to use FERC’s interconnection procedures for small-generator interconnects creates uncertainty and confusion. For example, FERC’s small generator interconnection procedures contain different insurance requirements than are contained in Schedule 72. FERC’s small generator interconnection agreement only requires insurance to be obtained by the interconnect customer at levels that are “sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected.” *Article 8 FERC Small Generator Interconnection Agreement*. (“SGIA”) The interconnection agreement contained in Idaho Power’s Schedule 72 requires liability insurance in the amount of \$1,000,000 for each occurrence. *Paragraph 7.1 Idaho Power Company Uniform Interconnection Agreement (PURPA)*. (“UIA”) Idaho Power has adopted FERC’s interconnection application process, which is designed to result in a completed FERC’s interconnection agreement. However Idaho Power does not use FERC’s interconnection agreement, it uses the interconnection agreement in Schedule 72 - even though it uses the FERC interconnection application process. If this Commission finds it reasonable for Idaho Power to use FERC’s interconnection process then the Company should be required to use the entire package of FERC interconnection documents and not pick and choose, without Commission oversight, which part of the FERC interconnection process it wants to use.

Another example of an inconsistency between FERC's SGIA and Idaho Power's UIA is that FERC's SGIA only requires the insurance company providing liability insurance to be authorized to do business in the state where the interconnection is located. Idaho Power's UIA, however requires a specific rating level for the insurance company providing liability insurance. In both examples, Idaho Power uses the more restrictive and burdensome provision of its UIA rather than the less restrictive and burdensome provisions found in FERC's SGIA. The fundamental point, however, is that when this Commission defers to Idaho Power to select bits and pieces of FERC's interconnection process without oversight, then neither the interconnection customer nor the Commission have any way of knowing in advance which bits and pieces Idaho Power will choose to use and which it will choose to leave out. Nor do the Commission or the interconnecting customers know why and on what basis the Company has selected the provisions it selects.

## VI UNCERTAINTY

An additional problem that arises when the Commission defers its ratemaking authority to Idaho Power's "internal administrative template" is that it creates uncertainty as to exactly what that "template" will look like at any given moment. For example Idaho Power's web site for "Generator Interconnection Information" currently has the Schedule 72 Generator Interconnection Agreement posted, however the word "DRAFT" is superimposed on each page of that agreement.<sup>1</sup> The Generator Interconnection Agreement was approved by the Commission in Order No. 30179 and it became effective on November 20, 2006. It is not, according to the Commission's order a "draft" agreement. Apparently, however, according to Idaho Power's

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<sup>1</sup> Attached as Attachment A is the opening page of Idaho Power's Generation Interconnection web site. The link at step 5(a) opens the Schedule 72 Generation Agreement which is attached as Attachment B.  
Exergy Development Group of Idaho's Petition for Reconsideration IPC-E-07-13

“internal administrative template” process, the Commission approved agreement is now relegated to “draft” status. The uncertainty engendered by such conflicting information is causing developers to look to other states to do business in. That is why it is compelling for this Commission to exercise its authority over the entire interconnection process and enforce and enact detailed rules that Idaho Power and interconnection customers must follow in order to complete a transparent and workable interconnection process.

In addition to being denominated “draft,” the Generation Interconnection Agreement posted on Idaho Power’s Interconnection Web Site contains new language that is not in the Generation Interconnection Agreement that was approved by the Commission in Order No. 30179. For example, there is an entirely new Attachment 4 and an entirely new Attachment 6 in the “draft” Uniform Interconnection Agreement posted on Idaho Power’s web site. These two new sections contain significant substantive new interconnection requirements. Neither has been reviewed or approved by this Commission. By allowing Idaho Power to utilize “internal administrative templates” to set its interconnection policy apparently gives the power company license to make modifications to the Commission approved tariff without prior Commission authorization. It also creates uncertainty and ambiguity as to the interconnection terms and conditions a customer will encounter at any given moment. The question raised in this Petition for Reconsideration is not whether the additional language in Schedule 72 is reasonable or desirable, the question raised by such unauthorized modifications is whether they should have the benefit of Commission and customer input and review.

## VII CONCLUSION

For the forgoing reasons and in the furtherance of good ratemaking policies, Exergy respectfully requests this Commission to reconsider its decision in Order No. 30493 and grant Exergy Development Group of Idaho’s Petition for Reconsideration IPC-E-07-13

the prayer for relief contained in its Complaint that initiated this proceeding. Exergy believes that reconsideration may be prosecuted through the use of legal briefs and does not believe an evidentiary hearing is required.

RICHARDSON & O'LEARY PLLC

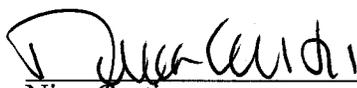
By   
Peter J. Richardson  
Attorneys for Exergy Development Group  
of Idaho

### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 21rd day of February, 2008, a true and correct copy of the within and foregoing PETITION FOR RECONSIDERATION, was served by personal service to:

Barton Kline  
Monica Moen  
Idaho Power Company  
PO Box 70  
Boise, Idaho 83707-0070

Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
472 West Washington  
Boise, Idaho 83702

  
Nina Curtis  
Administrative Assistant

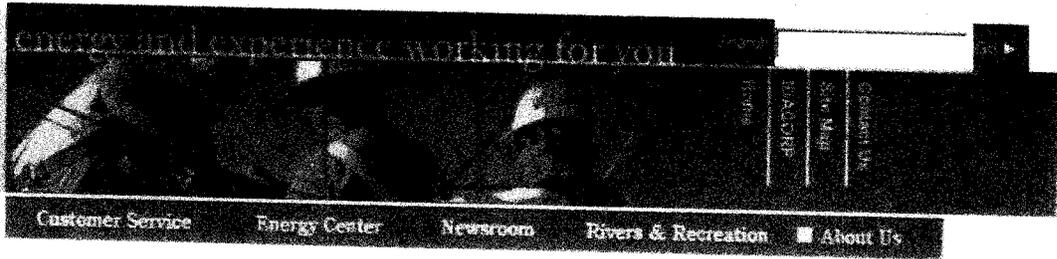
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Attorneys for Exergy Development Group of Idaho LLC

BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION

EXERGY DEVELOPMENT GROUP OF IDAHO LLC,	)	CASE NO. IPC-E-07-13
PETITIONER	)	
VS.	)	EXERGY DEVELOPMENT GROUP OF IDAHO'S PETITION FOR RECONSIDERATION
IDAHO POWER COMPANY,	)	
<u>RESPONDENT.</u>	)	

ATTACHMENT A



- Employment
- Company Information
- Community
- Employee Portal
- Doing Business With Us
- Purchasing Terms
- Generation Interconnect
- Transmission Services
- RFP
- Ancillary Services
- Pahsimeroi Fish Hatchery
- Regulatory Information

## Generator Interconnection Information

Generators and potential generators who wish to connect to Idaho Power Company's electrical system will find the following information and links helpful. Applications are placed in the queue and are processed on a first come, first serve basis. View the application list. This link will take you to the OASIS site. From the left menu bar, click "Generation Interconnection" and then "Generation Interconnection Queue."

### Net Metering (less than 100KW) Application (PDF, 30KB)

- Schedule 84 for Idaho (PDF, 102KB)
- Schedule 72 for Idaho (PDF, 279KB)

### Generators less than 20 MW

Requirements for Generator Interconnection (PDF, 156KB)

Process for Generators less than 20 MW Small Generator Interconnection Procedures (PDF, 149KB)

**Step 1:** The Interconnection Application (PDF, 45KB) must be completed and submitted for all Generator Interconnections to the Idaho Power System.

**Step 2:** Feasibility Analysis (PDF, 21KB) includes general review of system impact, capacity constraints and possible problems with the customer's choice of point of interconnection.

**Step 3:** System Impact Study (PDF, 24KB) provides a detailed assessment of the transmission system adequacy to accommodate the application. This step may not be necessary for some projects depending on size and location of the project.

**Step 4:** Facility Study (PDF, 36KB) includes design and engineering studies to determine the design and specifications. Construction options are provided to the customer.

**Step 5:** Interconnection Agreement all projects less than 20 MW are subject to technical requirements under the Interconnection Agreement once the project becomes operational.

a) PURPA Interconnection Agreement (PIA) (PDF, 1M) will be filed with the Idaho Public Utilities Commission under Idaho Power's Rate Schedule 72.

b) Small Generator Interconnection Agreement (SGIA) (PDF, 111KB) an SGIA must be filed with the FERC for all projects less than 20 MW who are selling energy off-system.

### Generators greater than 20MW

Large Generator Interconnection Procedures (PDF, 299KB)

### Related Links

- Transmission Services
- Federal Energy Regulatory Commission (FERC) rules
- Idaho Public Utilities Commission (IPUC)
- Idaho Power's Integrated Resource Plan (IRP)
- Idaho Power Company Rate Schedules

### Primary Contacts

Generator Interconnection - Physical Connection to the Wires  
Rowena Bishop

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208-388-5504 (fax)  
[rbishop@idahopower.com](mailto:rbishop@idahopower.com)

Net Meter Applications  
**Candace Gentry**  
208-388-2276 (voice)  
208-388-6647 (fax)  
[cgentry@idahopower.com](mailto:cgentry@idahopower.com)

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SHE-

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Attorneys for Exergy Development Group of Idaho LLC

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IDAHO POWER COMPANY,	)	
<u>RESPONDENT.</u>	)	

ATTACHMENT B

**GENERATOR INTERCONNECTION AGREEMENT**  
**Schedule 72 (PURPA)**

\_\_\_\_\_ PROJECT  
\_\_\_\_\_ MW

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Issued by IDAHO POWER COMPANY – Delivery Business Unit  
Tess Park, Manager, Grid Operations

Effective Date: \_\_\_\_\_ Issued on: \_\_\_\_\_

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This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the \_\_\_\_ day of \_\_\_\_\_, 2007 between \_\_\_\_\_, ("Seller" or "Interconnection Customer") and Idaho Power Company – Delivery ("Company", or "Transmission Owner").

### RECITALS

A. Seller will own or operate a Generation Facility that qualifies for service under Idaho Power's Commission-approved Schedule 72 and any successor schedule.

B. The Generation Facility covered by this Agreement is more particularly described in Attachment 1.

### AGREEMENTS

#### 1. Capitalized Terms

Capitalized terms used herein shall have the same meanings as defined in Schedule 72 or in the body of this Agreement.

#### 2. Terms and Conditions

This Agreement and Schedule 72 provide the rates, charges, terms and conditions under which the Seller's Generation Facility will interconnect with, and operate in parallel with, the Company's transmission/distribution system. Terms defined in Schedule 72 will have the same defined meaning in this Agreement. If there is any conflict between the terms of this Agreement and Schedule 72, Schedule 72 shall prevail.

#### 3. This Agreement is not an agreement to purchase Seller's power.

Purchase of Seller's power and other services that Seller may require will be covered under separate agreements. Nothing in this Agreement is intended to affect any other agreement between the Company and Seller.

#### 4. Attachments

Attached to this Agreement and included by reference are the following:

Attachment 1 – Description and Costs of the Generation Facility, Interconnection Facilities, and Metering Equipment.

Attachment 2 – One-line Diagram Depicting the Generation Facility, Interconnection Facilities, Metering Equipment and Upgrades.

Attachment 3 – Milestones For Interconnecting the Generation Facility.

Attachment 4 – Additional Operating Requirements for the Company's Transmission System Needed to Support the Seller's Generation Facility.

Attachment 5 – Reactive Power.

Attachment 6 – Description of Upgrades required to integrate the Generation Facility and Best Estimate of Upgrade Costs.

Issued by IDAHO POWER COMPANY – Delivery Business Unit  
Tess Park, Manager, Grid Operations

Effective Date: \_\_\_\_\_

Issued on: \_\_\_\_\_

5. Effective Date, Term, Termination and Disconnection.

5.1 Term of Agreement. Unless terminated earlier in accordance with the provisions of this Agreement, this Agreement shall become effective on the date specified above and remain effective as long as Seller's Generation Facility is eligible for service under Schedule 72.

5.2 Termination.

5.2.1 Seller may voluntarily terminate this Agreement upon expiration or termination of an agreement to sell power to the Company.

5.2.2 After a Default, either Party may terminate this Agreement pursuant to Section 6.5.

5.2.3 Upon termination or expiration of this Agreement, the Seller's Generation Facility will be disconnected from the Company's transmission/distribution system. The termination or expiration of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination. The provisions of this Section shall survive termination or expiration of this Agreement.

5.3 Temporary Disconnection. Temporary disconnection shall continue only for so long as reasonably necessary under "Good Utility Practice." Good Utility Practice means any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region. Good Utility Practice includes compliance with WECC or NERC requirements. Payment of lost revenue resulting from temporary disconnection shall be governed by the power purchase agreement.

5.3.1 Emergency Conditions. "Emergency Condition" means a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Company, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Company's transmission/distribution system, the Company's Interconnection Facilities or the equipment of the Company's customers; or (3) that, in the case of the Seller, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the reliability and security of, or damage to, the Generation Facility or the Seller's Interconnection Facilities. Under Emergency Conditions, either the Company or the Seller may immediately suspend interconnection service and temporarily disconnect the Generation Facility. The Company shall notify the Seller promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Seller's operation of the Generation Facility. The Seller shall notify the Company promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Company's equipment or service to the Company's customers. To the extent information is known, the notification shall describe the Emergency Condition, the extent

of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

**5.3.2 Routine Maintenance, Construction, and Repair.** The Company may interrupt interconnection service or curtail the output of the Seller's Generation Facility and temporarily disconnect the Generation Facility from the Company's transmission/distribution system when necessary for routine maintenance, construction, and repairs on the Company's transmission/distribution system. The Company will make a reasonable attempt to contact the Seller prior to exercising its rights to interrupt interconnection or curtail deliveries from the Seller's Facility. Seller understands that in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events, the Company may not be able to provide notice to the Seller prior to interruption, curtailment or reduction of electrical energy deliveries to the Company. The Company shall use reasonable efforts to coordinate such reduction or temporary disconnection with the Seller.

**5.3.3 Scheduled Maintenance.** On or before January 31 of each calendar year, Seller shall submit a written proposed maintenance schedule of significant Facility maintenance for that calendar year and the Company and Seller shall mutually agree as to the acceptability of the proposed schedule. The Parties determination as to the acceptability of the Seller's timetable for scheduled maintenance will take into consideration Good Utility Practices, Idaho Power system requirements and the Seller's preferred schedule. Neither Party shall unreasonably withhold acceptance of the proposed maintenance schedule.

**5.3.4 Maintenance Coordination.** The Seller and the Company shall, to the extent practical, coordinate their respective transmission/distribution system and Generation Facility maintenance schedules such that they occur simultaneously. Seller shall provide and maintain adequate protective equipment sufficient to prevent damage to the Generation Facility and Seller-furnished Interconnection Facilities. In some cases, some of Seller's protective relays will provide back-up protection for Idaho Power's facilities. In that event, Idaho Power will test such relays annually and Seller will pay the actual cost of such annual testing.

**5.3.5 Forced Outages.** During any forced outage, the Company may suspend interconnection service to effect immediate repairs on the Company's transmission/distribution system. The Company shall use reasonable efforts to provide the Seller with prior notice. If prior notice is not given, the Company shall, upon request, provide the Seller written documentation after the fact explaining the circumstances of the disconnection.

**5.3.6 Adverse Operating Effects.** The Company shall notify the Seller as soon as practicable if, based on Good Utility Practice, operation of the Seller's Generation Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Generation Facility could cause damage to the Company's transmission/distribution system or other affected systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Seller upon request. If, after notice, the Seller fails to remedy the adverse operating effect within a reasonable time, the Company may disconnect the Generation Facility. The Company shall provide the Seller with reasonable notice of such disconnection, unless the provisions of Article 5.3.1 apply.

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5.3.7 Modification of the Generation Facility. The Seller must receive written authorization from the Company before making any change to the Generation Facility that may have a material impact on the safety or reliability of the Company's transmission/distribution system. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Seller makes such modification without the Company's prior written authorization, the latter shall have the right to temporarily disconnect the Generation Facility.

5.3.8 Reconnection. The Parties shall cooperate with each other to restore the Generation Facility, Interconnection Facilities, and the Company's transmission/distribution system to their normal operating state as soon as reasonably practicable following a temporary disconnection.

5.3.9 Voltage Levels. Seller, in accordance with Good Utility Practices, shall minimize voltage fluctuations and maintain voltage levels acceptable to Idaho Power. Idaho Power may, in accordance with Good Utility Practices, upon one hundred eighty (180) days' notice to the Seller, change its nominal operating voltage level by more than ten percent (10%) at the Point of Delivery, in which case Seller shall modify, at Idaho Power's expense, Seller's equipment as necessary to accommodate the modified nominal operating voltage level.

#### 5.4 Land Rights.

5.4.1 Seller to Provide Access. Seller hereby grants to Idaho Power for the term of this Agreement all necessary rights-of-way and easements to install, operate, maintain, replace, and remove Idaho Power's Metering Equipment, Interconnection Equipment, Disconnection Equipment, Protection Equipment and other Special Facilities necessary or useful to this Agreement, including adequate and continuing access rights on property of Seller. Seller warrants that it has procured sufficient easements and rights-of-way from third parties so as to provide Idaho Power with the access described above. All documents granting such easements or rights-of-way shall be subject to Idaho Power's approval and in recordable form.

5.4.2 Use of Public Rights-of-Way. The Parties agree that it is necessary to avoid the adverse environmental and operating impacts that would occur as a result of duplicate electric lines being constructed in close proximity. Therefore, subject to Idaho Power's compliance with Paragraph 5.4.4, Seller agrees that should Seller seek and receive from any local, state or federal governmental body the right to erect, construct and maintain Seller-furnished Interconnection Facilities upon, along and over any and all public roads, streets and highways, then the use by Seller of such public right-of-way shall be subordinate to any future use by Idaho Power of such public right-of-way for construction and/or maintenance of electric distribution and transmission facilities and Idaho Power may claim use of such public right-of-way for such purposes at any time. Except as required by Paragraph 5.4.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this Paragraph 5.4.2.

5.4.3 Joint Use of Facilities. Subject to Idaho Power's compliance with Paragraph 15.4.4, Idaho Power may use and attach its distribution and/or transmission facilities to Seller's Interconnection Facilities, may reconstruct Seller's Interconnection Facilities to accommodate Idaho Power's usage or Idaho Power may construct its own distribution or transmission facilities along, over and above any public right-of-way

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acquired from Seller pursuant to Paragraph 5.4.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by Paragraph 5.4.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this Paragraph 5.4.3.

**5.4.4 Conditions of Use.** It is the intention of the Parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior to Idaho Power's exercising its rights under this Paragraph 5.4. Therefore, the Parties agree that the exercise by Idaho Power of any of the rights enumerated in Paragraphs 5.4.2 and 5.4.3 shall: (1) comply with all applicable laws, codes and Good Utility Practices, (2) equitably share the costs of installing, owning and operating jointly used facilities and rights-of-way. If the Parties are unable to agree on the method of apportioning these costs, the dispute will be submitted to the Commission for resolution and the decision of the Commission will be binding on the Parties, and (3) shall provide Seller with an interconnection to Idaho Power's system of equal capacity and durability as existed prior to Idaho Power exercising its rights under this Paragraph 5.4.

**6. Assignment, Liability, Indemnity, Force majeure, Consequential Damages and Default.**

**6.1 Assignment.** This Agreement may be assigned by either Party upon twenty-one (21) calendar days prior written notice and opportunity to object by the other Party; provided that:

**6.1.1** Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement.

**6.1.2** The Seller shall have the right to contingently assign this Agreement, without the consent of the Company, for collateral security purposes to aid in providing financing for the Generation Facility, provided that the Seller will promptly notify the Company of any such contingent assignment.

**6.1.3** Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Seller. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

**6.2 Limitation of Liability.** Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

**6.3 Indemnity.**

**6.3.1** This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 6.2.

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6.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

6.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim. Failure to defend is a Material Breach.

6.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

6.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall be a Material Breach and shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

6.4 Force Majeure. As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the control of the Seller or of the Company which, despite the exercise of due diligence, such Party is unable to prevent or overcome. Force Majeure includes, but is not limited to, acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, or changes in law or regulation occurring after the Operation Date, which, by the exercise of reasonable foresight such party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome. If either Party is rendered wholly or in part unable to perform its obligations under this Agreement because of an event of Force Majeure, both Parties shall be excused from whatever performance is affected by the event of Force Majeure, provided that:

(1) The non-performing Party shall, as soon as is reasonably possible after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence.

(2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure.

(3) No obligations of either Party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

## 6.5 Default and Material Breaches.

6.5.1 Defaults. If either Party fails to perform any of the terms or conditions of this Agreement (a "Default" or an "Event of Default"), the nondefaulting Party shall cause notice in writing to be given to the defaulting Party, specifying the manner in which such default occurred. If the defaulting Party shall fail to cure such Default within the sixty (60) days after service of such notice, or if the defaulting Party reasonably demonstrates to the other Party that the Default can be cured within a commercially reasonable time but not within such sixty (60) day period and then fails to diligently pursue such cure, then, the nondefaulting Party may, at its option, terminate this Agreement and/or pursue its legal or equitable remedies.

6.5.2 Material Breaches. The notice and cure provisions in Paragraph 6.6.1 do not apply to Defaults identified in this Agreement as Material Breaches. Material Breaches must be cured as expeditiously as possible following occurrence of the breach.

## 7. Insurance.

During the term of this Agreement, Seller shall secure and continuously carry the following insurance coverage:

7.1 Comprehensive General Liability Insurance for both bodily injury and property damage with limits equal to \$1,000,000, each occurrence, combined single limit. The deductible for such insurance shall be consistent with current Insurance Industry Utility practices for similar property.

7.2 The above insurance coverage shall be placed with an insurance company with an A.M. Best Company rating of A- or better and shall include:

(a) An endorsement naming Idaho Power as an additional insured and loss payee as applicable; and

(b) A provision stating that such policy shall not be canceled or the limits of liability reduced without sixty (60) days' prior written notice to Idaho Power.

7.3 Seller to Provide Certificate of Insurance. As required in Paragraph 7 herein and annually thereafter, Seller shall furnish the Company a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.

7.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by Paragraph 7.1 shall lapse for any reason, Seller will immediately notify Idaho Power in writing. The notice will advise Idaho Power of the specific reason for the lapse and the steps Seller is taking to reinstate the coverage. Failure to provide this notice and to expeditiously reinstate or replace the coverage will constitute grounds for a temporary disconnection under Section 5.3 and will be a Material Breach.

## 8. Miscellaneous.

8.1 Governing Law. The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of Idaho without regard to its conflicts of law principles.

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8.2 Salvage. No later than sixty (60) days after the termination or expiration of this Agreement, Idaho Power will prepare and forward to Seller an estimate of the remaining value of those Idaho Power furnished Interconnection Facilities as required under Schedule 72 and/or described in this Agreement, less the cost of removal and transfer to Idaho Power's nearest warehouse, if the Interconnection Facilities will be removed. If Seller elects not to obtain ownership of the Interconnection Facilities but instead wishes that Idaho Power reimburse the Seller for said Facilities the Seller may invoice Idaho Power for the net salvage value as estimated by Idaho Power and Idaho Power shall pay such amount to Seller within thirty (30) days after receipt of the invoice. Seller shall have the right to offset the invoice amount against any present or future payments due Idaho Power.

9. Notices.

9.1 General. Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

**If to the Seller:**

Interconnection Customer: \_\_\_\_\_

Attention: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**If to the Company:**

Company: Idaho Power Company - Delivery

Attention: Operations Manager

Address: 1221 W. Idaho Street

City: Boise State: Idaho Zip: 83702

Phone: 208-388-2360 Fax: 208-388-5504

9.2 Billing and Payment. Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: \_\_\_\_\_

Attention: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

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Company: Idaho Power Company - Delivery  
Attention: Delivery Finance  
Address: 1221 W. Idaho Street  
City: Boise State: Idaho Zip: 83702  
Phone: 208-388-6938 email: twhite@idahopower.com

9.3 Designated Operating Representative. The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

**Interconnection Customer's Operating Representative:**

Interconnection Customer: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**Company's Operating Representative:**

Company: Idaho Power Company - Delivery  
Attention: Grid Operations Real Time Desk  
Address: 1221 W. Idaho Street  
City: Boise State: Idaho Zip: 83702  
Phone: 208-388-2826

9.5 Changes to the Notice Information. Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

10. Signatures.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

**For the Company**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**For the Interconnection Customer**

Name: \_\_\_\_\_  
Title: Manager, Grid Operations – Idaho Power Company, Delivery  
Date: \_\_\_\_\_

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Tess Park, Manager, Grid Operations

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**Attachment 1**

**Description and Costs of the Generation Facility, Interconnection Facilities and Metering Equipment**

*In this attachment the Generation Facility and Interconnection Facilities, including Special Facilities and upgrades, are itemized and identified as being owned by the Seller or the Company. As provided in Schedule 72, Payment For Interconnection Facilities, the Company will provide a best estimate itemized cost of its Interconnection Facilities, including Special Facilities, upgrades and Metering Equipment.*

**Interconnection Details**

This Attachment 1 is a part of the Standard Generator Interconnection Agreement under Idaho Power Company's Schedule 72 between \_\_\_\_\_ (Interconnection Customer) and Idaho Power Company – Delivery (Transmission Owner) for the \_\_\_\_\_ Interconnection Project, specifically Generator Interconnection Project # \_\_\_\_ .

**Point of Interconnection**

The Connection Point for the \_\_\_\_\_ Project will be at the \_\_\_\_\_ where the \_\_\_\_\_.

A drawing identifying the point of interconnection is attached as Exhibit 1 to this Attachment 1.

**General Facility Description**

**Point of Change of Ownership**

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Attachment 1 - Exhibit 1

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Attachment 2

*One-line Diagram Depicting the Small Generation Facility, Interconnection Facilities, Metering Equipment and Upgrades*

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## Attachment 4

### Additional Operating Requirements for the Company's Transmission System and Affected Systems Needed to Support the Seller's Needs

*The Company shall also provide requirements that must be met by the Seller prior to initiating parallel operation with the Company's Transmission System.*

#### **Security Arrangements Details**

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. All Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System will to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

#### **Reliability Management System**

##### **1. Definitions:**

**1.1 Member:** Any party to the WECC Agreement.

**1.2 Reliability Management System or RMS:** The contractual reliability management program implemented through the WECC Reliability Criteria Agreement, Section 2 of Appendix H Under Idaho Power Company's Open Access Transmission Tariff ("OATT") FERC Electric Tariff Revised Volume No. 5.<sup>1</sup> and any similar contractual arrangement.

**1.3 Western Interconnection:** The area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which Members of the WECC operate synchronously connected transmission systems.

**1.4 WECC:** The Western Electricity Coordinating Council or any successor entity.

**1.5 WECC Agreement:** The Western Electricity Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.

**1.6 WECC Reliability Criteria Agreement:** The Western Electricity Coordinating Council Reliability Criteria Agreement among the WECC and certain of its member Transmission Providers, as such may be amended from time to time.

**1.7 WECC Staff:** Those employees of the WECC, including personnel hired by the WECC on a contract basis, designated as responsible for the administration of the RMS.

##### **2. Terms and Conditions**

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<sup>1</sup> Idaho Power Company applies the same technical standards to all generators connecting to the electrical system.

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**2.1 Purpose.** In order to maintain the reliable operation of the transmission grid, the WECC Reliability Criteria Agreement sets forth reliability criteria adopted by the WECC to Interconnection Customer and Idaho Power Company ("Transmission Owner") shall be required to comply.

**2.2 Compliance.** Interconnection Customer shall comply with the requirements of the WECC Reliability Criteria Agreement, including the applicable WECC reliability criteria set forth in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to any sanctions applicable to such failure assessed by WECC under its RMS so long as the Interconnection Customer is solely responsible for the resulting failure. Such sanctions shall be assessed pursuant to the procedures contained in the WECC Reliability Criteria Agreement. Each and all of the provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Attachment 4 as though set forth fully herein, and Interconnection Customer shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WECC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WECC Reliability Criteria Agreement.

**2.3 Payment and Sanctions.** Interconnection Customer shall be responsible for reimbursing Transmission Owner for any monetary sanctions assessed by WECC against Transmission Owner due solely to the action or inaction of Interconnection Customer, pursuant to the WECC Reliability Criteria Agreement. Interconnection Customer also shall be responsible for payment of any monetary sanction due solely to the action or inaction of Interconnection Customer assessed against Interconnection Customer by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.

**2.4 Condition to Effectiveness of Agreement.** This Agreement shall be void *ab initio* if Interconnection Customer is not afforded all rights and privileges to contest any purported violation or sanctions before WECC, NERC, the Federal Energy Regulatory Commission or any court of competent jurisdiction, which rights and privileges to contest any violation or sanction would be available to Transmission Owner if the act(s) constituting the purported violation had been taken by Transmission Owner.

**2.5 Publication.** Interconnection Customer consents to the release by the WECC of information related to Interconnection Customer's compliance with this Agreement only in accordance with the WECC Reliability Criteria Agreement; provided however that no information will be released until after the final resolution of any dispute or challenge to any alleged compliance violation.

**2.6 Third Parties.** Except for the rights and obligations between the WECC and Interconnection Customer specified in this Attachment 4, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WECC: (a) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (b) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary under this Attachment 4, of the WECC against Interconnection Customer, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Transmission Owner and Interconnection Customer expressly intend that the WECC is a third-party beneficiary to this Attachment 4, and the WECC shall have the right to seek to enforce against Interconnection Customer any provision of this Attachment 4 provided that specific performance shall be the sole remedy available to the WECC pursuant to Attachment 4 of this Agreement, and Interconnection Customer shall not be liable to the WECC pursuant to this Agreement

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for damages of any kind whatsoever (other than the payment of sanctions to the WECC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.

**2.7 Reserved Rights.** Nothing in the RMS or the WECC Reliability Criteria Agreement shall affect the right of Transmission Owner, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, that Transmission Owner may otherwise be entitled to take.

**2.8** [Intentionally left blank]

**2.9 Termination.** Interconnection Customer may terminate its obligations pursuant to this Attachment 4 at any time for any reason upon written notice.

**2.10 Mutual Agreement.** This Attachment 4 may be amended or terminated at any time by mutual agreement of Transmission Owner and Interconnection Customer.

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## Attachment 5

### Reactive Power Requirements

Idaho Power will determine the reactive power required to be supplied by the Company to the Seller, based upon information provided by the Seller. The Company will specify the equipment required on the Company's system to meet the Facility's reactive power requirements. These specifications will include but not be limited to equipment specifications, equipment location, Company-provided equipment, Seller provided equipment, and all costs associated with the equipment, design and installation of the Company-provided equipment. The equipment specifications and requirements will become an integral part of this Agreement. The Company-owned equipment will be maintained by the Company, with total cost of purchase, installation, operation, and maintenance, including administrative cost to be reimbursed to the Company by the Seller. Payment of these costs will be in accordance with Schedule 72 and the total reactive power cost will be included in the calculation of the Monthly Operation and Maintenance Charges specified in Schedule 72.

### **Parallel Operations Obligations**

#### **Interconnection Requirements for a Wind Generating Plant**

##### **A. Technical Standards Applicable to a Wind Generating Plant**

##### **i. Low Voltage Ride-Through (LVRT) Capability**

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

##### **Transition Period LVRT Standard**

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 — 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the

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location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the OATT LGIA Appendix G LVRT Standard are exempt from meeting the LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the LVRT Standard.

#### Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 — 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to pre-fault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment.

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Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this agreement, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability 606 (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

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Tess Park, Manager, Grid Operations

Effective Date: \_\_\_\_\_ Issued on: \_\_\_\_\_

Attachment 6

Company's Description of Upgrades Required to Integrate the Generation Facility and Best Estimate of Upgrade Costs

As provided in Schedule 72 this Attachment describes Upgrades, including best work upgrades, and provides an itemized best estimate of the cost of the Upgrades.

**Interconnection Customer Construction Responsibility and Transfer of Ownership**

**1. Interconnection Facilities:**

(a) Interconnection Customer's Interconnection Facilities:

(b) Transmission Owner's Interconnection Facilities:

**2. Network Upgrades**

(a) Substation

(b) Transmission Line

(c) System Protection:

(d) Telecommunications

(e) Capacitors

**3. Local Station Service:**

**4. Repayment of Transmission Credits for Network Upgrades:**

(a) Reimbursable Costs

(b) Reimbursable Cost Repayment

**5. Cooperation and Reasonable Efforts.**

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Tess Park, Manager, Grid Operations

Effective Date: \_\_\_\_\_

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Attachment 6 -Exhibit 1

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Tess Park, Manager, Grid Operations

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Attachment 1  
Exhibit 4

**Major Facility List**

Part A:

Installed by Interconnection Customer

**1. Interconnection Facilities**

- a) Interconnection Customer's Interconnection Facilities
  - describe \$ \_\_\_\_\_
- b) Transmission Owner's Interconnection Facilities:
  - describe \$ \_\_\_\_\_
  - **Total** \$ \_\_\_\_\_

**2. Network Upgrades:**

- a) describe \$ \_\_\_\_\_

Part B:

Installed by Transmission Owner

- a) Describe \$ \_\_\_\_\_
- b)

