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 IDAHO PUBLIC
 UTILITIES COMMISSION

Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
 OF IDAHO POWER COMPANY FOR A) CASE NO. IPC-E-10-61
 DETERMINATION REGARDING A FIRM)
 ENERGY SALES AGREEMENT) AFFIDAVIT OF RANDY ALLPHIN
 BETWEEN IDAHO POWER AND) IN SUPPORT OF IDAHO POWER
 GROUSE CREEK WIND PARK, LLC) COMPANY'S MEMORANDUM ON
) REMAND
)

IN THE MATTER OF THE APPLICATION)
 OF IDAHO POWER COMPANY FOR A) CASE NO. IPC-E-10-62
 DETERMINATION REGARDING A FIRM)
 ENERGY SALES AGREEMENT) AFFIDAVIT OF RANDY ALLPHIN
 BETWEEN IDAHO POWER AND) IN SUPPORT OF IDAHO POWER
 GROUSE CREEK WIND PARK II, LLC) COMPANY'S MEMORANDUM ON
) REMAND
)

STATE OF IDAHO)
) ss.
 County of Ada)

I, Randy Allphin, do declare the following and if called to testify, would and could competently testify thereto:

1. I am over the age of eighteen and I am the Senior Energy Contract Coordinator at Idaho Power Company ("Idaho Power" or "Company"). I have been employed by Idaho Power for approximately 30 years, and dealing with Public Utility Regulatory Policies Act of 1978 ("PURPA") power purchases for 26 of those years.

2. My primary responsibilities include daily administration of existing and the negotiation of new PURPA and other renewable energy contracts.

3. I negotiated the Power Purchase Agreements with Grouse Creek Wind Park, LLC, and Grouse Creek Wind Park II, LLC ("Grouse Creek" or "Project") with the project developer, Wasatch Wind, for its proposed PURPA qualifying facilities ("QF").

4. Attached hereto as Attachment No. 1 is a listing of many of the e-mail communications and some letters that were exchanged between Idaho Power and representatives of Wasatch Wind. This list does not include the phone calls and other conversations that took place with regard to Wasatch Wind and its proposed PURPA projects.

5. Wasatch Wind first contacted Idaho Power inquiring as to a potential PURPA project ranging from 10 average megawatts ("aMW") to 80 megawatts ("MW") on February 26, 2010, by Christine Mikell. Attached hereto as Attachment No. 2 are several of the initial e-mail exchanges between myself and Ms. Mikell from February 26 through March 3, 2010, regarding this initial inquiry and Idaho Power's initial response. The Project was informed at this time that, among other things, because it was an off-system QF, sufficient information regarding delivery of its output to Idaho Power's system would need to be provided.

6. Attached hereto as Attachment No. 3 are several communications from April and May 2010, again between myself and Ms. Mikell. These communications show that the Project continued to change its configuration, inquiring as to a 60 MW project. As the proposed project was over 10 aMW, pricing was to be calculated pursuant to the Integrated Resource Plan ("IRP") methodology. As such, Idaho Power needed one year's worth of hourly generation data from the Project in order to calculate pricing in the IRP model. Some of these communications concerned the data to be submitted by the Project, and notification that the data from the Project appeared to contain errors.

7. Attached hereto as Attachment No. 4 are several communications from the month of June 2010. Many of these communications relate to the letter of understanding and transmission questionnaire that is required to enable Idaho Power's merchant business unit to make a transmission service request ("TSR") to the Company's transmission business unit to establish sufficient transmission capacity on Idaho Power's system to designate the Project's output as a network resource to serve load on Idaho Power's system. Also included is a June 2 communication where Idaho Power forwarded initial indicative pricing to the Project based upon the run of the IRP avoided cost methodology. On June 24, the Project provided a Bonneville Power Administration ("BPA") feasibility study for a 150 MW project, and advised that it was having complications with golden eagle nests near the Project site, and wished to now change configurations and discuss a single 10 aMW project, and possibly another at a later date. There are some follow-up communications from Idaho Power providing information on the published rate process.

8. Attached hereto as Attachment No. 5 are several communications between Idaho and the Project from the month of July 2010. The Project submitted information regarding various configurations, turbines, and transmission arrangements. Idaho Power continued to try and clarify information from the Project with respect to the TSR.

9. Attached hereto as Attachment No. 6 are communications from the month of August showing further dialogue regarding clarification as to the project configuration, the number of proposed projects, accuracy of the data, and the requirements of 10 aMW and one-mile separation.

10. Attached hereto as Attachment No. 7 are two letters from Peter Richardson, counsel for the Project, dated October 1, 2010, for Grouse Creek Wind and Grouse Creek Wind II, respectively. These letters request PPAs, provides information, objects to the posting of security required by the contracts, changes the project from 30 MW to 21 MW, and requests revision of the TSR from 30 MW to 21 MW, among other things.

11. Attached hereto as Attachment No. 8 are November 1 letters from Idaho Power to Mr. Richardson, responding to his October 1 letter and pointing out several of the open items remaining with the various proposed projects. Also forwarded with these letters were copies of: Network Resource Integration Study Agreements, Transmission Capacity Application Questionnaires, and Draft Firm Energy Sales Agreements.

12. Attached hereto as Attachment No. 9 is a November 4 e-mail from myself to Mr. Richardson advising that the submitted TSRs were rejected because the information provided by the Project did not sync up with the Project's transmission

requests on BPA's system. The communication asks for updated transmission information from the Project that was needed to proceed with the TSRs, and advised of the need for ancillary services. Also included in Attachment No. 9 is a November 24 letter from Donovan Walker to Mr. Richardson confirming a prior letter and meeting between the Project and Idaho Power, and summarizing the current status of negotiations as to some of the previously contested terms and conditions. Also attached in Attachment No. 9 is a November 29 e-mail from Mr. Richardson to Kris Sasser, counsel for the Idaho Public Utilities Commission ("Commission") Staff regarding Grouse Creek's Complaints.

13. Attached hereto as Attachment No. 10 is a December 2 letter from Mr. Richardson forwarding Draft Firm Energy Sales Agreements ("FESA") containing the Projects' mark-up and provision of Project information into the Draft FESA.

14. On December 6, Idaho Power received a revised Transmission Questionnaire from the Projects containing corrected information for re-submission of the TSRs, which was forwarded to Idaho Power transmission on the same day.

15. Attached hereto as Attachment No. 11 is a December 7, 1:50 p.m. e-mail and letter from me to Mr. Richardson acknowledging receipt of the December 2 mark-up of the Draft FESA from the Project, the December 6 updated transmission information, and reviewing/confirming the negotiations and status of moving the Projects towards final agreements.

16. Attached hereto as Attachment No. 12 is a December 7, 7:49 p.m. e-mail communication to Mr. Richardson forwarding updated Draft FESAs for the Projects, incorporating the information provided by the Projects, and working toward executable

versions of the FESAs. This communication also notifies the Projects of missing information from the Projects necessary to confirm the required one-mile separation between the Projects and necessary to complete the Draft FESAs. Also on December 7, Idaho Power began the internal review process on the Draft FESAs, even though they were not yet complete, nor accepted by the Projects, so as not to unduly impede the ultimate execution of the FESAs once accepted by the Projects, since the December 14, 2010, date previously set by the Commission as the effective date for the reduction in the published rate eligibility cap to 100 kilowatts was drawing near. Also attached in Attachment No. 12 is a December 9 e-mail from Mr. Richardson confirming the Projects' agreement to the security provisions of the contract and requesting a change in the Scheduled First Energy Dates as well as the Scheduled Operation Dates.

17. Attached hereto as Attachment No. 13 is a December 14 e-mail from Idaho Power to Mr. Richardson requesting that the Projects provide missing necessary information required for completion of the Draft FESAs. This information included naming the proper transmission entity, as previous communication had indicated at different times both BPA and PacifiCorp, and requested again that the Project provide a complete location designation, which is necessary to establish the proper one-mile separation and legal description of the Projects' location.

18. Attached hereto as Attachment No. 14 is a December 15 e-mail from Idaho Power to Mr. Richardson confirming Idaho Power's receipt and acceptance of the Projects' revised First Energy and Scheduled Operation dates, and indicating the same would be incorporated into the final Draft FESAs. This communication also reiterates Idaho Power's December 14 request from the previous day for additional required

information regarding the Transmitting Entity and completion of the location description for the Projects. The Projects were informed that this information was required to continue processing the proposed agreements. Also attached in Attachment No. 14 is a December 15 response from Mr. Richardson's office responding to Idaho Power's requests for completed information.

19. Attached hereto as Attachment No. 15 is an e-mail communication between Idaho Power and Greg Adams from Mr. Richardson's office. This communication contains a December 15 request from Idaho Power to confirm that the Schedule First Energy and Scheduled Operation Dates, as well as the location description for the Projects, were correct. This information was confirmed on December 16, at 8:19 a.m. by Mr. Adams. Also included in Attachment No. 15 is a December 16, 9:53 a.m. communication from Idaho Power that final Draft FESAs are completed, and ready for the Projects' review. The e-mail asks if they prefer to pick up the hard copies at Idaho Power, or if they wish for the Draft FESAs to be placed in the mail. Mr. Adams responded that he would pick up the Agreements.

20. After the Projects picked up final Draft FESAs for their review on December 16, 2010, the Projects signed the FESAs on December 21, thereby committing the Projects to sell their output to Idaho Power pursuant to the negotiated terms and conditions contained in those Agreements. The Projects signed the FESAs on December 21, 2010, and sent them back to Idaho Power via overnight delivery. Idaho Power completed its final review, approval, and required Sarbanes-Oxley review process and signed the Agreements on December 28, 2010. On December 29, Idaho Power filed the executed FESAs with the Commission for its review.

21. Idaho Power negotiated in good faith with Grouse Creek, diligently responded to the Projects' requests, and made every effort to work in good faith with the Projects through several different iterations of the Projects' own development and configurations. Idaho Power not only did not delay the Projects but actually went to extra efforts seeking necessary information from the Projects in an attempt to move the draft agreements forward prior to December 14, 2010. It was the Projects' own failure to provide complete and accurate information that delayed their own review of the Agreements until after the December 14, 2010, date had passed. Grouse Creek did not commit itself to sell its output to Idaho Power until December 21, 2010, after it reviewed the final draft Agreements and executed them.

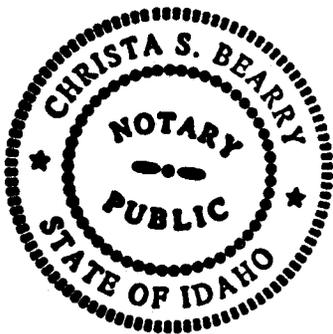
I declare under penalty of perjury of the laws of the state of Idaho that the foregoing is true and correct.

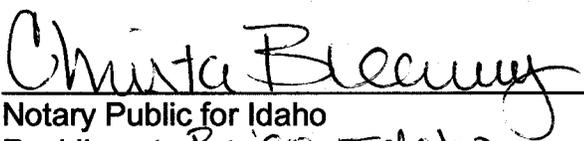
DATED this 6th day of February 2012.



RANDY C. ALLPHIN

SUBSCRIBED AND SWORN to before me this 6th day of February 2012.





Notary Public for Idaho
Residing at: Boise, Idaho
My commission expires: 02/04/2015

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 6th day of February 2012 I served a true and correct copy of the AFFIDAVIT OF RANDY ALLPHIN IN SUPPORT OF IDAHO POWER COMPANY'S MEMORANDUM ON REMAND upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

Kristine Sasser
Deputy Attorney General
Idaho Public Utilities Commission
472 West Washington (83702)
P.O. Box 83720
Boise, Idaho 83720-0074

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email Kris.Sasser@puc.idaho.gov

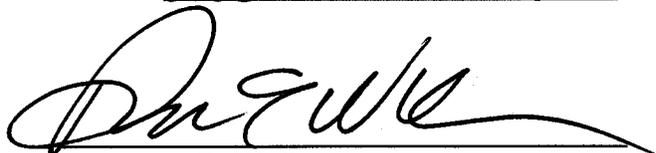
Grouse Creek Wind Park, LLCs

Brett Woodard
Wasatch Wind Intermountain, LLC
2700 Homestead Road, Suite 210
Park City, Utah 84098

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email bwoodard@wasatchwind.com

Peter J. Richardson
Gregory M. Adams
RICHARDSON & O'LEARY, PLLC
515 North 27th Street (83702)
P.O. Box 7218
Boise, Idaho 83707

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email peter@richardsonandoleary.com
greg@richardsonandoleary.com



Donovan E. Walker

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 1

Communication	Date	From	To
e-mail	Fri Feb 26, 2010	Christine Mikell	Randy Allphin
			Wastach wind requesting a wind PURPA project from 10 MW upto 80 MW
e-mail	Tue Mar 2, 2010	Randy Allphin	Christine Mikell
			Idaho Power response asking for clarification and went through issues with off system project (raft river interconnection, bpa transmission, Idaho Power transmission, only be able to execute a PPA once these interconnection issues resolved).
e-mail	Wed Mar 3, 2010	Randy Allphin	Christine Mikell
			Notified project of Idaho Power transmission processing timeline
e-mail	Wed Mar 3, 2010	Christine Mikell	Randy Allphin
			Project asked questions about pricing for a 60 MW project.
e-mail	Wed Mar 3, 2010	Randy Allphin	Christine Mikell
			Idaho Power provided QF process requirements
e-mail	Wed Mar 3, 2010	Christine Mikell	Randy Allphin
			Project questions on avoided costs for 10aMW project
e-mail	Wed Mar 3, 2010	Randy Allphin	Christine Mikell
			Clarified wind integration charge, also directed the project to IPUC website to see copies of filed contracts
e-mail	Thu Apr 22, 2010	Christine Mikell	Randy Allphin
			Project provided generation profile for a 2.5 MW clipper turbine
e-mail	Thu Apr 22, 2010	Randy Allphin	Christine Mikell
			Additional e-mails trying to get data in proper form.
e-mail	Wed May 5, 2010	Christine Mikell	Randy Allphin
			Project requested update on Idaho Power pricing models
e-mail	Thu May 13, 2010	Randy Allphin	Christine Mikell
			Idaho Power notified project that data provided was not good, it showed generation in every hour.
e-mail	Fri May 14, 2010	Christine Mikell	Randy Allphin
			Project responded with full output data for entire wind farm, still generation in every day. Proposed project now 65 MW
e-mail	Wed May 19, 2010	Christine Mikell	Randy Allphin
			Project still working on getting estimated online date, also asked about another project near Jim Bridger.
e-mail	Wed May 19, 2010	Randy Allphin	Christine Mikell
			Responded to Christine email - Jim Bridger question, RFPs etc
e-mail	Tue Jun 1, 2010	Christine Mikell	Randy Allphin
			Christine looking for indicative pricing.
e-mail	Wed Jun 2, 2010	Randy Allphin	Christine Mikell
			Randy provided indicative pricing, also reminded project they must complete letter of understanding for us to being TSR process.
e-mail	Wed Jun 16, 2010	Christine Mikell	Randy Allphin
			Project still filling in information on form Idaho Power sent on June 2nd

e-mail	Thu Jun 17, 2010	Christine Mikell	Randy Allphin	Randy Allphin	Letter of understanding signed by project and returned (Letter sent to the Project on March 12, 2010), information indicates a 69 MW project, online Dec 2011.
e-mail	Wed Jun 23, 2010	Randy Allphin	Christine Mikell	Christine Mikell	advised project that we needed confirmed BPA transmission agreement or at the minimum additional information on the BPA transmission availability.
e-mail	Thu Jun 24, 2010	Christine Mikell	Randy Allphin	Randy Allphin	Project provided copy of BPA feasibility study for a 150 MW project, appears to be for interconnection. Also advised would need to change from one large project to a single 21 MW project and would maybe request a second project later.
e-mail	Fri Jun 25, 2010	Randy Allphin	Christine Mikell	Christine Mikell	advised project of 10 aMW pricing and more information for transmission issues
e-mail	Mon Jun 28, 2010	Christine Mikell	Randy Allphin	Randy Allphin	Looking for a sample 10 aMW contract
e-mail	Tue Jun 29, 2010	Randy Allphin	Christine Mikell	Christine Mikell	Advised need more information for drafts.
e-mail	Wed Jul 14, 2010	Christine Mikell	Randy Allphin	Randy Allphin	Request from project for two 10 aMW projects, Grouse Creek I nameplate of 30 MW, II nameplate of 21 MW.
e-mail	Wed Jul 21, 2010	Randy Allphin	Christine Mikell	Christine Mikell	sent project information on TSR process, issue with needing BPA transmission confirmation now at different project sizes then all previous requests.
e-mail	Wed Jul 21, 2010	Christine Mikell	Randy Allphin	Randy Allphin	confirmation and questions about timelines for studies.
e-mail	Mon Aug 2, 2010	Randy Allphin	Christine Mikell	Christine Mikell	asking for clarification if project is 21 MW or 30 MW
e-mail	Mon Aug 2, 2010	Randy Allphin	Christine Mikell	Christine Mikell	Randy asking questions about qualifications - previous data indicated a 40% capacity factor, therefore may not be eligible for a 10 aMW contract, separate QF's (1 mile), other information provided indicates a single 51 MW project (same project location, same interconnection, same BPA transmission request, etc)
e-mail	Mon Aug 2, 2010	Christine Mikell	Randy Allphin	Randy Allphin	Christine advised they had 1 mile separation.
e-mail	Mon Aug 2, 2010	Randy Allphin	Christine Mikell	Christine Mikell	Idaho Power advised, based on previous info 30 MW nameplate at 40% capacity factor would not qualify for a 10aMW contract. Is data correct? Which project do you filed in the TSR process first?
e-mail	8/3/2010 - 8/11/2010	Randy Allphin	Christine Mikell	Christine Mikell	tried to schedule phone call with the project
e-mail	Tue Aug 17, 2010	Christine Mikell	Randy Allphin	Randy Allphin	formal request for two projects, generation limiters will be installed to limit production to 10 aMW per month, online date estimated to be dec 2012. New TSR applications sent in Grouse creek I - 30 MW, II - 21 MW

E-mail and letter	Fri Oct 1, 2010	From Greg Adams signed by Peter Richardson	Randy Allphin	Grouse Creek I letter - 21 MW project, references Grouse Creek II. Objects to the \$45 security Notes that the original request was for 30 MW, this letter revises to 21 MW. Also requested revision of the previously provided TSR from 30 to 21 MW
E-mail and letter	Fri Oct 1, 2010	From Greg Adams signed by Peter Richardson	Randy Allphin	Same letter only for Grouse Creek II
Letter	Mon Nov 1, 2010	Randy Allphin	Peter Richardson	Letter for Grouse I, II and the two Sweeney projects. Idaho power disagrees with their claims. Agree to standard terms of the Sawtooth wind contract, this contract substantially different (on system etc) also contains delay damages that Grouse Creek objects to. Discussion about confusion on project sizes, Sweeney ranch still in play, etc.
E-mail	Thu Nov 4, 2010	Randy Allphin	Peter Richardson	advised Peter of the issues of the transmission request - TSR application was rejected as project information was 12/1/2012 online date, BPA transmission is set for June 2013, BPA transmission indicates a 21 MW and a 30 MW Project, last information to Idaho power was for two 21 MW projects. Advised the project to provide new transmission information that is consistent with the BPA information and I would wait to file a new TSR until I had received that revised information. Also advised that the project would need to acquire ancillary services from someone other than Idaho Power as these project are not in Idaho Power service territory.
	Fri Nov 5, 2010	Idaho Power		Joint Utility Filing at IPUC
	Mon Nov 8, 2010	Grouse Creek		Complaint filed at IPUC
Letter	Wed Nov 24, 2010	Donovan Walker	Peter Richardson	letter putting projects on notice that they were requesting to move forward with at PPA prior to the interconnection / transmission issues and costs being known
E-mail	Mon Nov 29, 2010	Peter Richardson	To Kriss Sasser, Idaho Power copied	Requested IPUC staff to not issue summons to Idaho power as they "tentatively reached a settlement with Idaho Power" and final settlement should be in two or three weeks.
E-mail and letter	Thu Dec 2, 2010	From Greg Adams signed by Peter Richardson	Donovan Walker	Acknowledged Donovan's letter of Nov 24, asked for TSR confirmation for two 21 MW projects, first energy dates of Dec 2012. They are ready to sign, but understand our need for additional review, they enclosed their copies of the contracts (note the contract copies now show PacifiCorp as the transmission provider?)
	Mon Dec 6, 2010		Michael Darrington	Received revised Transmission Questionnaire
E-mail	Tue Dec 7, 2010	Randy Allphin	Peter Richardson	Draft contracts sent to Peter, advised them that the draft agreements provided by the project had a lot of formatting, font and other issues, required that we create new draft agreements. Advised we still needed accurate location information as the project provided drafts had identical locations for both projects.
	Tue Dec 7, 2010	Randy Allphin		Idaho Power internal review of draft contract begun
E-mail	Thu Dec 9, 2010	Peter Richardson	Randy and Donovan	Grouse Creek agrees to the delay provisions, but asking to change the first energy and operation dates. From 12/12 and 6/13 to 6/13 and 12/13
E-mail	Tue Dec 14, 2010	Michael Darrington	Peter Richardson	requested additional information to complete the contracts, transmission entity, location descriptions

E-mail	Wed Dec 15, 2010	Randy Allphin	Peter Richardson	Randy confirmed the change in dates requested by Peter in 12/9 e-mail and asked to provide the information Michael had requested.
E-mail	Wed Dec 15, 2010	Greg Adams	Randy, Michael and Donovan	Greg provided location descriptions and transmission provider name being BPA.
E-mail	Thu Dec 16, 2010	Michael Darrington	Greg Adams	Michael requested verification of the dates as Greg had not provided the actual day in his previous response. As delay damages are based on actual days, the day information is very important. Dec 1 vs Dec 31 can make a very big difference.
E-mail	Thu Dec 16, 2010	Randy Allphin	Greg Adams	Notified the project contracts were ready for signature asked if they wanted us to mail them or if they would pick them up.
E-mail	Thu Dec 16, 2010	Greg Adams	Randy and Micheal	Greg advised they would pick them up at noon.
	Tue Dec 21, 2010			Contract signed by the project
	Tue Dec 21, 2010			contracts sent back to Idaho Power via overnight delivery
	Tue Dec 28, 2010			Contract signed by Idaho Power
	Wed Dec 29, 2010			Contract filed at IPUC

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 2

Allphin, Randy

From: Allphin, Randy
Sent: Wednesday, March 03, 2010 12:24 PM
To: 'Christine Mikell'
Subject: RE: sample PPA, interconnectin and transmission capacity process

Yes, there is a deduction from the avoided cost for wind projects as well as the price in seasonalized and adjusted for Heavy load and light load hours.

If you follow this link to the Idaho Public Utility Commission website, it is a wind contract that was filed and approved in 2009. This will provide you the general concepts that would be in a potential contract for your project.

The prices will need to be adjusted to prices approved by the IPUC at the time an agreement is executed as well as any other current rules and regulations will need to be included in any agreement we were to enter into.

<http://www.puc.idaho.gov/internet/cases/elec/IPC/IPCE0925/20090911APPLICATION.PDF>

Randy

From: Christine Mikell [mailto:christine@wasatchwind.com]
Sent: Wednesday, March 03, 2010 11:49 AM
To: Allphin, Randy
Subject: RE: sample PPA, interconnectin and transmission capacity process

I hate to do this, but I have another, hopefully last question. Is there a balancing charge on all QF's or just the 10 A MW projects? We are having an internal debate and clearly subtracting out the \$5 /MW from the PPA rate is significant.

Thanks.

From: Allphin, Randy [mailto:RAIphin@idahopower.com]
Sent: Wednesday, March 03, 2010 10:52 AM
To: Christine Mikell
Subject: sample PPA, interconnectin and transmission capacity process

Christine – copied below is the generic language that I put in letters to potential PURPA projects that are wanting contracts with Idaho Power. As your project is off of the Idaho Power system, added steps to deal with the interconnection and transmission provider(s) arrangements would need to be added to this letter for your specific project.

In thinking through the process, I envision that at the point you provide confirmation of the IA and BPA transmission I would put an official letter together for you with this information, requests and requirements.

This e-mail is for generic information purposes only, it is not a commitment by Idaho Power to purchase energy from this project, or is it to be considered to be official notification of a specific process.

Randy

XXXXXXX,

Summarized below is a brief outline of the purchase power agreement, interconnection process and transmission capacity requirements for your proposed generation project.

Purchase Power Agreement

The project you have described appears to be eligible for a purchase power agreement under the guidelines for a Qualifying Facility as defined by the Public Utilities Regulatory Policies Act of 1978 (PURPA). At the time you are ready to proceed with a purchase power agreement for this project, Idaho Power will prepare a purchase power agreement that complies with the current rules and regulations that govern these PURPA agreements, any draft purchase power agreements previously provided to you for review must be updated to include current rules and regulations.

Prior to Idaho Power executing a purchase power agreement it will be required that you have:

- 1.) Provided documentation that substantiates that the project has filed for interconnection and is in compliance with any payments and/or other requirements specified in the Interconnection process for this project and;

- 2.) Received and accepted an interconnection feasibility study for this project and;
- 3.) Returned a signed copy of this letter of understanding and all of the required information to enable Idaho Power to file an application requesting transmission capacity for this project. Completion of the enclosed Transmission Capacity Application Questionnaire will provide the majority of this information and;
- 4.) Confirmation that the results of the initial transmission capacity application are known and the project accepts these results and intends to continue with the development of the project including, if applicable, execution of a Network Resource Integration Study Agreement in the form enclosed herein.

Interconnection and Transmission Capacity

Your project will be responsible for all costs of physically interconnecting the project to the Idaho Power electrical system and any costs associated with acquiring adequate firm transmission capacity on the Idaho Power transmission system to enable the project's energy to be delivered to Idaho Power customers.

Interconnection

Your project will be required to complete the interconnection process and execute a Generation Interconnection Agreement ("GIA").

Transmission Capacity

To sell your project's energy to Idaho Power, your project must be designated as a Network Resource ("DNR").

In order for this project to achieve DNR status, Idaho Power is required to make a request (complete and file an application) and be granted firm transmission capacity from the Idaho Power delivery business unit ("Delivery") to move your project's energy from the physical interconnection point to Idaho Power customers. In accordance with various rules and regulations, the project must be granted DNR status no later than 60 days prior to the project delivering any energy to Idaho Power.

Idaho Power will begin this firm transmission capacity application process only after the project has returned a signed copy of this letter of understanding and all of the information required for Idaho Power to file this application (see attached Transmission Capacity Application Questionnaire).

After filing a complete firm transmission capacity application with Delivery, Idaho Power will receive notification back from Delivery within 30 days that: (a) adequate transmission capacity is available for this project without the need to construct upgrades; or (b) a transmission capacity system impact study is required to determine the available transmission capacity and/or required upgrades; or (c) a statement of the required transmission upgrades and the associated costs. Idaho Power will notify the project of this response to the transmission capacity application in a timely manner after the response is received from Delivery.

If the response from Delivery is as specified in item (a) (transmission capacity is available), the project will be required to execute a purchase power agreement with Idaho Power within 30 days in order to retain this transmission capacity reservation.

If the response from Delivery is as specified in items (b) or (c) (studies required and/or upgrades required), the project will be required to execute a Network Resource Integration Study Agreement (sample copy attached for your information) and submit all required deposits or fees within 15 days after receiving notification of this requirement in order for Idaho Power to continue the transmission capacity request. This Network Resource Integration Study Agreement will specify that the project will

be responsible for costs incurred by Idaho Power to perform any required studies. If, after the studies are concluded the project wishes to continue the pursuit of transmission capacity, the project will also be responsible for all transmission system upgrade costs identified within the studies. The fees and costs will be in the form of both initial deposits as well as actual costs. If at any time after executing the Network Resource Integration Study Agreement the project does not pay any required fees, or elects to stop the transmission study or upgrade process, the project shall be responsible for all costs incurred by Idaho Power in performing the studies or upgrades up to the point of termination of the Network Resource Integration Study Agreement.

Upon successful completion of the above described transmission capacity upgrade process, a transmission capacity reservation will exist for this project. However, in order to finalize this transmission capacity reservation, a purchase power agreement with Idaho Power must be executed no later than 30 days after the transmission capacity upgrades are completed. If the purchase power agreement is not executed by this deadline, the transmission capacity reservation will be released and this process will have to be repeated if the project later requests transmission capacity.

As noted earlier, this transmission capacity acquisition and associated Network Resource designation must be completed, at the minimum, 60 days prior to the project delivering any energy to Idaho Power. In addition, the project must provide routine updates to Idaho Power of the expected online date of the generation project to ensure Idaho Power is capable of accepting the energy from the project on the actual date the project comes online.

From: Christine Mikell [mailto:christine@wasatchwind.com]
Sent: Wednesday, March 03, 2010 9:19 AM
To: Allphin, Randy
Subject: RE: QF contract request

Hi Randy,

Thanks for your quick response. As a follow-up (I also left you a VM), if we were to pursue a 60 MW QF project, how is the pricing determined? Is it based on natural gas or coal avoided cost? Is there a range that you have been dealing with lately. The CFO and I have been going back and forth about this—I think that the QF pricing would be north of \$71/MW and he thinks it is significantly less.

Also, the pricing, is it levelized and is there a component of time of day pricing?

Thanks,
Christine

From: Allphin, Randy [mailto:RAllphin@idahopower.com]
Sent: Wednesday, March 03, 2010 8:42 AM
To: Christine Mikell
Subject: RE: QF contract request

Christine,

I received word back from the transmission group on timelines in regards to notification to transmission capacity application filings.

They advised that they are required to provide an initial response to an application within 30 days of receiving the "complete" application (if information is missing, etc the 30 days does not start until all required information is submitted). This initial response will be in the form that transmission capacity is available or that it is not available and additional studies are required. The applicant then has 15 days to act on the response received from the transmission

group in order to retain the status (que position) of the initial request. I am not sure how many days they have to complete any required studies.

Randy

From: Allphin, Randy
Sent: Wednesday, March 03, 2010 7:03 AM
To: 'Christine Mikell'
Subject: RE: QF contract request

Christine, I am around all day today (Wednesday).

Idaho Power transmission – we can get the application filed within a couple weeks of when you supply all of the required information and confirmation of the IA and BPA transmission. As far as how long it takes to get a response back from our transmission group, they have some strict FERC guidelines they must adhere to and I believe they have 60 days to respond to the application. Their response to the application may very well be that they must perform system impact studies to determine if there is transmission. If this is the case, then more time is needed to get transmission answers.

I will double check on these time lines and get back to you this morning.

Project size – if it is determined that you are simply splitting up a single larger project into two smaller projects to take advantage of the 10 average MW pricing, Idaho Power will most likely not agree to sign these agreements as we believe this is truly not the intent of this 10 average MW designation and is actually “gaming” the process. You will be welcome to take your case to the commission and we would then both abide by their ruling.

Randy

From: Christine Mikell [mailto:christine@wasatchwind.com]
Sent: Tuesday, March 02, 2010 4:36 PM
To: Allphin, Randy
Subject: RE: QF contract request

Answers below in black. So, if we can get the Transmission secured and the IA signed by the end of the week, do you think that Idaho Power could confirm transmission in the next two weeks. In the meantime, would you be able to supply us with the PPA so we can work with our investor to post the project development security?

Thanks.

From: Allphin, Randy [mailto:RAllphin@idahopower.com]
Sent: Tuesday, March 02, 2010 7:44 AM
To: Christine Mikell
Cc: John Aubrecht
Subject: RE: QF contract request

Christine,

Thanks for this information, some details (clarification) I need before I can start sorting out where we go from here –

No question, the fact that your project is not in the Idaho Power service territory creates a lot of complications.

1. Raft River interconnection – you do have a completed interconnection agreement with Raft River or with BPA? No, but it is something we can get in the next two weeks. If so what is the nameplate rating contained within that Interconnection agreement? We are grappling between one 10 Average MW project or two 20 MW projects with a mile separation What is the estimated construction schedule etc of the interconnection? Online date would be 1st quarter 2011
2. BPA transmission – you have not yet actually filed a transmission request with BPA? No Does the BPA process require a non refundable deposit right from the start? I am verifying
3. Project size – ultimately, Idaho Power Power supply will need to request transmission capacity for your project from the Idaho Power transmission group (if you wish to sell your energy to Idaho Power). To do this we will need to know the exact nameplate capacity of your planned project.
 - a. Back to the chicken and egg, I know from past experience that the Idaho Power transmission group (FERC requirements) will require in the application for transmission capacity on the Idaho Power system information that the project has secured interconnection from the host utility (Raft river) and that the project has verified with the transmitting entity(s) (BPA) that firm transmission for the full nameplate rating is available to the Idaho Power interconnection point before they will even accept an application requesting review of available transmission capacity on the Idaho Power system.
4. PPA – Idaho Power will not execute a PPA until the project is able to demonstrate that all three of the above issues are resolved. That is the project does have an interconnection agreement and firm transmission capacity is available and reserved on both the BPA and Idaho Power transmission system to get the energy from the project to Idaho Power customer loads.
 - a. One of the key items in any PPA Idaho Power will sign will be that the project is required to post security of approximately \$45 per KW (nameplate – 10 MW nameplate would equal \$450,000) at the time the contract is signed and if the project does not begin deliveries of energy to Idaho Power within 90 days of the estimated online date, the project will forfeit damages to Idaho Power equal to the \$45 per KW. Delays in interconnection, unavailability of firm transmission, etc are not relief from performance within the agreement. Therefore as you can see, even if Idaho Power were able to sign a PPA prior to having the interconnection and transmission capacity secured, there is tremendous financial risk your project would be exposed to if the interconnection and transmission capacity is not resolved prior to signing a PPA.
 - b. Energy price and potential changes – I have also heard rumors that the commission may possibly be changing the PURPA published avoided cost rates. Idaho Power will have no choice but to adhere to any new orders issued by the commission at the time the orders become effective.

No black and white answers, and I realize the answers to my questions may be in your letter, but I want to be absolutely sure of the answers to these questions before I continue working these issues over with the appropriate experts.

Randy

From: Christine Mikell [mailto:christine@wasatchwind.com]
Sent: Friday, February 26, 2010 5:30 PM
To: Allphin, Randy
Cc: John Aubrecht
Subject: QF contract request

Randy Allphin

Senior Planning Administrator
1221 W Idaho Street
Boise, ID 83702
Tel: (208) 388-2614
rallphin@idahopower.com

Dear Mr. Allphin,

Wasatch Wind Intermountain would like to request that Idaho Power commence Power Purchase Agreement negotiations with our subsidiary, Grouse Creek Wind Park, LLC for either a 10 Average MW or something less than 80 MW Qualifying Facility under PURPA. We believe we have completed the necessary due diligence to move forward with Idaho Power.

The project, in Northwestern Utah on private land, is unique in that we interconnect to a Raft River Electric line that is leased to Bonneville Power Administration. We recently signed the facility study agreement with BPA and expect to have an executed interconnection agreement with Raft River Electric by June. We are currently working with Idaho Power to determine its requirements because they are the balancing authority.

Due to the project's location on private land, there is no requirement for a NEPA analysis. However, WWI has conducted two years of wildlife surveys. We have had two met towers up for about two years. We hold the land lease with the private landowner where the wind farm is located and we are in final negotiations with the landowner where the transmission line will be routed. The military has supported the project as long as the intertie line is under 100 feet.

Having said all this, we understand that in order for you to view our project as serious and tender the Power Purchase Agreement and to make the necessary Network Service request for this Qualifying Facility, Idaho Power needs to be sure that we have the necessary transmission rights secured. BPA has maintained we will be able to make that transmission service request sometime next week. However, as you probably know, when a deposit is made to secure firm point to point transmission and the request is approved, the transmission is binding to WWI through the take or pay contract provision. Per your suggestion, WWI went ahead and confirmed on OASIS to the best of our ability that there is capacity from Minidoka Substation to Treasure Valley for Idaho Power to obtain the Network Service on behalf of our Qualifying Facility. If there truly is available ATC between these two points, we will make our transmission service request.

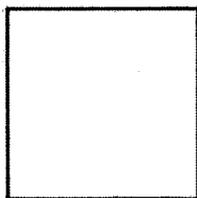
We find ourselves in a chicken and egg dilemma by which, if we are wrong and there is no available ATC, we have firm stranded transmission with no buyer. Here we sit, knowing that the pricing will change downwardly by the end of March and we are desperate to know about the available ATC. We must act quickly, but at the same time we must be prudent. Has this situation occurred during your time in this position? Do you see that Idaho Power would move forward on a network service request on our behalf? Or is the only solution that we make a TSR to Idaho Power between these two points and then if there is capacity, somehow withdraw our request before it is binding?

Any thoughts that you may have would be greatly appreciated.

Kind regards,

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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www.wasatchwind.com



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Randy Allphin
Senior Planning Administrator
1221 W Idaho Street
Boise, ID 83702
Tel: (208) 388-2614
rallphin@idahopower.com

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Any thoughts that you may have would be greatly appreciated.

Kind regards,

Christine Watson Mikell

435-503-8814

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 3

Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Thursday, April 22, 2010 11:54 AM
To: Allphin, Randy
Subject: 12X24 for Grouse Creek QF request
Attachments: Grouse Creek 12X242010__4_22.pdf

Hi Randy,

Attached you will find the 12 X 24 for your pricing model. Let me know if you need an excel version of it.

Thanks,

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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INTERMOUNTAIN

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From: Allphin, Randy [<mailto:RAllphin@idahopower.com>]
Sent: Wednesday, April 21, 2010 2:27 PM
To: Christine Mikell
Subject: RE: sample PPA, interconnectin and transmission capacity process

Thanks for the information, I will get a letter turned around to you.

Last we spoke you were not sure of the project size, if you are settling in on the 57 – 65 mW project I will need to develop energy prices for this project. The published prices apply to only projects that are 10 average MW or smaller.

To enable me to start running the pricing models we will need at minimum estimated monthly energy shape from your project (daily or hourly is even better).

Randy

Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Wednesday, May 05, 2010 3:53 PM
To: Allphin, Randy
Subject: RE: Grouse Creek QF request

Hi Randy,

I wanted to check in to see where we are at with our Grouse Creek QF request. I assume you have all that you need. If you can give me an update, that would be helpful!

Thanks,

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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From: Allphin, Randy [mailto:RAllphin@idahopower.com]
Sent: Wednesday, April 21, 2010 2:27 PM
To: Christine Mikell
Subject: RE: sample PPA, interconnectin and transmission capacity process

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To enable me to start running the pricing models we will need at minimum estimated monthly energy shape from your project (daily or hourly is even better).

Randy

Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Friday, May 14, 2010 9:21 AM
To: Allphin, Randy
Cc: Pagoaga, Richard; John Aubrecht
Subject: RE: Wind generation data
Attachments: Grouse Creek 12X242010__4_22IDPCO 2010_5_13.xlsx

Hi Randy,

Attached is the 12X24 matrix with the total for all turbines. I am not sure how to address your concern about having hours of the days with no winds. We simply took the data from our met towers, correlated it to historical wind data and that 12X24 matrix came out. You will see that in the summer months in some of the hours there is significantly little winds, but at no time over the course of those hours in a month are they zero. I would be happy to walk you through this should you have any questions.

Thanks,
Christine

From: Allphin, Randy [mailto:RAllphin@idahopower.com]
Sent: Thursday, May 13, 2010 3:05 PM
To: Christine Mikell
Cc: Pagoaga, Richard
Subject: Wind generation data

Christine,

As we work through the model to create pricing for your project we have found that the data you previously supplied does not get us the information we need to be able to run the pricing model.

In order to run our model, we need estimated hourly energy deliveries to Idaho Power for each day of at least on full year and for the entire facility. The data you previously supplied appears to be just data for one turbine and also it indicates that the turbine will generate every hour of every day. This does not seem realistic as I assume there will be hours when the wind is not blowing.

If you could please "reply to all" to this e-mail your response and data will also be routed to our team members that are running the model so they can get working on things as soon as it is received

Thanks Randy



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Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Wednesday, May 19, 2010 3:23 PM
To: Allphin, Randy
Subject: update

Hi Randy,

It may take us another week to get you the signed document for Grouse Creek, we need to hone in on a better COD date and get with our consultants to help fill in the paperwork. I hope that is okay. When do you anticipate having the pricing given the fact that we just got you, hopefully, the right data.

On another note, we are preparing to submit an interconnection application to IPCO at a Wyoming wind project of ours to the Jim Bridger Power Plant. I would assume we could work with you on a QF project in Wyoming that interconnects directly into your system and save some of the hassles we have had with our Grouse Creek project? Also, do you believe that ID Power will be putting out any RFP's any time soon for wind? Here is a crazy question, I imagine that you won't be backing down the Jim Bridger plant anytime soon!

Look forward to your answers.

Thanks.

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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Allphin, Randy

From: Allphin, Randy
Sent: Wednesday, May 19, 2010 3:29 PM
To: 'Christine Mikell'
Subject: RE: update

Numbers are crunching on the pricing, hope to have something early next week.

Wyoming – yes we own a share of Jim Bridger and the Bridger transmission lines. However, delivery of energy to Jim Bridger is not considered delivery to our system. May or may not be easier, but we can work our way through things.

I am not aware of any immediate RFPs.

Does not make a lot of sense to back down a clean, base load, inexpensive coal plant. No question we have to consider long term carbon issues, but at least no plans for immediate back downs.

Randy

From: Christine Mikell [<mailto:christine@wasatchwind.com>]
Sent: Wednesday, May 19, 2010 3:23 PM
To: Allphin, Randy
Subject: update

Hi Randy,

It may take us another week to get you the signed document for Grouse Creek, we need to hone in on a better COD date and get with our consultants to help fill in the paperwork. I hope that is okay. When do you anticipate having the pricing given the fact that we just got you, hopefully, the right data.

On another note, we are preparing to submit an interconnection application to IPCO at a Wyoming wind project of ours to the Jim Bridger Power Plant. I would assume we could work with you on a QF project in Wyoming that interconnects directly into your system and save some of the hassles we have had with our Grouse Creek project? Also, do you believe that ID Power will be putting out any RFP's any time soon for wind? Here is a crazy question, I imagine that you won't be backing down the Jim Bridger plant anytime soon!

Look forward to your answers.

Thanks.

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 4

Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Tuesday, June 01, 2010 11:56 AM
To: Allphin, Randy
Subject: any news?

Hey Randy,

Just checking to see when you thought the model would be ready for indicative pricing?

Thanks.

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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Allphin, Randy

From: Allphin, Randy
Sent: Wednesday, June 02, 2010 9:21 AM
To: 'Christine Mikell'
Subject: RE: any news?
Attachments: Wasatch wind Grouse creek porposed project.PDF

Christine,

Attached is a letter with the potential pricing. I am sending the original via US mail.

Randy

From: Christine Mikell [<mailto:christine@wasatchwind.com>]
Sent: Tuesday, June 01, 2010 11:56 AM
To: Allphin, Randy
Subject: any news?

Hey Randy,

Just checking to see when you thought the model would be ready for indicative pricing?

Thanks.

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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June 2, 2010

Randy C. Allphin
Senior Energy Contract Coordinator
Tel: (208) 388-2614
rallphin@idahopower.com

Wasatch Wind
Attn: Christine Watson Mikell
2700 Homestead Road, Suite 210
Park City, UT 84098

Original: U S Mail

E-mail Copy: Christine Mikell - christine@wasatchwind.com

RE: Proposed Grouse Creek Wind Project

Ms. Mikell,

As we have been discussing, there are still some key transmission and interconnection issues that your project will need to work through prior to Idaho Power being able to accept energy from your proposed PURPA project. I have provided you with a Letter of Understanding and associated information that must be completed to enable us to begin the transmission capacity request process.

In addition, a purchase power agreement will need to be agreed to, executed and approved by the Idaho Public Utilities Commission prior to Idaho Power purchasing any energy from your proposed project.

Proposed Energy pricing –

The Idaho Public Utilities Commission has established a very specific process that Idaho Power is required to use to develop a potential energy price to be paid to PURPA projects that are larger than 10 average MW. This process requires that we input the estimated hourly energy from your proposed project into our economic system model (AURORA) to determine the energy pricing that can be offered to your specific project.

In reviewing the generation data you have provided we are finding that the capacity factor appears to be much higher than what we have typically seen for this area. However at this point we

have input the data you have provided into our economic dispatch model (AURORA) and calculated energy prices that would be available for your proposed wind project based on the generation data you provided. Prior to formulizing these energy prices, we will need to do additional review of the estimated generation data you have provided.

The proposed energy pricing is contained in the attached pricing schedule.

Examples of how to read this schedule:

Energy delivered to Idaho Power in March of 2011 -

The price paid for energy delivered during Heavy load hours would be \$34.21 per MWh
The price paid for energy delivered during light load hours would be \$28.86 per MWh.

Energy delivered to Idaho Power in July of 2011 -

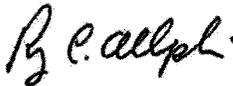
The price paid for energy delivered during Heavy load hours would be \$55.85 per MWh
The price paid for energy delivered during light load hours would be \$47.11 per MWh.

This letter is not a binding commitment from Idaho Power to purchase energy from your project, only after all interconnection and transmission capacity processes have been completed, a purchase power agreement has been executed by both parties and the agreement has been approved by the Idaho Public Utilities Commission will an effective and binding commitment exist.

After your review of this data, if you wish to continue to pursue a PURPA purchase power agreement with Idaho Power, please return the previously provided Letter of Understanding and the information required so that we can begin the transmission capacity review process. It will be required that prior to additional work being done on a potential purchase power agreement the transmission capacity availability and/or required network upgrades be identified and understood.

Please contact me at your convenience with any questions you may have.

Sincerely,



Randy C Allphin
Idaho Power Company

Seasonalization Factors	
Season 1	73.50% (Applied to March, April and May)
Season 2	120.00% (Applied to July, August, November and December)
Season 3	100.00% (Applied to June, September, October, January and February)

Year	Contract Price											
	Energy Pricing				Season 1 Pricing (73.50%)			Season 2 Pricing (120.00%)			Season 3 Pricing (100.00%)	
	Heavy and Light Load Hour		\$7.28		March, April and May			July, August, November and December			June, September, October, January and February	
	Flat	Heavy Load Hour	Light Load Hour	Flat Pricing	Heavy Load Hour Price	Light Load Hour Price	Flat Pricing	Heavy Load Hour Price	Light Load Hour Price	Flat Pricing	Heavy Load Hour Price	Light Load Hour Price
2011	43.30	46.54	39.26	31.83	34.21	28.86	51.96	55.85	47.11	43.30	46.54	39.26
2012	44.08	47.32	40.04	32.40	34.78	29.43	52.90	56.78	48.05	44.08	47.32	40.04
2013	45.30	48.54	41.26	33.30	35.68	30.33	54.36	58.25	49.51	46.30	48.54	41.26
2014	46.54	49.78	42.50	34.21	36.59	31.24	55.85	59.74	51.00	46.54	49.78	42.50
2015	47.83	51.07	43.79	35.16	37.54	32.19	57.40	61.28	52.55	47.83	51.07	43.79
2016	49.14	52.38	45.10	36.12	38.50	33.15	58.97	62.86	54.12	49.14	52.38	45.10
2017	50.49	53.73	46.45	37.11	39.49	34.14	60.59	64.48	55.74	50.49	53.73	46.45
2018	51.88	55.12	47.84	38.13	40.51	35.16	62.26	66.14	57.41	51.88	55.12	47.84
2019	53.31	56.55	49.27	39.18	41.56	36.21	63.97	67.86	59.12	53.31	56.55	49.27
2020	54.78	58.02	50.74	40.26	42.64	37.29	65.74	69.62	60.89	54.78	58.02	50.74
2021	56.29	59.53	52.25	41.37	43.75	38.40	67.55	71.44	62.70	56.29	59.53	52.25
2022	57.84	61.08	53.80	42.51	44.88	39.54	69.41	73.30	64.56	57.84	61.08	53.80
2023	59.43	62.67	55.39	43.68	46.06	40.71	71.32	75.20	66.47	59.43	62.67	55.39
2024	61.06	64.30	57.02	44.88	47.26	41.91	73.27	77.16	68.42	61.06	64.30	57.02
2025	62.74	65.98	58.70	46.11	48.50	43.14	75.29	79.18	70.44	62.74	65.98	58.70
2026	64.47	67.71	60.43	47.39	49.77	44.42	77.36	81.25	72.52	64.47	67.71	60.43
2027	66.24	69.48	62.20	48.69	51.07	45.72	79.49	83.38	74.64	66.24	69.48	62.20
2028	68.07	71.31	64.03	50.03	52.41	47.06	81.68	85.57	76.84	68.07	71.31	64.03
2029	69.94	73.18	65.90	51.41	53.79	48.44	83.93	87.82	79.08	69.94	73.18	65.90
2030	71.87	75.11	67.83	52.82	55.21	49.85	86.24	90.13	81.40	71.87	75.11	67.83
2031												
2032												
2033												
2034												
2035												
2036												
2037												

Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Wednesday, June 16, 2010 5:36 PM
To: Allphin, Randy
Subject: Grouse Creek wind project

Hey Randy,

I am just filling in the last of the information on the form you send June 2nd and anticipate scanning it tomorrow and sending it to you with a hard copy to follow on Friday. Are you around to chat tomorrow? Also, I wonder if it would make sense to meet you in person sometime.

Are you around in a couple of weeks?

Thanks!

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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www.wasatchwind.com



Wasatch Wind
INTERMOUNTAIN

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Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Thursday, June 17, 2010 1:22 PM
To: Allphin, Randy
Subject: Proposed Grouse Creek Wind Project
Attachments: 0197_0001.pdf

Hi Randy,

Attached you will find out letter of understanding. Please let me know if you would like the hardcopy too.

Kind regards,

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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March 12, 2010

Randy C. Alphin
Sr. Energy Contract Coordinator
Tel: (208) 388-2614
rallphin@idahopower.com

Wasatch Wind
Attn: Christine Watson Mikell
2700 Homestead Road, Suite 210
Park City, UT 84098

Original: U S Mail

E-mail Copy: Christine Mikell - christine@wasatchwind.com

RE: Letter of Understanding
Proposed Grouse Creek Wind Project

Christine,

In our conversations and e-mails we have been discussing your proposed Grouse Creek Wind project and the process to sell energy to Idaho Power under a PURPA agreement. The latest discussions have been around the BPA transmission requirements, as it appears we now have a pretty good understanding of the interconnection status and potential BPA solutions we need to put into motion the process of documenting the various requirements, determining Idaho Power transmission system capacity and ultimately begin negotiations of a PURPA purchase power agreement. Much of the process identified in this letter we have already discussed and/or has been provided to you via e-mail.

As your proposed Grouse Creek Wind Project is: a) not within the Idaho Power service territory and b) it will be physically interconnecting to a utility other than Idaho Power ("host utility") and c) will need to arrange for transmission of the project's energy to Idaho Power across the other utilities system and the BPA transmission system ("transmitting entities") creates additional steps and complexities in order for the project to sell energy to Idaho Power under a PURPA agreement.

Summarized below is a brief outline of the purchase power agreement, interconnection process and transmission capacity requirements that are applicable to your proposed generation project. This summary is intended to provide general information and steps required to enable this project to potentially be able to deliver energy to Idaho Power under a potential PURPA agreement. Prior to Idaho Power accepting any energy from this project, a PURPA agreement must be agreed to and executed by both parties and also the Idaho Public Utilities Commission (IPUC) must approve any PURPA agreement executed between the parties prior to it being binding and effective.

Purchase Power Agreement

The project you have described appears to be eligible for a purchase power agreement under the guidelines for a Qualifying Facility as defined by the Public Utilities Regulatory Policies Act of 1978 (PURPA). At the time you are ready to proceed with a purchase power agreement for this project, and the project has completed the requirements specified below Idaho Power will prepare a draft purchase power agreement that complies with the current rules and regulations that govern these PURPA agreements, any draft purchase power agreements previously provided to you for review must be updated to include current rules and regulations.

As we have discussed, as your proposed project is greater than 10 average MW, the published avoided cost energy pricing is not applicable to your project. Instead, there are specific IPUC rules and orders that specify that Idaho Power must calculate a specific energy price for your proposed project by using an economic system dispatch model (AURORA) that Idaho Power uses in its resource planning process. You have previously provided the basic energy shape from your project and we are populating the model with this energy shape and running the model to determine the appropriate energy price.

Prior to Idaho Power executing a purchase power agreement it will be required that you have:

- 1.) Provided documentation that substantiates that the project has filed for interconnection with the host utility and is in compliance with any payments and/or other requirements specified in the interconnection process for this project and;
- 2.) Received and accepted an interconnection feasibility study for this project and;
- 3.) Returned a signed copy of this letter of understanding and all of the required information to enable Idaho Power to file an application requesting transmission capacity on the Idaho Power electrical system for this project. Completion of the enclosed Transmission Capacity Application Questionnaire will provide the majority of this information and;
- 4.) Confirmation that the results of the initial transmission capacity application are known and the project accepts these results and intends to continue with the development of the project including, if applicable, execution of a Network Resource Integration Study Agreement in the form enclosed herein.

Interconnection and Transmission Capacity

Your project will be responsible for all costs of physically interconnecting the project to the host utility and the Idaho Power electrical system and any costs associated with acquiring adequate firm transmission capacity on the Idaho Power transmission system to enable the project's energy to be delivered to Idaho Power customers.

Interconnection

Your project will be required to complete the interconnection process and execute an appropriate interconnection agreement with the host utility. This interconnection agreement will need to be in substantially the same form as Idaho Power's Generation Interconnection Agreement ("GIA").

Transmission Capacity

To sell your project's energy to Idaho Power, your project must be designated as a Network Resource ("DNR").

In order for this project to achieve DNR status,

- a.) The project must acquire firm transmission from all transmitting entities required to deliver the project's maximum capacity rating to a specific physical point of delivery on the Idaho Power electrical system for the full term of the purchase power agreement and;
- b.) Idaho Power is required to make a request (complete and file an application) and be granted firm transmission capacity on the Idaho Power transmission system from the Idaho Power delivery business unit ("Delivery") to move your project's energy from the physical point of delivery to Idaho Power customers and;
- c.) In accordance with various rules and regulations, the project must be granted DNR status no later than 60 days prior to the project delivering any energy to Idaho Power.

Idaho Power will begin this Idaho Power firm transmission capacity application process only after the project has returned a signed copy of this letter of understanding and all of the information required for Idaho Power to file this application requesting firm transmission capacity on the Idaho Power electrical system (see attached Transmission Capacity Application Questionnaire).

After filing a complete firm transmission capacity application with Delivery, Idaho Power will receive notification back from Delivery within 30 days that: (a) adequate transmission capacity is available for this project without the need to construct upgrades; or (b) a transmission capacity system impact study is required to determine the available Idaho Power transmission capacity and/or required upgrades; or (c) a statement of the

Please return all required information to:

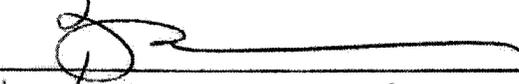
Idaho Power Company
Attn: Randy C. Allphin
P O Box 70
Boise, ID 83707
E-mail: rallphin@idahopower.com

Sincerely,



Randy C Allphin
Idaho Power Company

Understood and accepted this 14th day of June, 2010

Signature 

Print Name Brett Woodard

Title Crown Creek Wild Form Manager



Transmission Capacity Application Questionnaire

This list is the known information requirements as of the date of the letter transmitting this request. If additional information is required, Idaho Power will promptly notify the project developer of the additional information requirements.

- A. Project Name
Grouse Creek Wind Park LLC

- B. Project Location
3 miles northeast of Lynn, Utah

- C. Project Developer
 - Name Wasatch Wind
 - Address 2700 Homestead Rd. Suite 210
 - City / State / Zip Park City, UT 84098
 - Phone Number 435-503-8814
 - E-mail christina@wasatchwind.com

- D. Interconnection "Que" reference number (if not known, please contact the host utility Interconnection group)
GO 326

- E. Evidence of the Project's good standing status in the host utility's interconnection process
Facility study is due to Wasatch by end of June.

- F. Copy of the Interconnection feasibility study and a statement from the project that the project has accepted the results of the interconnection feasibility study and is continuing the process of interconnecting and developing the generation project.

- G. Maximum Capacity (MW) 69

H. Beginning day and time of energy deliveries

Day (mm/dd/yyyy) 12-31-2011

Time 10 am

I. Ending day and time of energy deliveries

Day (mm/dd/yyyy) 12-31-2011

Time 10 am

J. VAR capability (both leading and lagging) of all generators $P_{active} = 2.5 MW$ $PF = 0.95$
 $Apparent\ Power\ (s) = P_{active} / .95 = 2.631\ MVA$, $Q_{reactive} = (S^2 - P^2)^{.5}$

K. Identification of the control area(s) from which the energy will originate
Idaho Power
 $= 1,920 MVar$
 $= 820 kVar$

L. List any periods of restricted operations throughout the year

-

M. Maintenance schedule

-

N. Minimum loading level of each generation unit min consumption = 11.2 kW and
max consumption = 27 kW

O. Normal operating level of each generation unit. Sec 12x24

P. Any must-run generation unit designations required for system reliability or contractual reason
Not to our knowledge.

Q. Approximate variable generation cost (\$/MWh) *Note - this will be estimated energy pricing from a potential purchase power agreement that this project may be eligible for.*

IPCO - \$55/MWh leveraged

R. If the generation resource is to be located in the Idaho Power Balancing Authority Area and if only a portion of the resource output is to be designated as a Network Resource, then explain arrangements governing sale and delivery of additional output to third parties.

S. If the project **is not directly interconnected** to the Idaho Power transmission system, provide the transmission provider(s) name, physical Point of Receipt, Point of Delivery and the transmission reservation number for all of the transmission providers required to deliver the project's energy to Idaho Power.

Transmission Provider(s) Name Bonneville Power Administration
Point of Receipt Between Wendover & Bridge Substation
Point of Delivery Minidoka Substation
Transmission Reservation Number(s) tbal

T. If the project **is directly interconnected** to the Idaho Power transmission system, provide the Point of Receipt, physical location and voltage.

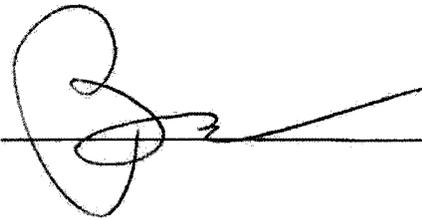
Point of Receipt _____
Physical Location _____
Voltage _____

U. Is the project committed to execute a purchase power agreement with Idaho Power upon a favorable resolution of the identified interconnection and transmission costs?

Yes No

V. Is any portion of the maximum capacity identified for this project committed to any other party?

Yes No

Signature  Date 6-16-10

Allphin, Randy

From: Allphin, Randy
Sent: Wednesday, June 23, 2010 8:07 AM
To: 'Christine Mikell'
Subject: RE: Proposed Grouse Creek Wind Project

Christine,

Thanks for this information, I have been looking it over and making our preparations to make the transmission capacity request on the Idaho Power system. I expect that the transmission group will not accept our request without more detail and/or assurance that the BPA transmission is available from your project to the point of delivery on the Idaho Power system.

I know we have discussed this quite a bit – but could you send me a write up in regards to the availability of the BPA transmission capacity. If possible, include as much reference to your actual filings in the BPA process and status. Clearly the best solution would be to be able to state that BPA transmission capacity is available and the project has rights to it.

Another note – on the interconnection section you state that the Facility study is due the end of June. I would assume then that a Feasibility study is already complete and you have accepted the results of that study – could you send me your answer to this also in written form (basically an answer to item F of on the transmission questionnaire)

Thanks Randy

From: Christine Mikell [<mailto:christine@wasatchwind.com>]
Sent: Thursday, June 17, 2010 1:22 PM
To: Allphin, Randy
Subject: Proposed Grouse Creek Wind Project

Hi Randy,

Attached you will find out letter of understanding. Please let me know if you would like the hardcopy too.

Kind regards,

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Thursday, June 24, 2010 2:16 PM
To: Allphin, Randy
Subject: RE: Proposed Grouse Creek Wind Project
Attachments: BPA Feasibility study.pdf

Hi Randy,

I just left you a message. In short, we have three golden eagle nests within about .5 miles from some of our turbines. After meeting with USFW service recently, it looks like to mitigate impacts to golden eagle populations we will have to have greater setbacks between golden eagles and the turbines, i.e. drop turbines because the land is constrained. Based on this, it appears that we will need to discuss with you changing our initial request to a 10 MWA request. Is this something that is easy for you to rerun, or do you anticipate that it will result in the same answer? I know that when we spoke some time ago that you suggested that the new natural gas pricing would mean the 10 MWA and less than 80 MW PPA prices would be about the same. I think you had guessed that the pricing would be about \$70/MWh. Since the pricing is at \$55/MWh for the larger QF, I thought perhaps there was still that price disparity.

We would like to discuss with you the option to build one 10 MWA QF and possibly another 21 MW's at a later date. We plan to make a transmission service request to BPA for 30 MW's and possibly another 21 MW's. Based on our interconnect studies and conversations that we have had with BPA (not to mention the analysis that we presented to you that BPA gave us), there are 93 MW's available on that line to the Minnidoka substation.

The feasibility study is completed and attached and yes we acknowledged/accepted the results of that study.

Let me know a good time to talk. I am out after about 3:30, but back again tomorrow. Love to catch up so we know how to make the proper TSA with BPA> by Wednesday.

Thanks,

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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From: Allphin, Randy [mailto:RAllphin@idahopower.com]
Sent: Wednesday, June 23, 2010 8:07 AM
To: Christine Mikell
Subject: RE: Proposed Grouse Creek Wind Project

Christine,

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Thanks Randy

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Sent: Thursday, June 17, 2010 1:22 PM
To: Allphin, Randy
Subject: Proposed Grouse Creek Wind Project

Hi Randy,

Attached you will find out letter of understanding. Please let me know if you would like the hardcopy too.

Kind regards,

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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Department of Energy

Official File Copy

Bonneville Power Administration
P.O. Box 491
Vancouver, Washington 98666-0491

TRANSMISSION SERVICES

November 12, 2008

In reply refer to: TPP/DITT-2

Ms. Christine Watson - Mikell
Wasatch Wind, Inc.
357 W 910 South
Suite A
Herber, UT 84032

Dear Ms. Watson - Mikell:

Enclosed is the Final Generation Interconnection Feasibility Study (IFES) report addressing local interconnection requirements for the Grouse Creek Wind Project (Project). This project is being developed by Wasatch Wind, LLC. The Project is listed as queue request number G0326 in the Bonneville Power Administration Transmission Service's (BPA-TS) for interconnection queue. The study was performed under Study Agreement No. 08TX-13540.

This Final report includes non-binding good faith cost estimates.

Please handle this **Official Use Only** document with appropriate discretion.

If you have any questions or comments, please contact Matt Ingold at 360-418-2339 or myself at 360-418-8414.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles E. Matthews".

Charles E. Matthews
Process Manager, Generation Integration Planning
Transmission Planning

Enclosure:

**Interconnection Feasibility Evaluation Study (IFES)
For Interconnection of: Wasatch Wind – G0326
Grouse Creek – 150 MW
Agreement No. 08TX-13540
November 12, 2008**

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**Sensitive Information
National Critical Infrastructure Security**

**DO NOT DUPLICATE - DISTRIBUTE - PUBLISH OR
SHARE UNLESS AUTHORIZED BY BPA**

OFFICIAL USE ONLY

May be exempt from public release under the Freedom of Information Act
(5 U.S.C. 552), exemption number and category:

Exemption 2 - Circumvention of Statute

BPA review required before public release.

Name/Org: DEBBIE HARMAN - TPP Date: 11-12-08

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Attachment No. 4
Case Nos. IPC-E-10-61 & IPC-E-10-62
Alphin Affidavit, IPC
Page 20 of 38



Bonneville Power Administration

Interconnection Feasibility Evaluation Study (IFES)

For Interconnection of:

Wasatch Wind - G0326

Grouse Creek - 150 MW

Agreement No. 08TX-13540

November 12, 2008

BPA Critical Infrastructure Information

**Report Prepared by:
Matt Ingold, TPP
Peter J. Pongracz-Bartha, TPM**

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Attachment A: Preliminary Sketch with Interconnection at Bridge 138-kV Substation.

Attachment B: Preliminary Sketch with Interconnection along the Bridge-West Wendover 138-kV Transmission Line.

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1. Introduction

This report is the Generation Interconnection Feasibility Study (IFES) addressing local interconnection requirements for the Grouse Creek Wind Project (Project). This project is being developed by Wasatch Wind LLC. The Project is listed as request No. G0326 in the Bonneville Power Administration Transmission Services' (BPA-TS) OASIS queue for interconnection of generation.

The Project as proposed is a 150 MW wind generation facility, which will be built in two phases. The first phase will consist of 100 MW with an energization date of June 2010, and the second phase will consist of 50 MW with an energization date of December 2010. This Feasibility Study is performed to address the following objectives:

- a) Identify facilities required on the BPA system for the proposed interconnection;
- b) Provide non-binding good-faith estimated cost of BPA required facilities; and
- c) Provide a non-binding good-faith estimated schedule for implementation of BPA required facilities.

The Points Of Interconnection (POI) addressed in this study include BPA-TS's Bridge 138-kV Substation and a new switch station looped into the Bridge-West Wendover 138-kV transmission line, just south of Lynn, Utah.

The technical study results included in this document are for interconnection only. Technical studies for transmission service for delivery of output beyond the point of interconnection are not included. Any transmission service for delivery beyond the point of interconnection must be requested and arranged for separately.

These studies were conducted using the best available information at the time of the study. Findings and recommendations are based on assumptions, which could change. Bonneville reserves the right to modify the content in this report as necessary with pertinent justification.

2. Conclusions and Recommendations

The IFES study supports the interconnection of up to 33 MW of generation, with a protective remedial action scheme, into the Bridge 138 kV Substation as indicated on the Preliminary Sketch in Attachment A. This capacity is based on existing and planned facilities in the area, including generation interconnection requests preceding the Grouse Creek Wind Project in BPA-TS's OASIS interconnection queue. The generation that can be supported by the system in the area is limited by the potential for overloads during all lines in-service conditions on the Minidoka PH-Bridge 138 kV, which serves as the only transmission path for generation south of Minidoka. Single line outages in the area could potentially reduce the available capacity further

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to 3 MW. This limitation can be mitigated by installing a Remedial Action Scheme to trip Grouse Creek Wind. The capacity of the system is subject to Generation Interconnection requests G0245, G0246, G0247, and G0248, and could increase if these projects were withdrawn from the interconnection queue. In this scenario, up to 93 MW of generation could be interconnected.

The study also supports the proposed interconnection of up to 33 MW onto the Bridge-West Wendover 18-kV transmission line. The system capacity for this interconnection option will be subject to summertime limitations and generation resources preceding the Wasatch Wind Project in BPA-TS's Interconnection Queue in the same way as the Bridge 138-kV interconnection. The BPA-TS recommended plan of service is to build a new 3-breaker 138-kV substation as indicated on the Preliminary Sketch in Attachment B.

The Minidoka PH-Bridge 138 kV transmission line as well as the Bridge-Tecoma 139 kV lines are owned by the Raft River Cooperative, and leased by BPA-TS. BPA-TS's policy for such an arrangement is to assume a 50° sag rating for the line, unless the owner supplies different ratings to use.

The Minidoka PH Substation is owned by the Bureau of Reclamation. It is assumed that Wasatch Wind will coordinate with the Bureau of Reclamation to ensure that the breakers and other station equipment at Minidoka are adequate to support the new generation on the Minidoka PH-Bridge line.

Non-binding good faith estimated costs have been developed for four different interconnection options. These costs are based on similar projects as appropriate, and include high voltage equipment, controls, meters, and communications as well as overhead costs. The cost for interconnection at the Bridge 138 kV substation, assuming requests G0245, G0246, G0247, and G0248 interconnect into the Minidoka PH-Bridge line is \$3.3M. If these projects are withdrawn the cost for interconnection at the Bridge 138 kV substation is \$4M. The cost for interconnection on the Bridge-West Wendover 138 kV line assuming requests G0245, G0246, G0247, and G0248 interconnect into the Minidoka PH-Bridge line is \$13.2M. If these projects are withdrawn the cost for interconnection on the Bridge-West Wendover line is \$14.6M. The estimated timeline for completion of this project is 18-24 months following NEPA clearance.

3. Interconnection General

This feasibility study report addresses two possible points of interconnection. The first is at Bridge 138- kV Substation, the second is a new substation along the Bridge-West Wendover 138-kV transmission line. Existing and planned facilities as well as interconnection requests preceding this project in BPA-TS's OASIS queue were included in the study. Two projects that have an impact on this project are U.S Geothermal, and Generation Request numbers G0245, G0246, G0247, and G0248 (G0245-G0248). U.S. Geothermal is an existing 36 MW resource interconnected to BPA-TS's Bridge Substation. G0245-G0248 are for four 20 MW wind resources (for a total of 80 MW) that have requested interconnection at the Idaho Substation.

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This project lies within the Idaho Power Company Control Area. As such it is the responsibility of the developer to make agreements with Idaho Power regarding their network and AGC (Automatic Generation Control) requirements. Additional hardware and communications functions may be required over and above those requirements stated in this study.

3.1 Interconnection at the Bridge Substation

The first alternative interconnection, Option 1A, to the BPA-TS system is at Bridge 138 kV Substation. The point of interconnection will include a new 138-kV terminal at Bridge Substation. The work at the terminal includes a circuit breaker, three switches and associated relaying and controls. A more detailed analysis of the substation work will be completed in the Interconnection Facility Study. At this time, the Minidoka PH-Bridge 138 kV transmission line will overload during summer time light load hours with U.S. Geothermal and GI 245-248 at peak levels if the Grouse Creek Wind Project generation exceeds 33 MW. The overload is exacerbated by any contingency which trips radial load. A Remedial Action Scheme (RAS) will be necessary to trip generation at the Project during summer time low load hours in the event of such a loss of load. In addition Bridge has a radial connection to Minidoka PH via a 40 mile long transmission line. A RAS is also required which will incorporate Line Loss Logic (LLL) at the Minidoka PH Substation to trip generation at the Project in the event of a contingency of the Minidoka PH-Bridge 138-kV line.

A variation on the interconnection at Bridge Substation, Option 1B, occurs in the event that G0245-G0248 do not interconnect at Idaho Substation. In this scenario the maximum peak level of generation at Grouse Creek Wind Project would be limited to 93 MW, which is less than the requested 150 MW, and subject to the same remedial action schemes as described for the Option 1A 33 MW peak generation level. In addition to requirements for Option 1A, Option 1B requires placement of additional BPA control equipment at Grouse Creek Wind Collector Substation and 36 miles of fiber optic cable installed between the Collector Substation and Bridge Substation.

In the last 10 years, the Minidoka PH-Bridge line has had a total of 11 non-momentary outages with an average length of 56 minutes for each outage. The Minidoka Powerhouse Substation, owned by the Bureau of Reclamation (Bureau), is an old substation and it is likely that breakers and other station equipment may need to be upgraded to support the new generation.

It is assumed that Wasatch Wind will be responsible for securing the right of way and construction of the 138 kV transmission line from the Grouse Creek Wind Collector Substation to Bridge Substation (BPA-TS) and development of facilities at the Grouse Creek Wind Project. Wasatch Wind will be responsible for installing a 36 fiber, fiber-optic cable between the 138 kV generation project step-up substation (Collector Substation) and Bridge Substation. BPA-TS requires the exclusive use of 12 fibers. The Collector Substation shall include space in the control building for all BPA-TS equipment, for options that require it, in addition to Wasatch Wind's needs.

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Please note: For both options 1A and 1B Wasatch Wind needs to contact the Idaho Power Company (IPC) since the generation is located in IPC's load control area and they are one of the affected transmission systems.

3.2 Interconnection on Bridge-West Wendover 138-kV Line

The second alternative, Option 2A, point of interconnection is along the Bridge-West Wendover 138-kV Line. The point of interconnection would be approximately 36 miles out from the Bridge Substation towards West Wendover. The work at the New POI Substation (near Lynn, Utah) includes a 3-breaker ring bus, associated relaying and controls, control house, and communications equipment. A more detailed analysis of the substation work will be completed in the Interconnection Facility Study. It is assumed that Wasatch Wind will be responsible for all transmission line Right-of-Way acquisition and construction costs of the 138 kV line from its Collector Substation to the New POI Substation as well as development of facilities at Grouse Creek Wind Project. Option 2A is also limited to 33 MW peak level of generation with similar remedial action schemes proposed for Option 1A, except that the generation trip will occur at the New POI Substation. Communications will be extended from Bridge Substation via new fiber optic cable to the New POI Substation over the Raft River owned, BPA-TS leased transmission line.

A variation on the interconnection at the New POI Substation, Option 2B, occurs in the event that the G0245-G0248 do not interconnect into Idaho Substation. The maximum peak level of generation at Grouse Creek Wind Project in this scenario would be limited to 93 MW, which is less than the requested 150 MW, and subject to the same remedial action schemes as described for the Option 2A 33 MW peak generation level. In addition to the requirements for Option 2A, Option 2B will require generation trip equipment at the Grouse Creek Wind Collector Substation and extension of communications via fiber optic cable from the new POI Substation.

Wasatch Wind will be responsible for installing a 36 fiber, fiber optic cable between the Grouse Creek Wind Collector Substation and the New POI substation. BPA-TS requires the exclusive use of 12 fibers. Wasatch Wind shall include space in the control building at Grouse Creek Wind Collector Substation for all BPA-TS equipment in Option 2B, in addition to Wasatch Wind's needs. Also as mentioned in section 3.1 above, the Minidoka Powerhouse Substation, owned by the Bureau, is an old substation and it is likely that breakers and other station equipment may need to be upgraded to support the new generation.

For Options 2A and 2B, Wasatch Wind needs to contact IPC since the generation is located in IPC's load control area and they are one of the affected transmission systems.

3.3 Network Resource Interconnection Service

The LGIP defines Network Resource Interconnection Service as Interconnection Service that allows the Interconnection Customer to integrate its large Generating Facility with the Transmission Provider's transmission system in a manner comparable to that in which the Transmission Provider would integrate new generating facilities to serve native load customers.

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FERC has stated that the Interconnection Customer may designate their large Generating Facility as a Network Resource any time before the Commercial Operation Date (COD). Further, the LGIP states that Network Resource Interconnection Service does not convey in and of itself transmission service. A new or existing Network Customer of the Transmission Provider must file a Transmission Service Request to designate the Large Generating facility as a Network Resource. Once the interconnection Customer has obtained Network Resource Interconnection Service, requests for network Integration Transmission Service from the Generating Facility to points inside the Transmission Provider's transmission system will not require additional interconnection studies or additional upgrades. However, requests for delivery service inside the Transmission Provider's transmission system may require additional studies and upgrades if they are necessary to reduce congestion to acceptable levels.

Assuming this project would service BPA-TS Network loads in the Southern Idaho area, network additions would not be required beyond those required for interconnection. Service to BPA-TS's network loads beyond the Southern Idaho area would require transmission additions from Southern Idaho to those load areas, since BPA-TS does not own a continuous transmission path from Southern Idaho to other parts of the BPA-TS system in the Northwest.

4. Transfer Trip Relaying and Remedial Action Scheme (RAS)

BPA-TS will not require transfer trip relaying for the project line terminal at either Bridge Substation or the new POI Substation along the Bridge-West Wendover 138-kV Line. Wasatch Wind will be responsible for the line, fiber cable on the line and terminal at the 138 kV Grouse Creek Wind Collector Substation. Agreements between BPA-TS, Raft River, and Wasatch Wind will need to be completed to accommodate the required facilities at the interconnection sites.

A local RAS with redundant electronics is required to trip Grouse Creek Wind generation for (1) Bridge-Minidoka PH 138KV line overloading conditions and (2) opening of the 138KV PCB to the power grid at Minidoka.

For Option 1A, line current sensing (requires addition of CT's) at the Minidoka PH end of the Bridge Substation line and LLL for the PCB at the Minidoka PH end of this same line are used to trip generation at Bridge Substation.

For Option 2A, the same conditions are sensed at Minidoka PH and used to trip project generation of 33 MW at the new POI Substation (two PCB's).

For Options 1B and 2B, an additional condition is added requiring sensing of line current at the Bridge Substation end of the line to Minidoka PH (requires addition of CT's) to trip generation at Grouse Creek Wind Collector Substation. The LLL input from Minidoka PH is used to trip the entire Grouse Creek Wind Project generation output at Bridge Substation (Option 1B) or at the Grouse Creek Wind Collector Substation (Option 2B)

Whenever the entire generation is tripped for any reason, Wasatch Wind will need to get permission from IPC to begin generating again.

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5. Communications, Control and Metering

BPA-TS will install, own and operate the Fiber Optic (FO) and Communication and Control (C&C) equipment at either Bridge Substation or the new POI Substation along the Bridge-West Wendover 138 kV line and the 138 kV Grouse Creek Wind Project step-up collector substation. For Options 1A and 2A, BPA-TS will install 138 kV PCB B-switch indication and telemetering of Voltage, Kilowatts and Kilovars at the Grouse Creek Wind Collector Substation via leased line to Bridge Substation. Wasatch Wind shall provide the leased line for BPA-TS's use. PSTN (Public Switched Telephone Network) connectivity shall be provided by Wasatch Wind to enable BPA-TS's MV-90 (Revenue Metering System) to remotely access the IPC Generation Meters at the Grouse Creek Wind Collector Substation. Wasatch Wind will be required to install 36 fiber, fiber optic cable for Options 1B and 2B between Grouse Creek Wind Collector Substation and the new POI Substation near Lynn, Utah.

BPA-TS will upgrade its existing analog radio link between Bridge Substation and Albion Butte Radio Station to digital radio, Options 1A, 1B, 2A and 2B. The radio link from Albion Butte to Minidoka Radio Station is being upgraded to digital radio under another project and its cost is not included here. BPA-TS will install new SONET (Synchronized Optical Network) equipment on BPA-TS installed fiber optic cable from Bridge Substation to the new POI Substation (Options 2A and 2B), and Wasatch Wind installed fiber optic cable (Option 2B). BPA-TS will add the required circuits over the new facilities and its existing communication facilities for BPA-TS implementation of all the control circuit requirements of this project as dictated by Options 1A, 1B, 2A and 2B.

BPA-TS's C&C requirements include:

- Voice: Dial Party circuit with access to the DATS (Dial Automatic Telephone System) for maintenance purposes at the new POI Substation and at the Collector Substation for Options 1B and 2B.
- Data:
 - A PSTN (Public Switched Telephone Network) phone line for remote access of the IPC generation meters at the Grouse Creek Wind Collector Substation by BPA-TS's MV-90 system.
 - Since this project is within the Idaho Power Company's control area they will need data from the project for their network operation, AGC (Automatic Generation Control), Generation Metering and Billing functions. The requirements for this information must be provided by Idaho Power Company and is not a part of this study.
 - BPA-TS will collect PCB and relay status and alarm information from transducers, relays, RAS and communication equipment via a SCADA RTU. SER (Sequential Events Recorders), FIN (Field Information Network) at Bridge Substation (Options 1A, 1B, 2A and 2B), Minidoka PH (Options 1A, 1B, 2A and 2B), the new POI Substation along the Bridge-West Wendover 138 kV line

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(Options 2A and 2B) and at the Grouse Creek Wind Collector Substation (Options 1B and 2B),

- For Options 1A and 2A, BPA will add 138 kV breaker status indication (B-switch) and telemetering of Voltage, kW and KVar at Grouse Creek Wind Collector Substation via leased line (provided by Wasatch Wind) to Bridge Substation and integrated into the SCADA RTU at Bridge Substation.
- BPA-TS will add SCADA control, at Bridge Substation (Options 1A and 2A) and at the new POI Substation along the Bridge-West Wendover 138-kV Line (Options 1B and 2B).
- Protection relaying is required on the new 138KV lines. It is anticipated that TT (Transfer Trip) to provide high speed clearing of power system faults will not be necessary.
- RAS (Remedial Action Scheme) see paragraph 5.0: RAS requirements have been identified and the electronics are redundant for maintainability. Generator dropping schemes will need to be incorporated.
- For Options 1B and 2B, some of BPA-TS's C&C equipment will operate from the Grouse Creek Wind Collector Substation's 129VDC station batteries. (Load to be defined later.). Also, BPA-TS will add a 48VDC Battery and Charger System for its communications equipment at the Grouse Creek Wind Collector Substation
- The BPA-TS C&C equipment must be indoors (away from dirt/moisture) in a climate controlled facility between 60 and 80 degrees F.
- For cyber security reasons, some of the BPA-TS equipment will be housed in a locked cabinet.

The estimates in Section 7.0 assume that the control house at Bridge Substation has adequate space to house all new equipment for communication and control associated with this project. A more detailed analysis of the control house capacity and more accurate estimates will be completed in the Interconnection Facility Study along with a detailed communications plan and estimates.

6. Technical Analysis

Steady State Powerflow, reactive margin Q-V curve analysis, and thermal analysis have been conducted for this project. Assumptions, models and results are described below.

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6.1 Analytical Approach

Two types of computer based contingency simulations were performed and analyzed for this IFES: (In addition, short circuit studies were performed, which are given on the Draft PRD)

- Powerflow studies to evaluate thermal loading and post-transient voltage levels.
- Q-V curve power margin studies to evaluate the relative change in the transmission system capability with addition of the project.

Powerflow, thermal and reactive margin Q-V curve study work for the IFS were performed using PowerWorld Simulator Version 12.0 OPF, ATC, SimAuto integrated transmission analysis software.

6.2 Powerflow Model

The approach used was to model the most severe conditions that have occurred in the past that could impact the generation interconnection capacity. The most severe condition appears to be light loadings on the radial 138 kV line from Minidoka P.H. to Wendover, Nevada. Multiple generation patterns were modeled to investigate the limiting conditions that may determine system expansion requirements.

6.3 Study Scenarios

In order to assess the impact of interconnecting Wasatch Wind into the BPA-TS's transmission system, BPA-TS performed Powerflow studies using BPA-TS summer and winter 2010 powerflow base cases.

The studies include generation resources that precede the Wasatch Wind Projects in BPA's Interconnection Queue as well as resources scheduled to be in-service prior to the Wasatch Wind Projects and integrating into other transmission provider's systems. These facilities include the U.S. Geothermal integrated into BPA's Bridge 138-kV Substation with a net nominal output of approximately 36 MW. Also included as in this study were requests numbers G0245, G0246, G0247, and G0248, totaling 80 MW, which have requested interconnection onto the Minidoka PH-Bridge 138 kV line.

- Seasonal cases during peak load and light load (30% of peak) hours.
- Seasonal cases with and without summer and winter peak generation at Minidoka.
- Seasonal simulations with and without local capacitors available.
- Seasonal cases with and without reactive support at proposed Wasatch Wind projects.
- Seasonal simulations with and without generation at U.S. Geothermal.
- Seasonal cases with Wasatch Wind Generation modeled at Bridge and with Wasatch Wind Generation modeled along the Bridge-West Wendover 138-kV Transmission Line.

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6.4 Interconnection at Bridge

With all other generation sources operating at peak level including requests covered by G0245, G0246, G0247, and G0248, during summertime low load hours, the introduction of more than 33 MW (Option 1A) of generation interconnected at the Bridge 138-kV Substation causes overloading on the Minidoka Powerhouse-Bridge 138-kV transmission line. This overload is exacerbated by the loss of either the Bridge-Curlew or Bridge-Wendover 138-kV lines. However, even during the worst contingency, the line would be able to support up to 3 MW interconnected at Bridge. In order to safely interconnect 33 MW of generation, a remedial action scheme (RAS) will need to be implemented to drop excess generation in case the line overloads.

In the event that the requests in the queue, G0245, G0246, G0247, and G0248, ahead of Wasatch Wind's request were withdrawn for some reason, the interconnection could accommodate up to 93 MW of generation composed of two increments, 33 MW and 60 MW (Option 1B). During summertime low load hours, the introduction of more than 93 MW of generation interconnected at the Bridge 138-kV Substation causes overloading on the Minidoka Powerhouse-Bridge 138-kV transmission line. This overload is exacerbated by the loss of either the Bridge-Curlew or Bridge-Wendover 138-kV lines. However, even during the worst contingency, the line would be able to support up to 63 MW interconnected at Bridge. In order to safely interconnect 93 MW of generation, a remedial action scheme (RAS) will need to be implemented to drop excess generation in case the line overloads.

6.5 Interconnection at New Substation

Along Bridge-West Wendover 138-kV Line with all other generation sources operating at peak level including requests covered by G0245, G0246, G0247, and G0248, (Option 2A) during summertime low load hours, the system capacity for this point of interconnection is also limited by the potential for overloads on the Minidoka PH-Bridge 138 kV line. The generation is limited to 33 MW, with a remedial action scheme to drop generation in the same way as the interconnection at Bridge Substation.

In the event that the requests in the queue, G0245, G0246, G0247, and G0248, ahead of Wasatch Wind's request did interconnect on the Minidoka PH-Bridge 138 kV line, the interconnection could accommodate up to 93 MW of generation composed of two increments, 33 MW and 60 MW (Option 2B). During summertime low load hours, the system capacity for this point of interconnection is also limited by the potential for overloads on the Minidoka PH-Bridge 138 kV line. The generation would be limited to 93 MW, with a remedial action scheme to drop 33 MW, in the same way as the interconnection at Bridge Substation.

6.6 Fault Studies

Preliminary short circuit current values shown on the sketches are present values. System fault studies will be conducted in the Interconnection Impact Study incorporating proposed system additions and generators. Although, preliminary breaker screening analysis indicates that no

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breakers will need to be replaced due to increased fault duty requirements, there remains a possibility Breakers may need to be replaced. Customer equipment should be sized to accommodate system growth.

7. Cost Estimates

Good faith non-binding Estimates of customer costs for interconnection options 1A, 1B, 2A, and 2B are given in Table 1. These estimates are based on estimates for similar projects. These costs are only for the Bonneville supplied facilities known at this time. Existing equipment in the substation and nearby substations may need to be replaced at additional cost if fault duties require it. There may be additional costs for moving one or more transmission lines associated with options 2A and 2B. It is assumed that Wasatch Wind will be responsible for all equipment, facilities development, and site development including land acquisitions, and permitting, including environmental impact assessment.

BPA will make the decision to proceed with this interconnection based on an environmental evaluation as required by the National Environmental Policy Act (NEPA). Once the decision is made to proceed, the typical schedule for completion is 18-24 months.

DESCRIPTION	TOTAL COSTS W/ OH
BRIDGE 138KV SUB (Option 1)	\$1,068,162
NEW 138KV SUB (Option 2)	\$6,234,999
BPA C&C	
OPTION 1A	\$2,200,620
OPTION 1B	\$2,924,390
OPTION 2A	\$9,986,550
OPTION 2B	\$8,316,540
TOTAL ESTIMATED COSTS	
BRIDGE plus Comm Option 1A	\$3,268,782
BRIDGE plus Comm Option 1B	\$3,992,552
NEW SUB plus Comm Option 2A	\$13,221,549
NEW SUB plus Comm Option 2B	\$14,551,539

Table 1 – Cost Estimates

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Allphin, Randy

From: Allphin, Randy
Sent: Friday, June 25, 2010 7:48 AM
To: 'Christine Mikell'
Subject: RE: Proposed Grouse Creek Wind Project

Christine,

I am buried today and traveling Monday.

Lets break this down into two parts-

PPA – if you are less then 10 average MW, the project will qualify for the published avoided cost rates contained in IPUC order 31025. No pricing runs on my part required. There are some seasonality and HL and LL factors that are applied to the prices within that order. In addition, the contract is pretty standard, very little negotiation by either party as the contract is pretty well established by numerous commission orders.

Transmission – my process to file for the transmission capacity request is no different whether you are 10 MW or 69 MW. However, the application we file will contain a single maximum capacity number. Currently the information you provided me was for 69 MW, please send me a new information page with your new size.

The feasibility information is exactly what I needed for that piece.

BPA capacity – sorry if I overlooked the previous information you sent, but could you resend the information with a summary cover letter.

Future projects – we could not agree to anything today, have to deal with future projects at the time you propose them.

Thanks Randy

From: Christine Mikell [mailto:christine@wasatchwind.com]
Sent: Thursday, June 24, 2010 2:16 PM
To: Allphin, Randy
Subject: RE: Proposed Grouse Creek Wind Project

Hi Randy,

I just left you a message. In short, we have three golden eagle nests within about .5 miles from some of our turbines. After meeting with USFW service recently, it looks like to mitigate impacts to golden eagle populations we will have to have greater setbacks between golden eagles and the turbines, i.e. drop turbines because the land is constrained. Based on this, it appears that we will need to discuss with you changing our initial request to a 10 MWA request. Is this something that is easy for you to rerun, or do you anticipate that it will result in the same answer? I know that when we spoke some time ago that you suggested that the new natural gas pricing would mean the 10 MWA and less than 80 MW PPA prices would be about the same. I think you had guessed that the pricing would be about \$70/MWh. Since the pricing is at \$55/MWh for the larger QF, I thought perhaps there was still that price disparity.

We would like to discuss with you the option to build one 10 MWA QF and possibly another 21 MW's at a later date. We plan to make a transmission service request to BPA for 30 MW's and possibly another 21 MW's. Based on our interconnect studies and conversations that we have had with BPA (not to mention the analysis that we presented to you that BPA gave us), there are 93 MW's available on that line to the Minnidoka substation.

The feasibility study is completed and attached and yes we acknowledged/accepted the results of that study.

Let me know a good time to talk. I am out after about 3:30, but back again tomorrow. Love to catch up so we know how to make the proper TSA with BPA> by Wednesday.

Thanks,

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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From: Allphin, Randy [mailto:RAllphin@idahopower.com]
Sent: Wednesday, June 23, 2010 8:07 AM
To: Christine Mikell
Subject: RE: Proposed Grouse Creek Wind Project

Christine,

Thanks for this information, I have been looking it over and making our preparations to make the transmission capacity request on the Idaho Power system. I expect that the transmission group will not accept our request without more detail and/or assurance that the BPA transmission is available from your project to the point of delivery on the Idaho Power system.

I know we have discussed this quite a bit – but could you send me a write up in regards to the availability of the BPA transmission capacity. If possible, include as much reference to your actual filings in the BPA process and status. Clearly the best solution would be to be able to state that BPA transmission capacity is available and the project has rights to it.

Another note – on the interconnection section you state that the Facility study is due the end of June. I would assume then that a Feasibility study is already complete and you have accepted the results of that study – could you send me your answer to this also in written form (basically an answer to item F of on the transmission questionnaire)

Thanks Randy

From: Christine Mikell [mailto:christine@wasatchwind.com]
Sent: Thursday, June 17, 2010 1:22 PM
To: Allphin, Randy
Subject: Proposed Grouse Creek Wind Project

Hi Randy,

Attached you will find out letter of understanding. Please let me know if you would like the hardcopy too.

Kind regards,

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Monday, June 28, 2010 5:05 PM
To: Allphin, Randy
Subject: 10 MW PPA

Hey Randy,

Is the PPA contract online for the 10 MW QF?

Thanks!

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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Allphin, Randy

From: Allphin, Randy
Sent: Tuesday, June 29, 2010 6:48 AM
To: 'Christine Mikell'
Subject: RE: 10 MW PPA

My routine process is to not develop a draft agreement for a specific project until the transmission and interconnection is pinned down – however, I am currently working up a draft agreement for another project, I am thinking I should be able to duplicate that draft contract for your project. It will be a week or two before I have it ready to go.

Randy

From: Christine Mikell [<mailto:christine@wasatchwind.com>]
Sent: Monday, June 28, 2010 9:51 PM
To: Allphin, Randy
Subject: RE: 10 MW PPA

Can we get a copy or do we need to wait?

From: Allphin, Randy [<mailto:RAllphin@idahopower.com>]
Sent: Monday, June 28, 2010 7:48 PM
To: Christine Mikell
Subject: RE: 10 MW PPA

No

From: Christine Mikell [<mailto:christine@wasatchwind.com>]
Sent: Monday, June 28, 2010 5:05 PM
To: Allphin, Randy
Subject: 10 MW PPA

Hey Randy,

Is the PPA contract online for the 10 MW QF?

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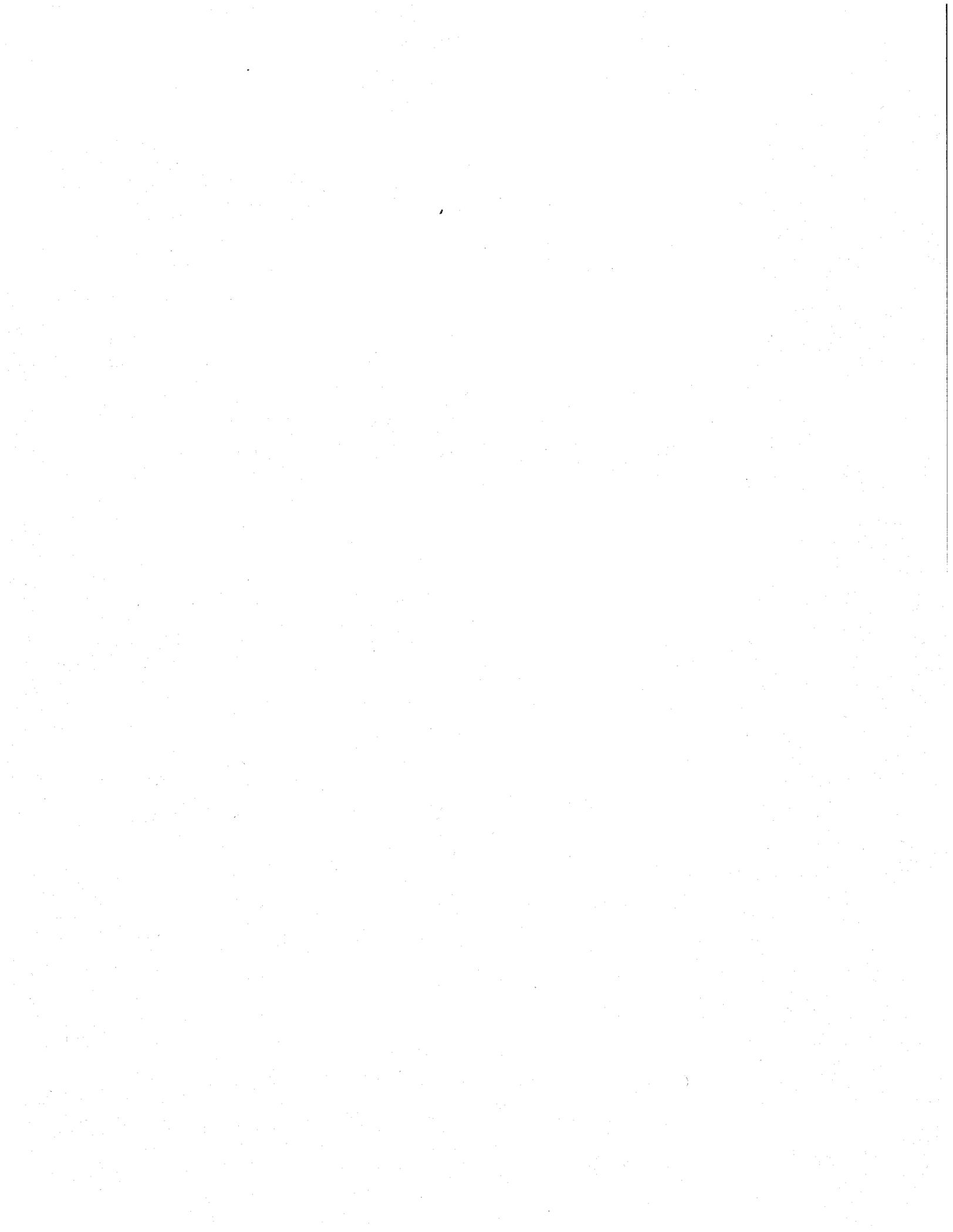
**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 5



Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Wednesday, July 14, 2010 3:52 PM
To: Allphin, Randy
Subject: RE: 10 MW PPA
Attachments: GrouseCreekCLIPCO2010_7_14.pdf; GrouseCreekQF1indicpric_2010_7_14.pdf; GrouseCreekQF2indicpric_2010_7_14.pdf; GrouseCreek-Timeseries Vestas2010_7_14.xlsx; V112 Gen Spec.pdf

Hi Randy,

As we discussed on the phone earlier, here a cover letter, two 10 AMW QF requests, the time series for a Vestas machine and the specifications for the Vestas V112. You should be receiving the Fedex package tomorrow.

Look forward to hearing your feedback. Also, if you have made any headway in the draft agreement for the other project, would love to see that!

Thanks,

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045
www.wasatchwind.com



Wasatch Wind

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From: Allphin, Randy [<mailto:RAllphin@idahopower.com>]
Sent: Tuesday, June 29, 2010 6:48 AM
To: Christine Mikell
Subject: RE: 10 MW PPA

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Randy

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From: Christine Mikell [<mailto:christine@wasatchwind.com>]
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Transmission Capacity Application Questionnaire

This list is the known information requirements as of the date of the letter transmitting this request. If additional information is required, Idaho Power will promptly notify the project developer of the additional information requirements.

A. Project Name

Grouse Creek Wind Park I,

B. Project Location

3 miles northeast of Lynn Utah
T 14 N R 17 W

C. Project Developer

Name Wasatch Wind InterMountain, LLC
Address 2700 Homestead Rd, Suite 210
City / State / Zip Park City, UT 84098
Phone Number 801-455-1045 ; 435-503-8814
E-mail christine@wasatchwind.com

D. Interconnection "Que" reference number (if not known, please contact the host utility Interconnection group)

GO-326

E. Evidence of the Project's good standing status in the host utility's interconnection process

Facility Study completed

F. Copy of the interconnection feasibility study and a statement from the project that the project has accepted the results of the interconnection feasibility study and is continuing the process of interconnecting and developing the generation project.

G. Maximum Capacity (MW) 30 MW's

H. Beginning day and time of energy deliveries

Day (mm/dd/yyyy) 12/1/2012

Time 00:00 Pacific time

I. Ending day and time of energy deliveries

Day (mm/dd/yyyy) 12/1/2032

Time 00:00 Pacific time

J. VAR capability (both leading and lagging) of all generators See exhibit A

K. Identification of the control area(s) from which the energy will originate

Idaho Power

L. List any periods of restricted operations throughout the year

-

M. Maintenance schedule

-

N. Minimum loading level of each generation unit Active = 1 pu/sec ; reactive = 2.5 pu/sec

O. Normal operating level of each generation unit. See 12x24

P. Any must-run generation unit designations required for system reliability or contractual reason

Not to our knowledge

Q. Approximate variable generation cost (\$/MWh) *Note - this will be estimated energy pricing from a potential purchase power agreement that this project may be eligible for.*

R. If the generation resource is to be located in the Idaho Power Balancing Authority Area and if only a portion of the resource output is to be designated as a Network Resource, then explain arrangements governing sale and delivery of additional output to third parties.

S. If the project **is not directly interconnected** to the Idaho Power transmission system, provide the transmission provider(s) name, physical Point of Receipt, Point of Delivery and the transmission reservation number for all of the transmission providers required to deliver the project's energy to Idaho Power.

Transmission Provider(s) Name BPA
Point of Receipt Between Wendover & Bridge Substation
Point of Delivery Minidoka Substation
Transmission Reservation Number(s) AREF - 74412433

T. If the project **is directly interconnected** to the Idaho Power transmission system, provide the Point of Receipt, physical location and voltage.

Point of Receipt _____
Physical Location _____
Voltage _____

U. Is the project committed to execute a purchase power agreement with Idaho Power upon a favorable resolution of the identified interconnection and transmission costs?

Yes No

V. Is any portion of the maximum capacity identified for this project committed to any other party?

Yes No

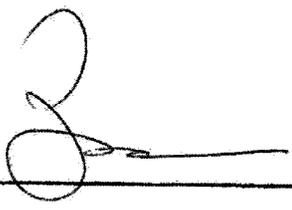
Signature  Date 7-13-2010

Exhibit A: Answer to Question J

VAR capability (both leading and lagging) of all generators)

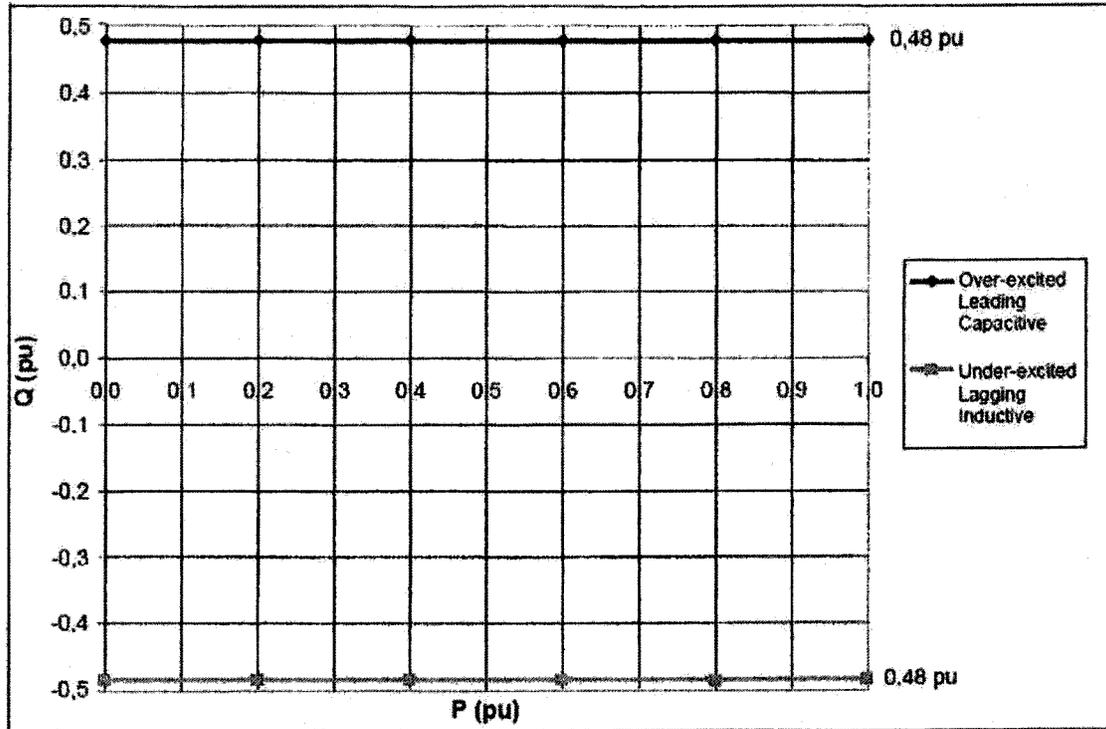


Exhibit C--Available Transfer Capability on BPA line to Minidoka

The PUF Calculator is a tool designed for use in the Long-Term Firm (LTF) market and in the Network Service (NT) market. It employs "Evaluated" PORs and PODs and their associated Path Utilization Factors (PUFs) to determine the impact of a given request to internal flowgates (refer to the posted ATC Impacts of Long-Term Firm Requests for more information).

The PUF Calculator can be used to calculate the impact of an Original LTF request and the impact of a NT request to the internal flowgates and contains three fields that require data entry: Evaluated POR, Evaluated POD, and Requested Demand (MW). These are the white text fields to the far left beneath the tool title, which appears in red. To fill the POR and POD fields, highlight the white text field to be filled and when the pull-down menu arrow appears to the right, highlight the arrow and choose a point from the selection. To fill the Requested Demand (MW) field, simply highlight the white text field and type in the numeric value to be analyzed, in megawatts. When all three white text fields are filled, the calculated impact to the internal flowgates (in MWs) will appear beneath the "Evaluated Impact of Request" field. This calculator will not indicate whether the impact may be considered *de minimis* (refer to the posted ATC Methodology Margin (AMM) and De Minimis Impact Dead-Band for more information).

NT requests with the Federal Columbia River Power System (FCRPS) as the POR or POD may enter "FCRPS" in the Evaluated POR or Evaluated POD field. The assumptions about the FCRPS used by the PUF Calculator may be different than the assumptions about the FCRPS indicated in the customer's contract. Therefore, the actual impacts of an equivalent NT request may be different than the impacts calculated by the PUF Calculator. Customers will continue to be unable to use FCRPS as the Evaluated POR or Evaluated POD for LTF requests.

Please note that this tool cannot be used to accurately determine the calculated impact of Short-Term Firm (STF) requests. Refer to the posted Short-Term Firm ATC Methodology for more information.

Important Disclaimer: The information contained herein is compiled for informational purposes and is furnished without assurance of or responsibility for its accuracy. The actual impacts vary depending upon system conditions. The information is, therefore, subject to change without notice and may not be used to make projections. The information is available to the site visitor on the condition that errors, omissions and/or changes shall not be made the basis for any claim, demand or cause for action. Decisions based upon the information contained in these pages are the sole responsibility of the visitor. Questions and comments should be directed to your Account Executive or TBL Reservations Desk at tblresdesk@bpa.gov.

LTF and NT PUF Calculator

Evaluated POR LAGRANDE 230.00

Evaluated POD LAGRANDE 230.00

Evaluated MW 100 MW

Evaluated Impact of Request

CROSS		CROSS		CROSS		CROSS		CROSS		CROSS		CROSS	
SOUTH OF	CASCADES	CASCADES	MONROE-	NORTH OF	NORTH OF	PAUL TO	PAUL TO	RAVER TO	RAVER TO	WEST OF	WEST OF	WEST OF	WEST OF
ALLSTON	NORTH	SOUTH	ECHO LAKE	HANFORD	JOHN DAY	ALLSTON	ALLSTON	PAUL	PAUL	MCNARY	MCNARY	SLATT	SLATT
0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW



Transmission Capacity Application Questionnaire

This list is the known information requirements as of the date of the letter transmitting this request. If additional information is required, Idaho Power will promptly notify the project developer of the additional information requirements.

A. Project Name

Grouse Creek Wind Park II

B. Project Location

3 miles northeast of Lynn, Utah
T 14 N R 17 W

C. Project Developer

Name Wasatch Wind Intermountain LLC
Address 2700 Homestead Rd suite 210
City / State / Zip Park City, UT 84098
Phone Number 801-455-7045; 435-503-8814
E-mail Christine@wasatchwind.com

D. Interconnection "Que" reference number (if not known, please contact the host utility interconnection group)

60-326

E. Evidence of the Project's good standing status in the host utility's interconnection process

Facility study completed

F. Copy of the interconnection feasibility study and a statement from the project that the project has accepted the results of the interconnection feasibility study and is continuing the process of interconnecting and developing the generation project.

G. Maximum Capacity (MW) 21 MW

H. Beginning day and time of energy deliveries

Day (mm/dd/yyyy) 12/1/2012
Time 00:00 Pacific time

I. Ending day and time of energy deliveries

Day (mm/dd/yyyy) 12/1/2032
Time 00:00 Pacific time

J. VAR capability (both leading and lagging) of all generators See exhibit A

K. Identification of the control area(s) from which the energy will originate

Idaho Power

L. List any periods of restricted operations throughout the year

-

M. Maintenance schedule

-

N. Minimum loading level of each generation unit active = 1 pu/sec; reactive = 2.5 pu/sec

O. Normal operating level of each generation unit. See 12x24

P. Any must-run generation unit designations required for system reliability or contractual reason

Not to our knowledge

Q. Approximate variable generation cost (\$/MWh) *Note - this will be estimated energy pricing from a potential purchase power agreement that this project may be eligible for.*

R. If the generation resource is to be located in the Idaho Power Balancing Authority Area and if only a portion of the resource output is to be designated as a Network Resource, then explain arrangements governing sale and delivery of additional output to third parties.

S. If the project **is not directly interconnected** to the Idaho Power transmission system, provide the transmission provider(s) name, physical Point of Receipt, Point of Delivery and the transmission reservation number for all of the transmission providers required to deliver the project's energy to Idaho Power.

Transmission Provider(s) Name BPA
Point of Receipt Between Wendover & Bridge sub.
Point of Delivery Minidoka Substation
Transmission Reservation Number(s) ARE - 74412442

T. If the project **is directly interconnected** to the Idaho Power transmission system, provide the Point of Receipt, physical location and voltage.

Point of Receipt _____
Physical Location _____
Voltage _____

U. Is the project committed to execute a purchase power agreement with Idaho Power upon a favorable resolution of the identified interconnection and transmission costs?

Yes No

V. Is any portion of the maximum capacity identified for this project committed to any other party?

Yes No

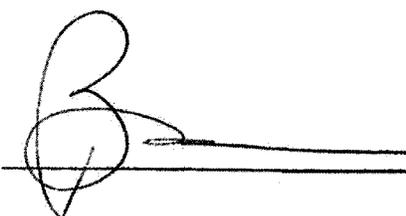
Signature  Date 7-13-2010

Exhibit A: Answer to Question J

VAR capability (both leading and lagging) of all generators

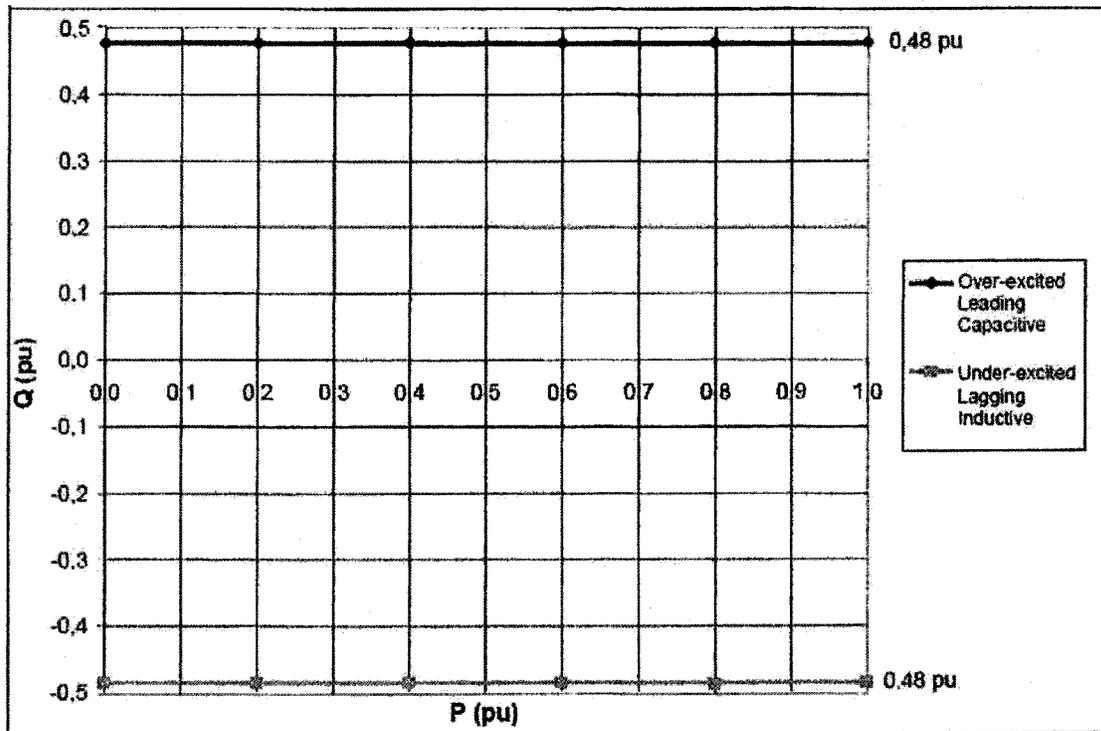


Exhibit C--Available Transfer Capability on BPA line to Minidoka

The PUF Calculator is a tool designed for use in the Long-Term Firm (LTF) market and in the Network Service (NT) market. It employs "Evaluated" PORs and PODs and their associated Path Utilization Factors (PUFs) to determine the impact of a given request to internal flowgates (refer to the posted ATC Impacts of Long-Term Firm Requests for more information).

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LTF and NT PUF Calculator											
Evaluated POR LAGRANDE 230.00											
Evaluated POD LAGRANDE 230.00											
Evaluated MW 100 MW											
Evaluated Impact of Request											
CROSS			CROSS			CROSS			CROSS		
SOUTH OF	CASCADES	CASCADES	MONROE-	NORTH OF	NORTH OF	PAUL TO	RAVER TO	WEST OF	WEST OF	WEST OF	WEST OF
ALLSTON	NORTH	SOUTH	ECHO LAKE	HANFORD	JOHN DAY	ALLSTON	PAUL	MCNARY	MCNARY	SLATT	SLATT
0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW	0.0 MW

Allphin, Randy

From: Allphin, Randy
Sent: Wednesday, July 21, 2010 2:46 PM
To: 'Christine Mikell'
Subject: RE: 10 MW PPA--update

Christine, no I have not yet been able to submit the TSR. Been getting buy in from various people, looks like I will probably be filing the TSR sometime next week.

I am not sure what process you are referencing in your e-mail.

This is transmission capacity we are asking for not interconnection. The way it will work we file the Transmission service request (TSR) if there is transmission capacity available, we will get a response back saying so and any associated costs. If there is not transmission capacity available we will get a response back saying so and if we want to move forward they will begin a transmission study that requires a \$10,000 deposit to start. Then once this study is started, I assume they have various meetings etc to work in the right direction. As a PURPA project you will be responsible for all of the costs (\$10,000 deposit etc).

So at least to start with, once I get approval to file the TSR, it is paperwork we have to fill out with your information and then wait for the transmission groups response.

Hope this helps

Randy

From: Christine Mikell [<mailto:christine@wasatchwind.com>]
Sent: Wednesday, July 21, 2010 2:32 PM
To: Allphin, Randy
Cc: Sam Lichenstein
Subject: RE: 10 MW PPA--update

Hi Randy,

I just wanted to check to see if you had gotten the approval to make the TSR for our Grouse Creek projects? If memory serves, once you make that request, 10 days from then we must have a scoping meeting? If this correct?

We have started some expensive eagle studies and we would hate to get too far into it and find out there isn't any transmission available!

Thanks!

Christine

From: Allphin, Randy [<mailto:RAllphin@idahopower.com>]
Sent: Tuesday, June 29, 2010 6:48 AM
To: Christine Mikell
Subject: RE: 10 MW PPA

My routine process is to not develop a draft agreement for a specific project until the transmission and interconnection is pinned down – however, I am currently working up a draft agreement for another project, I am thinking I should be able to duplicate that draft contract for your project. It will be a week or two before I have it ready to go.

Randy

From: Christine Mikell [<mailto:christine@wasatchwind.com>]
Sent: Monday, June 28, 2010 9:51 PM
To: Allphin, Randy
Subject: RE: 10 MW PPA

Can we get a copy or do we need to wiat?

From: Allphin, Randy [<mailto:RAllphin@idahopower.com>]
Sent: Monday, June 28, 2010 7:48 PM
To: Christine Mikell
Subject: RE: 10 MW PPA

No

From: Christine Mikell [<mailto:christine@wasatchwind.com>]
Sent: Monday, June 28, 2010 5:05 PM
To: Allphin, Randy
Subject: 10 MW PPA

Hey Randy,

Is the PPA contract online for the 10 MW QF?

Thanks!

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
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Cc: Sam Lichenstein
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No

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Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Wednesday, July 21, 2010 4:33 PM
To: Allphin, Randy
Cc: Sam Lichenstein
Subject: RE: 10 MW PPA--update

Hi Randy,

Great news that you will be able to file something maybe next week. Based on your response below, is it 30 days from when you submit the TSR before you get your answer regarding transmission capacity and whether you need a feasibility study?

Thanks,
Christine

From: Allphin, Randy [mailto:RAllphin@idahopower.com]
Sent: Wednesday, July 21, 2010 2:46 PM
To: Christine Mikell
Subject: RE: 10 MW PPA--update

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So at least to start with, once I get approval to file the TSR, it is paperwork we have to fill out with your information and then wait for the transmission groups response.

Hope this helps

Randy

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Subject: RE: 10 MW PPA

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Sent: Monday, June 28, 2010 7:48 PM
To: Christine Mikell
Subject: RE: 10 MW PPA

No

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Sent: Monday, June 28, 2010 5:05 PM
To: Allphin, Randy
Subject: 10 MW PPA

Hey Randy,

Is the PPA contract online for the 10 MW QF?

Thanks!

Christine Watson Mikell
Senior Project Development Manager
Direct: 435-503-8814
Mobile: 801-455-1045

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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 6

Allphin, Randy

From: Allphin, Randy
Sent: Monday, August 02, 2010 3:02 PM
To: 'Christine Mikell'
Subject: 21 or 30 MW ?

Christine, I am making some progress on the transmission requests, however the first questions I encountered was if the project would be 21 or 30 MW. As you included both applications in your package I had assumed you were not sure at time you submitted this information. Do you have any updated information?

If you are still unsure, probably be best to submit for the 30 MW, if this is available would be logical that 21 MW would be available.

Randy

Allphin, Randy

From: Allphin, Randy
Sent: Monday, August 02, 2010 3:21 PM
To: 'Christine Mikell'
Subject: RE: 21 or 30 MW ?

Christine – I guess I read things wrong – this information is now suggesting is two separate projects (20 MW and a 31 MW) for a total of 51 MW?

You are suggesting they are two separate 10 average MW projects. In prior information you have suggested a capacity factor over 40%, if this is the case the 30 MW would not qualify for a 10 MW average project and even the 21 MW project would be questionable, based on the previous data you provided.

Do the projects qualify as separate facilities? Individual QF certificates from FERC? At least physically a mile apart?

Unfortunately this size and number of projects continues to cause delays and complications in the transmission capacity request –

If they are truly separate projects – which one do you want me to file for first? (there may be room for one but not the other)

If we get approval for one and/or both as separate projects, but then find out they must be combined into one project we will have to re file for transmission as the two filings cannot be combined into one at a later time.

To do this right the first time, we need to determine if they are separate projects. Even if they are separate projects do they qualify for the 10 average MW contract?

Based on the information you have provided, it appears they are the same project (same project location, same interconnection, same BPA capacity reservation etc). If this is the case, then I need to file one 51 MW transmission request and we will need to rerun the pricing models to determine the energy pricing.

Randy

From: Allphin, Randy
Sent: Monday, August 02, 2010 3:02 PM
To: 'Christine Mikell'
Subject: 21 or 30 MW ?

Christine, I am making some progress on the transmission requests, however the first questions I encountered was if the project would be 21 or 30 MW. As you included both applications in your package I had assumed you were not sure at time you submitted this information. Do you have any updated information?

If you are still unsure, probably be best to submit for the 30 MW, if this is available would be logical that 21 MW would be available.

Randy

Allphin, Randy

From: Allphin, Randy
Sent: Monday, August 02, 2010 3:34 PM
To: 'Christine Mikell'
Subject: RE: 21 or 30 MW ?

Based on the previous production data you provided, the 31 MW project does not qualify for the 10 average MW contract, and the 20 MW project is questionable?

Was the previously provided production data accurate – if so we need to rerun pricing models, the price will most likely be similar to the previous pricing I provided are the projects viable at those prices?

If the previously provided data was not accurate, the previous provided pricing may not be accurate.

If they are viable, which transmission request should I submit first?

Randy

From: Christine Mikell [<mailto:christine@wasatchwind.com>]
Sent: Monday, August 02, 2010 3:22 PM
To: Allphin, Randy
Subject: Re: 21 or 30 MW ?

Yes, with a mile separation.

From: Allphin, Randy <RAllphin@idahopower.com>
To: Christine Mikell
Sent: Mon Aug 02 17:21:20 2010
Subject: RE: 21 or 30 MW ?

Christine – I guess I read things wrong – this information is now suggesting is two separate projects (20 MW and a 31 MW) for a total of 51 MW?

You are suggesting they are two separate 10 average MW projects. In prior information you have suggested a capacity factor over 40%, if this is the case the 30 MW would not qualify for a 10 MW average project and even the 21 MW project would be questionable, based on the previous data you provided.

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Unfortunately this size and number of projects continues to cause delays and complications in the transmission capacity request –

If they are truly separate projects – which one do you want me to file for first? (there may be room for one but not the other)

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Randy

From: Allphin, Randy
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To: 'Christine Mikell'
Subject: 21 or 30 MW ?

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Randy



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Allphin, Randy

From: Christine Mikell [christine@wasatchwind.com]
Sent: Monday, August 02, 2010 3:22 PM
To: Allphin, Randy
Subject: Re: 21 or 30 MW ?

Yes, with a mile separation.

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To: Christine Mikell
Sent: Mon Aug 02 17:21:20 2010
Subject: RE: 21 or 30 MW ?

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To: Allphin, Randy
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Hi Randy,

One QF is for 30 MW's and the second QF is for 21 MW's. Does that help?

Thanks.

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To: Christine Mikell
Sent: Mon Aug 02 17:01:53 2010
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To: 'Christine Mikell'
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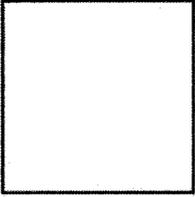
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To: Allphin, Randy
Subject: RE: 21 or 30 MW ?
Attachments: GrouseCreekQF1indicpric_2010_7_14.pdf; GrouseCreekQF2indicpric_2010_7_14.pdf

Dear Randy,

I thought it would be helpful to provide you with an overview of our plans so that we can make progress toward getting the 30 MW Grouse Creek Wind Park I and the 21 MW Grouse Creek Wind Park II up and running. My apologies if our e-mail communications have been less than clear.

First please consider this a formal request for two separate, standard, non-levelized, under-ten-average-monthly-megawatt, twenty year power purchase agreements. The projects will be located in Northern Utah and will interconnect with Raft River Rural Electric Cooperative. Bonneville Power Administration will deliver the output to an interconnection with your system at the Minidoka Substation in Southern Idaho.

The output from the two projects will be physically limited such that neither project will be capable of generating more than ten average megawatts in any given month.

I understand that Idaho Power has a new process whereby a project must be designated as a network resource prior to obtaining a power purchase agreement. I have enclosed a completed "Transmission Capacity Application Questionnaire" to start Idaho Power's internal process to designate the two projects as network resources. I also understand that this project may be located on a part of the Idaho Power system that requires upgrades to the backbone transmission. Therefore I anticipate that there will have to be a study to determine what upgrades our projects will be responsible for. That said, I do not believe the study process should delay the submission of execution ready power purchase agreements. With the substantial delay security being required in recent Idaho Power PPAs, the risk of our project's failing to come on line due to transmission constraints is completely mitigated.

The expected on line date for the two projects is December 31, 2012.

Randy, I hope this is helpful. We are looking forward to a long and mutually beneficial relationship with Idaho Power Company.

Sincerely yours

Christine Mikell
Director of Development
Wasatch Wind

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Was the previously provided production data accurate – if so we need to rerun pricing models, the price will most likely be similar to the previous pricing I provided are the projects viable at those prices?

If the previously provided data was not accurate, the previous provided pricing may not be accurate.

If they are viable, which transmission request should I submit first?

Randy

From: Christine Mikell [mailto:christine@wasatchwind.com]
Sent: Monday, August 02, 2010 3:22 PM
To: Allphin, Randy
Subject: Re: 21 or 30 MW ?

Yes, with a mile separation.

From: Allphin, Randy <RAllphin@idahopower.com>
To: Christine Mikell
Sent: Mon Aug 02 17:21:20 2010
Subject: RE: 21 or 30 MW ?

Christine – I guess I read things wrong – this information is now suggesting is two separate projects (20 MW and a 31 MW) for a total of 51 MW?

You are suggesting they are two separate 10 average MW projects. In prior information you have suggested a capacity factor over 40%, if this is the case the 30 MW would not qualify for a 10 MW average project and even the 21 MW project would be questionable, based on the previous data you provided.

Do the projects qualify as separate facilities? Individual QF certificates from FERC? At least physically a mile apart?

Unfortunately this size and number of projects continues to cause delays and complications in the transmission capacity request –

If they are truly separate projects – which one do you want me to file for first? (there may be room for one but not the other)

If we get approval for one and/or both as separate projects, but then find out they must be combined into one project we will have to re file for transmission as the two filings cannot be combined into one at a later time.

To do this right the first time, we need to determine if they are separate projects. Even if they are separate projects do they qualify for the 10 average MW contract?

Based on the information you have provided, it appears they are the same project (same project location, same interconnection, same BPA capacity reservation etc). If this is the case, then I need to file one 51 MW transmission request and we will need to rerun the pricing models to determine the energy pricing.

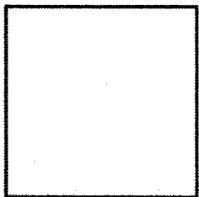
Randy

From: Allphin, Randy
Sent: Monday, August 02, 2010 3:02 PM
To: 'Christine Mikell'
Subject: 21 or 30 MW ?

Christine, I am making some progress on the transmission requests, however the first questions I encountered was if the project would be 21 or 30 MW. As you included both applications in your package I had assumed you were not sure at time you submitted this information. Do you have any updated information?

If you are still unsure, probably be best to submit for the 30 MW, if this is available would be logical that 21 MW would be available.

Randy



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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 7

Allphin, Randy

From: Greg Adams [Greg@richardsonandoleary.com]
Sent: Friday, October 01, 2010 11:58 AM
To: Allphin, Randy
Cc: Walker, Donovan; Peter Richardson
Subject: Wasatch Wind -- Grouse Creek Wind Park
Attachments: 10-1-10-Letter- GCWP.pdf

Randy,

Please see the attached letter from Pete Richardson. We'll drop a paper copy off at the front desk today.

Greg

Greg Adams
Richardson & O'Leary PLLC
515 N. 27th Street, 83702
P.O. Box 7218, 83707
Boise, Idaho
Voice: 208.938.2236
Facsimile: 208.938.7904

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Thank you.



RICHARDSON & O'LEARY, PLLC
ATTORNEYS AT LAW

Peter Richardson

Tel: 208-938-7901 Fax: 208-938-7904
peter@richardsonandoleary.com
P.O. Box 7218 Boise, ID 83707 · 515 N. 27th St. Boise, ID 83702

October 1, 2010

Via Hand Delivery and Electronic Mail

Randy Allphin
PURPA Contracts Administrator
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707

Re: Wasatch Wind – Grouse Creek Wind Park

Dear Randy:

I write on behalf of my client, Wasatch Wind, regarding its request for a power purchase agreement (PPA) for a qualifying facility (QF) under the Public Utilities Regulatory Policy Act of 1978 (PURPA) – the 21 megawatt (MW) Grouse Creek Wind Park. As you know, Wasatch Wind has been in contact with you and has provided Idaho Power with substantial amounts of information regarding this PURPA project in its efforts to secure a PPA over the past few months. Further, you and I discussed issues related to interconnection and transmission for this project on August 30, 2010.

As described in more detail below, the project is in Northern Utah and will interconnect with the Raft River Rural Electric Cooperative. Wasatch Wind is arranging for an agreement to have Bonneville Power Administration (BPA) deliver the output to Idaho Power's system at the Minidoka substation. This QF project is, and has been, ready willing and able to obligate itself to a PURPA PPA with Idaho Power containing the standard rates, terms, and conditions approved by the Idaho Public Utilities Commission (Commission) to projects that will deliver under 10 average monthly megawatts (aMW). Those terms include the daily and seasonality load shape price adjustments (Order No. 30415), as well as the wind integration charge, mechanical availability guarantee, and wind forecasting and cost sharing provisions (Order No. 30488). The most recently approved PURPA wind PPA containing the applicable provisions is the Idaho Winds LLC PPA, which is on file at the Commission in Case No. IPC-E-09-25, and could be used as a template.

I write this letter to clarify Wasatch Wind's position on some issues of contention, or perhaps simply misunderstanding, regarding this project, and to provide you with all the project specific information you should need to complete a standard PURPA PPA under one cover.

Mr. Allphin
October 1, 2010
Page 2

Interconnection/Transmission Request Processing

First, I need to address the transmission and interconnection application process. As we discussed on August 30, 2010, Wasatch Wind has another nearby wind QF – the Grouse Creek Wind Park II – that it plans to bring online in parallel with the Grouse Creek Wind Park. These projects will be at least one mile apart, will be separate QFs, and will be owned and operated by separate limited liability companies (the Grouse Creek Wind Park LLC and the Grouse Creek Wind Park II LLC).

Wasatch Wind's position is that it is entitled to request separate PPAs and separate interconnection arrangements for each project simultaneously, and to have the processes to obtain PPAs and interconnection arrangements for each project progress in parallel. You appeared to indicate that Wasatch Wind may only submit, and/or Idaho Power will only process, one project's interconnection application at a time. In other words, if I understood you correctly, Idaho Power would have Wasatch Wind submit a single interconnection/transmission request for one project, and then wait the six to nine months it may take for completion of processing of that request, prior to even submitting/processing the request for the second project.

There is no basis in fact or law for imposing such a requirement on Wasatch Wind. Both projects should proceed through the interconnection/transmission study process simultaneously, as Wasatch Wind has requested. These are two separate QFs, separated by at least one mile, and, for power sale and interconnection/transmission request purposes, should be treated as two separate entities. If those simultaneous studies reveal a transmission constraint, the project placed in the transmission queue second will then have to decide whether it will pay for any necessary upgrade, or make another arrangement based on its position at that time. It is simply unfair to completely stall progress of one project while studying transmission availability for the other project.

Wasatch Wind has submitted a transmission capacity application for the Grouse Creek Wind Park and Grouse Creek Wind Park II on August 19, 2010, in an effort to become a network resource, and hereby formally reiterates its request that the application be processed in parallel with the application for the Grouse Creek Wind Park II. Failure to do so would prejudice the rights of Wasatch Wind and its affiliates of obtaining separate PPAs for these separate QFs.

It necessary to point out that Idaho Power's unjustified actions have already delayed progress of these two QF developments' efforts to arrange to wheel their output over BPA's system. This year, BPA initiated a network open season (NOS) so that BPA could improve transmission availability on its system for customers and relieve a backlog of requests. Wasatch Wind made an NOS request in June 2010 in order to reserve space for its Grouse Creek Wind Park and Grouse Creek Wind Park II projects. This is around the same time that Wasatch Wind contacted Idaho Power, and requested PPAs and transmission on Idaho Power's system. BPA's NOS process included a requirement that Wasatch Wind post a performance assurance amount of \$794,376 for these two QFs by August 18, 2010. Wasatch Wind hoped that by making the BPA request concurrently with its request to Idaho Power for PPAs and transmission that it would obtain some sort of assurance from Idaho Power by August 18 that its requests were being processed. But because Idaho Power refused to make the transmission request, Wasatch Wind could not risk losing that large sum of money required for BPA's NOS, and had to pull out of

Mr. Allphin
October 1, 2010
Page 3

BPA's NOS. Subsequent to that, Wasatch Wind submitted two new Transmission Service Requests to Idaho Power, as of August 18, and has renewed its efforts with BPA.

Delay Default Liquidated Damages Security Provision

The other item that I need to raise at this time is that of a delay default liquidated damages security provision. Wasatch Wind understands that Idaho Power has recently begun requiring delay default liquidated damages security provisions in PURPA PPAs whereby the QF must post a delay security of \$45/kw of nameplate capacity for the project, which sum Idaho Power would retain as liquidated damages in the event the QF fails to achieve the PPA's online date. For this 21 MW project, such a provision would require the QF to post \$945,000.

In Order No. 30608, the Commission stated that delay default liquidated damages security must be a "fair and reasonable offset of a regulated utility's estimated increase in power supply costs attributable to the PURPA supplier's failure to meet its contractually scheduled operation date." The Commission's statement is consistent with Idaho law, which clearly prohibits use of liquidated damages provisions when damages are easily estimated, or when such provisions are punitive or designed to deter a breach of the contract. *See Magic Valley Truck Brokers, Inc. v. Meyer*, 133 Idaho 110, 117, 982 P.2d 945, 952 (Ct. App. 1999); I.C. § 28-2-718(1). Idaho Power's actual damages caused by a QF's delay in achieving its online date would not be difficult to calculate, and the amount of \$45/kw is far in excess of the costs of replacement power or administrative expenses Idaho Power may incur. A \$45/kw liquidated damages clause is simply not legal in Idaho and would be rejected by Idaho courts. And requiring a QF to post an unreasonably high delay default security frustrates PURPA's mandatory purchase provisions. Wasatch Wind will not agree to a \$45/kw delay security, unless the Commission orders that amount is reasonable. Wasatch Wind intends to obligate itself at this time only to a PPA requiring it to post no delay default security amount, or to any amount deemed reasonable by the Commission if Idaho Power insists on a provision requiring Wasatch to post a delay default liquidated damages security.

Project Information

For the remainder of this letter, I will provide detailed information regarding the Grouse Creek Wind Park, available to you in one location for your convenience in completing the requested standard PPA. Please complete a standard PPA for Wasatch Wind according to the information provided below. If we are unable to resolve any remaining disagreement regarding the timing of the interconnection/transmission applications or the delay default liquidated damages security provisions, Wasatch Wind requests that you provide a PPA containing all undisputed terms and conditions, and that Idaho Power and the QF proceed to the Commission for a determination as to any disputed terms. For any such disputed terms, Wasatch intends at this time to obligate itself to a PPA containing the terms that the Commission ultimately concludes to be just and reasonable.

(a) ability to obtain QF status

As a wind generating facility utilizing a renewable fuel source, the facility will be a qualifying facility as defined in 18 C.F.R. § 292.203(a) and (c).

(b) design capacity (MW)

This project will have a nameplate rating of 21 MW, but under normal operating conditions in any given month Wasatch Wind's proposed design of the project will generate less than 10 aMW. Specifically, Wasatch Wind will design the facility in such a way that the turbines switch to maintenance mode, and thus cease generating electricity to be delivered to Idaho Power, if production levels for a given month reach the 10 aMW cap. The engineering team will do so by adding some "logic" to the metering equipment. Once the output has reached a predetermined level, the metering equipment will communicate with the control equipment and put the turbines into maintenance mode. Monthly generation will not exceed the 10 aMW cap, and Wasatch Wind will provide appropriate engineering certification of this fact. Therefore, in accordance with Commission Order No. 29632, Wasatch Wind agrees to a provision in the PPA providing that a cap on the maximum monthly generation that qualifies for published rates at the total number of hours in the month multiplied by 10 MW.

The Commission has approved PURPA PPAs for projects with design specifications such as this in the past. For example, in Order No. 30028, the Commission approved a PPA at the published rates for a cogeneration facility with a design capacity of over 10 MW because it would only generate 10 aMW in normal and/or average conditions based on data supplied by the QF. Likewise, Wasatch Wind proposes to design the Grouse Creek Wind Park facility as a QF that will deliver less than 10 aMW, and will provide appropriate certification to Idaho Power of that design specification.

I understand that Wasatch Wind's existing request for a PPA for this project indicated the project would have a nameplate capacity of 30 MW. Please consider that request amended to specify this project will have a nameplate capacity of 21 MW. Please also amend the Transmission Capacity Application Questionnaire submitted on August 19, 2010, accordingly. This decrease in nameplate capacity should not present additional PPA or transmission problems and should not stall progress of the Idaho Power's processing of the PPA and transmission requests.

(c) generation technology and other related technology applicable to the site

The facility will be a wind generation project consisting of 3.0 MW machines, which will be Vestas V-112 machines.

(d) proposed site location

The facility will be located in Box Elder County, near Lynn, Utah. More specifically, Wasatch Wind provides the following legal description of the real property associated with Grouse Creek Wind Park:

TOWNSHIP 14 NORTH, RANGE 17 WEST OF THE SALT LAKE BASE MERIDIAN, all of which is located in Box Elder County Utah, containing approximately 806.49 acres, more or less.

Parcel 08-017-0016 Part lying in the South half in Section 8, Township 14 North 17 West known as parcel No. 08-017-0016

Parcel 08-017-0112 Part of the West Half of Section 16, T 14 N, R 17 W. Salt Lake Base and Meridian, Box Elder County, Utah.

DESCRIPTION: Beginning at Southwest Corner of Section 16, T 14 N, R 17W, SLB&M a Stone Monument with 5/8" rebar and 2" cap alongside found by Desert West Land Surveys and RUNNING THENCE N 00°35'06" E 4277.40 feet along the section line to a point on ridge, said point being a rebar and cap set by Desert West Land Surveys; thence the following ten (10) courses along said ridge to rebars and caps set by Desert West Land Surveys: (1) S 40°04'35" E 250.59 feet (2) S 07°47'58" E 516.55 feet (3) S 13°43'10" W 452.69 feet (4) S 20°27'39" E 204.52 feet (5) S 50°12'36" E 316.89 feet (6) S 24°55'14" E 430.68 feet (7) S 21°50'37" E 749.05 feet, (8) S 45°45'09" E 581.60 feet, (9) S 40°31'30"E 1403.24 feet, (10) S 04°12'26" E 138.01 feet; thence S 88°54'25"W 2281.86 feet along section line to the point of beginning. Containing 87.51 acres, more or less.

Parcel 08-017-0114 DESCRIPTION: Beginning at the Southeast Corner of Section 17, T 14 N, R 17W, SLB&M a Marked Stone Monument with rebar and cap alongside stamped PLS 5754 by Desert West land Survey and RUNNING THENCE N 87°22'41" W 2718.20 feet to Marked Quarter Corner Stone Monument with rebar and cap alongside by Johnston Engineering, P. C., stamped JEPC PLS 152173; thence S 89°59'32" W 2628.40 feet to the Southwest Corner of said Section 17, a fence corner: thence N 00°09'23" W 2590.14 feet to Marked Quarter Corner Stone Monument with rebar and cap alongside stamped JEPC PLS 152173; thence N 00°40'09" E 1329.28 feet to the Southwest Corner of the Northwest Quarter of the Northwest Quarter of said Section 17; thence N 89°29'16" E 1336.70 feet to the Southeast Corner of the Northwest Quarter of the Northwest Quarter of said Section 17; thence N 00°43'21" E 1340.23 feet to the Northeast Corner of the Northwest Quarter of the Northwest Quarter of said Section 17; thence N 89°01'13" E 1338.22 feet to Marked Quarter Corner Stone Monument with rebar and cap alongside stamped JEPC 152173; thence N 89°36'50" E 1784.26 feet along section line to fence line on ridge; thence the following four (4) courses along fence lines on ridge; (1) S 04°33'59" E 662.48 feet, (2) S 78°53'18" E 583.12 feet, (3) S 28°18'19" E 155.75 feet, (4) S 40°03'33" E 317.70 feet to Rebar and Cap set on the east line of said Section 17 by Desert West land Survey: thence S 00°35'06" W 4277.40 feet along said section line to the point of beginning. Containing 598.32 acres, more or less.

(e) schedule of monthly power deliveries

The table below sets forth the expected schedule of monthly power production in a typical year.

Mr. Allphin
October 1, 2010
Page 6

These production estimates do not account for station use or for line losses occurring between the QF and the point of delivery to Idaho Power's system:

<u>Month</u>	<u>MWh</u>
January	6,178.9
February	6,720.0
March	7,440.0
April	5,614.1
May	4,547.0
June	640.5
July	1,524.5
August	2,513.4
September	3,566.3
October	6,306.5
November	6,686.3
December	6,941.4
Total	58,679

(f) motive force or fuel plan

The motive force is wind.

(g) proposed online date and other significant dates required to complete the milestones

Construction of the facility and other necessary infrastructure is scheduled to be complete and ready for operation on December 31, 2012. The proposed online date to commence operation for electricity sales to Idaho Power is December 31, 2012.

(h) proposed contract term and pricing provisions

Wasatch Wind requests a 20-year contract at the non-levelized rates in the avoided cost rate schedule on file today with the Idaho Public Utilities Commission (errata to Idaho Public Utilities Commission Order No. 30125).

(i) status of interconnection or transmission arrangements

Wasatch Wind is arranging for an agreement to have BPA deliver the output to Idaho Power's system at the Minidoka substation. Wasatch Wind submitted a transmission capacity application questionnaire for Grouse Creek Wind Park to Idaho Power on August 19, 2010, and has requested that Idaho Power initiate any necessary processing of interconnection and transmission studies or agreements for the project.

Mr. Allphin
October 1, 2010
Page 7

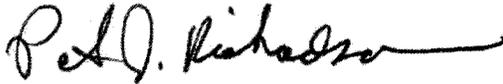
(j) **point of delivery or interconnection**

Wasatch Wind will deliver the output (net of station use and losses) to Idaho Power at the Minidoka substation.

Conclusion

I hope that this letter has clarified Wasatch Wind's position regarding this request, and will be useful in your processing of Wasatch Wind's PURPA project. Please contact me with any questions, or with requests for any additional information necessary to process this request.

Very truly yours,



Peter J. Richardson
Attorney for Wasatch Wind

cc: Donovan Walker, Attorney for Idaho Power (hand delivery and electronic mail)
Christine Mikell, Wasatch Wind (electronic mail)

Enclosure

Allphin, Randy

From: Greg Adams [Greg@richardsonandoleary.com]
Sent: Friday, October 01, 2010 12:00 PM
To: Allphin, Randy
Cc: Walker, Donovan; Peter Richardson
Subject: Wasatch Wind -- Grouse Creek Wind Park II
Attachments: 10-1-10-Letter- GCWP II.pdf

Randy,

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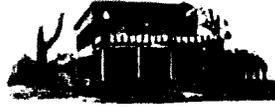
Greg

Greg Adams
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Peter Richardson

Tel: 208-938-7901 Fax: 208-938-7904
peter@richardsonandoleary.com
P.O. Box 7218 Boise, ID 83707 • 515 N. 27th St. Boise, ID 83702

October 1, 2010

Via Hand Delivery and Electronic Mail

Randy Allphin
PURPA Contracts Administrator
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707

Re: Wasatch Wind – Grouse Creek Wind Park II

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Mr. Allphin
October 1, 2010
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Interconnection/Transmission Request Processing

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Mr. Allphin
October 1, 2010
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Project Information

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(a) ability to obtain QF status

As a wind generating facility utilizing a renewable fuel source, the facility will be a qualifying facility as defined in 18 C.F.R. § 292.203(a) and (c).

(b) design capacity (MW)

This project will have a nameplate rating of 21 MW, but under normal operating conditions in any given month Wasatch Wind's proposed design of the project will generate less than 10 aMW. Specifically, Wasatch Wind will design the facility in such a way that the turbines switch to maintenance mode, and thus cease generating electricity to be delivered to Idaho Power, if production levels for a given month reach the 10 aMW cap. The engineering team will do so by adding some "logic" to the metering equipment. Once the output has reached a predetermined level, the metering equipment will communicate with the control equipment and put the turbines into maintenance mode. Monthly generation will not exceed the 10 aMW cap, and Wasatch Wind will provide appropriate engineering certification of this fact. Therefore, in accordance with Commission Order No. 29632, Wasatch Wind agrees to a provision in the PPA providing that a cap on the maximum monthly generation that qualifies for published rates at the total number of hours in the month multiplied by 10 MW.

The Commission has approved PURPA PPAs for projects with design specifications such as this in the past. For example, in Order No. 30028, the Commission approved a PPA at the published rates for a cogeneration facility with a design capacity of over 10 MW because it would only generate 10 aMW in normal and/or average conditions based on data supplied by the QF. Likewise, Wasatch Wind proposes to design the Grouse Creek Wind Park II facility as a QF that will deliver less than 10 aMW, and will provide appropriate certification to Idaho Power of that design specification.

(c) generation technology and other related technology applicable to the site

The facility will be a wind generation project consisting of 3.0 MW machines, which will be Vestas V-112 machines.

(d) proposed site location

The facility will be located in Box Elder County, near Lynn, Utah. More specifically, Wasatch Wind provides the following legal description of the real property associated with Grouse Creek Wind Park II:

TOWNSHIP 14 NORTH, RANGE 17 WEST OF THE SALT LAKE BASE MERIDIAN, all of which is located in Box Elder County Utah, containing approximately 730.79 acres, more or less.

Parcel 08-017-0047 SE/4 of Section 21, Township 14 North Range 17 West, SLB&M. containing 160 acres more or less.

Mr. Allphin
October 1, 2010
Page 5

Parcel 08-017-0070 All of Section 28 Township 14 North Range 17 West, SLB&M. Less E/2 of E/2 & SW/4 of SW/4 containing 440 acres more or less.

Parcel 08-017-0098 Part of the East half of the Northeast Quarter of Section 28, T 14 N, R 17W, SLB&M, Box Elder County, Utah.
DESCRIPTION: Beginning at the Northwest Corner of the Northeast Quarter of the Northeast Quarter of Section 28, T 14 N, R 17 W, SLB&M, Box Elder County, Utah; thence south 0 degrees 07'42" East along the West line of the Northeast Quarter of the Northeast Quarter for 393.39 feet to the point of beginning.
Thence South 28 degrees 40'53" East for 510.66 feet to a ½ inch rebar; thence South 28 degrees 40'53" East for 1643.06 feet to an ½ rebar; thence South 57 degrees 30'39" West for 1218.68 feet to a point on the West line of the East half of the Northeast Quarter; thence North 0 degrees 07'42" West along the West line of the East Half of the Northeast Quarter for 2544.8 feet to the point of beginning, containing 24.59 acres more or less

SAVE AND EXCEPT the following-described parcel: (CONT...)

DESCRIPTION: Beginning at the Northwest Corner of the Northeast Quarter of the Northeast Quarter of Section 28, T 14 N, R 17W, SLB&M, Box Elder County, Utah; thence South 0 degrees 07'42" East along the West line of the Northeast Quarter of the Northeast Quarter for 393.39 feet to the point of beginning; thence South 28 degrees 40'53" East for 510.66 feet to a ½ inch rebar; thence South 28 degrees 40'53" East for 557.15 feet to the South line of the Northeast Quarter of the Northeast Quarter; thence North 89 degrees 37'00" West for 510.40 feet to the West line of the Northeast Quarter of the Northeast Quarter; thence North 00 degrees 07'42" West for 933.39 feet to the point of beginning.

Parcel 08-017-0099 DESCRIPTION: Beginning at the Northwest Corner of the Northeast Quarter of the Northeast Quarter of Section 28, T 14 N, R 17W, SLB&M, Box Elder County, Utah; thence South 0 degrees 07'42" East along the West line of the Northeast Quarter of the Northeast Quarter for 393.39 feet to the point of beginning; thence South 28 degrees 40'53" East for 510.66 feet to a ½ inch rebar; thence South 28 degrees 40'53" East for 557.15 feet to the South line of the Northeast Quarter of the Northeast Quarter; thence North 89 degrees 37'00" West for 510.40 feet to the West line of the Northeast Quarter of the Northeast Quarter; thence North 00 degrees 07'42" West for 933.39 feet to the point of beginning, containing 5.47 acres more or less.

Parcel 08-017-0102 Part of Section 27 and 28. Township 14 North, Range 17 West, Salt Lake Base and Meridian, described as follows

Beginning at the East Quarter Corner of Section 28, Township 14 North, Range 17 West, Salt Lake Base and Meridian; Thence South 36°14'05" East 1661.99 Feet to a point on the South line of the Northwest Quarter of Southwest Quarter of said Section 27; thence North 89°59'54" West 974.82 feet to the Northeast Corner of Southeast Quarter of Southeast Quarter of said Section 28; thence South 00°19'25" East 1340.56 feet to the Southeast Quarter of said section 28; thence North 89°59'54" West 1329.58 feet to the Southwest Corner of the Southeast quarter of Southeast Quarter of said Section 28; thence North

57°30'38" East 1218.7 feet on the East Corner of parcel described as Tax ID No. 08-017-0098; thence South 09°00'00" east 289.68 feet to the East line of said Section 28; thence south 00°19'25" feet the point of beginning. Containing 100.73 acres more or less.

(e) schedule of monthly power deliveries

The table below sets forth the expected schedule of monthly power production in a typical year. These production estimates do not account for station use or for line losses occurring between the QF and the point of delivery to Idaho Power's system:

<u>Month</u>	<u>MWh</u>
January	
February	6,178.9
March	6,720.0
April	7,440.0
May	5,614.1
June	4,547.0
July	640.5
August	1,524.5
September	2,513.4
October	3,566.3
November	6,306.5
December	6,686.3
Total	6,941.4
	58,679

(f) motive force or fuel plan

The motive force is wind.

(g) proposed online date and other significant dates required to complete the milestones

Construction of the facility and other necessary infrastructure is scheduled to be complete and ready for operation on December 31, 2012. The proposed online date to commence operation for electricity sales to Idaho Power is December 31, 2012.

(h) proposed contract term and pricing provisions

Wasatch Wind requests a 20-year contract at the non-levelized rates in the avoided cost rate schedule on file today with the Idaho Public Utilities Commission (errata to Idaho Public Utilities Commission Order No. 30125).

Mr. Allphin
October 1, 2010
Page 7

(i) status of interconnection or transmission arrangements

Wasatch Wind is arranging for an agreement to have BPA deliver the output to Idaho Power's system at the Minidoka substation. Wasatch Wind submitted a transmission capacity application questionnaire for Grouse Creek Wind Park II to Idaho Power on August 19, 2010, and has requested that Idaho Power initiate any necessary processing of interconnection and transmission studies or agreements for the project.

(j) point of delivery or interconnection

Wasatch Wind will deliver the output (net of station use and losses) to Idaho Power at the Minidoka substation.

Conclusion

I hope that this letter has clarified Wasatch Wind's position regarding this request, and will be useful in your processing of Wasatch Wind's PURPA project. Please contact me with any questions, or with requests for any additional information necessary to process this request.

Very truly yours,



Peter J. Richardson
Attorney for Wasatch Wind

cc: Donovan Walker, Attorney for Idaho Power (hand delivery and electronic mail)
Christine Mikell, Wasatch Wind (electronic mail)

Enclosure

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 8

Alphin, Randy

From: Alphin, Randy
Sent: Monday, November 01, 2010 2:06 PM
To: 'Peter Richardson'
Cc: Walker, Donovan
Subject: Wasatch wind and Sweeney ranch documents
Attachments: Wasatch wind cover letter.pdf; Wasatch wind draft agreement template 11-1-2010.pdf

Tracking:	Recipient	Read
	'Peter Richardson'	
	Walker, Donovan	Read: 11/1/2010 2:09 PM

Peter,

Attached is a letter addressing the various Wasatch wind requests and also a draft agreement.

I left you a phone message, if I do not hear back from by you by 3 pm I will put the originals in U S Mail.

Randy



November 1, 2010

Randy C. Allphin
Senior Energy Contract Coordinator

Wasatch Wind
c/o Peter Richardson
515 North 27th Street
P.O. Box 7218
Boise, ID 83702

Original: U S Mail

E-mail copy: Peter@richardsonandoleary.com

Re: Wasatch Wind – Grouse Creek Wind Park LLC, Grouse Creek Wind Park II LLC, Sweeney Ranch Wind Park I and Sweeney Ranch Wind Park II.

Dear Mr. Richardson:

Idaho Power has received your letters of October 1 and October 28, 2010, regarding Grouse Creek Wind Park and Grouse Creek Wind Park II, as well as your October 20, 2010, letter regarding Sweeney Ranch Wind Park I and II.

Your letters are obvious attempts to establish a writing that evidences: 1) your client's projects are ready willing and able at this time to sign PURPA FESAs and 2) that the reason your client does not have executed PURPA FESAs at this time is somehow due to some action or inaction of Idaho Power. Neither is correct.

Your letters purport to "agree" to the "standard" terms and conditions contained in the Idaho Winds LLC FESA from Case No. IPC-E-09-25. There are three primary problems with your assertion. First, as you are well aware, the Idaho Winds FESA contains delay damage and security provisions that your same letter objects to, and does not agree with. Second, as you are also aware, the Idaho Winds FESA does not contain the most recent and up-to-date "standard" terms and conditions of a PURPA FESA that have been approved by the Commission and third, all of these proposed projects are not within the Idaho Power service territory, thus as the FESA you referenced is for a project within the Idaho Power service territory it would not be applicable without the changes to accommodate the off system projects you are proposing. As you are aware from your representation of other PURPA clients, Idaho Power will not agree to a PURPA FESA that does not contain the \$45 per kW nameplate rating security and damage provisions. Delay liquidated damages provisions have

P.O. Box 70 (83707)
1221 W. Idaho St.
Boise, ID 83702

Attachment No. 8
Case Nos. IPC-E-10-61 & IPC-E-10-62
Allphin Affidavit, IPC
Page 2 of 74

been included in PURPA FESA contracts approved by the Commission since at least 2007. *See*, Case No. IPC-E-06-36. In addition, one of the first Commission approved FESAs to contain terms requiring the project to post liquid security was the FESA for Cassia Gulch Wind Park and Tuana Springs Energy, Case No. IPC-E-09-24. In that case the Commission approved provisions requiring the posting of liquid security in the amount of \$20 per kW of project capacity. The Commission considered and approved provisions providing for the posting of liquid security in the amount of \$20 per kW of project capacity in at least four other PURPA FESAs. *See*, Case No. IPC-E-09-18, IPC-E-09-19, IPC-E-0920, IPC-E-09-25. The Commission has since analyzed and approved provisions requiring the posting of liquid security in the amount of \$45 per kW of nameplate capacity in at least seven different PURPA FESAs, some of which have been belonged to your clients. *See*, Case No. IPC-E-10-02, IPC-E-10-05, IPC-E-10-15, IPC-E-10-16, IPC-E-10-17, IPC-E-10-18, IPC-E-10-19.

In reviewing the information you have provided in your letter regarding the interconnection and transmission request process, there appears to be a misunderstanding with regard to the information that Idaho Power has provided. In none of the information provided or conversations with Idaho Power has Idaho Power ever stated that only one of the projects Transmission Service Request ("TSR") could be processed at a single time. Instead, the discussions were about the fact that TSR's are processed in the order they are received by the transmission group. And if there is limited transmission capacity on a path, the first TSR filed may be accepted with little or no upgrade cost whereas the second TSR filed may encounter network upgrade costs as a result of the first request being allocated the available transmission capacity.

As all of these proposed projects are not within the Idaho Power service territory and will not be directly connecting to the Idaho Power electrical system it is required that each project complete the interconnection process with the host utility and also secure firm transmission capacity across all required transmission paths to deliver energy to a point of delivery on the Idaho Power electrical system. The Idaho Power TSR process discussed above is the process to determine if there is transmission capacity available only on the Idaho Power electrical system from the point of delivery to the Idaho Power customer loads.

Grouse Creek I and II projects --

In the previously provided information the projects have indicated that an Interconnection Facility study has been completed for each project with the host utility and a firm transmission reservation is not in place on the BPA system, however it appears the projects have been working diligently to secure transmission on the BPA system.

Previously, Idaho Power had not filed TSRs for these projects due to the fact that the projects had not committed to the actual size and configuration of the projects or the sequencing they desired for the filing of these TSRs. In the letter dated October 1, 2010, the project has requested the Grouse Creek Wind Park I be resized to 21 MW vs the previous information that the project be sized at 30 MW. Based on this latest information, Idaho Power will file TSR's for Grouse Creek Wind Park I for a nameplate rating of 21 MW and Grouse Creek Wind Park II for a nameplate rating of 21 MW - both

to deliver energy to the Idaho Power Minidoka substation making use of firm transmission capacity on the BPA transmission system.

Sweeny Ranch Wind Park I and II –

Your letter dated October 20, 2010 is the first information you have provided to Idaho Power in regards to these projects. In order to continue through the transmission and FESA process a “Letter of Understanding” and the information requested within that letter will need to be completed and returned to Idaho Power. A Letter of Understanding for each of these project has been included with this letter.

Prior to Idaho Power filing a TSR for these projects, the projects will need to demonstrate that, at minimum, an acceptable feasibility study for interconnection with the host utility has been completed and provide evidence that firm transmission is available from all required transmission providers to move the project’s energy from the point of interconnection to the Point of Delivery on Idaho Power’s electrical system.

Thank you for providing the additional “detailed” information about your client’s projects that you have requested Idaho Power insert into the “standard” FESA for Wasatch Wind. However, from your past dealings with the Company you are aware that this type of information provided by the project developer about their project is typically inserted by the project developer, and not by Idaho Power. Enclosed please find a generic draft PURPA Wind agreement (no specific project information included) that contains the most recent and up-to-date “standard” terms and conditions that have been approved by the Commission and the off system requirements. Please fill in the appropriate project specific factual information required and return to Idaho Power. Idaho Power will then generate a final, executable copy for signatures.

If you have any questions please do not hesitate to contact me at (208) 388-2614 or rallphin@idahopower.com.

Sincerely,



Randy C. Allphin
Senior Energy Contract Coordinator

cc: Donovan Walker



November 1, 2010

Randy C. Allphin
Sr. Energy Contract Coordinator
Tel: (208) 388-2614
rallphin@idahopower.com

Sweeney Ranch Wind Park I
c/o Peter Richardson
515 North 27th Street
P.O. Box 7218
Boise, ID 83702

Original: U S Mail

E-mail copy: Peter@richardsonandoleary.com

RE: Letter of Understanding
Sweeney Ranch Wind Park I - Proposed Wind Generation Project

Mr. Richardson,

Summarized below is a brief outline of the purchase power agreement, interconnection process and transmission capacity requirements for your proposed generation project.

Purchase Power Agreement

The project you have described appears to be eligible for a purchase power agreement under the guidelines for a Qualifying Facility as defined by the Public Utilities Regulatory Policies Act of 1978 (PURPA). At the time you are ready to proceed with a purchase power agreement for this project, Idaho Power will prepare a purchase power agreement that complies with the current rules and regulations that govern these PURPA agreements, any draft purchase power agreements previously provided to you for review must be updated to include current rules and regulations.

Prior to Idaho Power executing a purchase power agreement it will be required that you have:

- 1.) Provided documentation that substantiates that the project has filed for interconnection with the host utility and is in compliance with any payments and/or other requirements specified in the interconnection process for this project and;
- 2.) Received and accepted an interconnection feasibility study for this project and;
- 3.) Acquired or provide evidence that firm transmission capacity is available from all transmission providers required to move the energy from your projects point of interconnection to an acceptable point of delivery on the Idaho Power electrical system.
- 4.) Returned a signed copy of this letter of understanding and all of the required information to enable Idaho Power to file an application requesting transmission capacity on the Idaho Power transmission system for this project. Completion of the enclosed Transmission Capacity Application Questionnaire will provide the majority of this information and;
- 5.) Confirmation that the results of the initial Idaho Power transmission capacity application are known and the project accepts these results and intends to continue with the development of the project including, if applicable, execution of a Network Resource Integration Study Agreement in the form enclosed herein.

Note: As your project appears to not be located in the Idaho Power service territory and in addition will not be physically connected to the Idaho Power electrical system, the interconnection of this project must comply with the host utility's interconnection process, the project must secure firm transmission capacity for the full nameplate rating of the project for the full term of the purchase power agreement from all required transmission providers and also the project shall be responsible for all transmission costs on the Idaho Power electrical system to move the project's energy from the specified point of delivery to Idaho Power customer loads.

Interconnection and Transmission Capacity

Your project will be responsible for all costs of physically interconnecting the project to the host utility electrical system, acquiring firm transmission capacity on all transmission providers electrical systems and any Idaho Power electrical system costs associated with acquiring adequate firm transmission capacity on the Idaho Power transmission system to enable the project's energy to be delivered to Idaho Power customers.

Interconnection

Your project will be required to complete the interconnection process and execute a Generation Interconnection Agreement ("GIA") with the host utility.

Transmission Capacity

To sell your project's energy to Idaho Power, your project must be designated as a Network Resource ("DNR").

In order for this project to achieve DNR status --

The project must secure firm transmission capacity for the full nameplate capacity of the project for a period of time not less than the term of any purchase agreement with Idaho Power from all transmission providers between the project's point of interconnection and the designated point of delivery on the Idaho Power electrical system.

In addition - Idaho Power is required to make a transmission request (complete and file an application) and be granted firm transmission capacity from the Idaho Power delivery business unit ("Delivery") to move your project's energy from the designated point of delivery on the Idaho Power electrical system to Idaho Power customers. In accordance with various rules and regulations, the project must be granted DNR status no later than 60 days prior to the project delivering any energy to Idaho Power.

Idaho Power will begin this firm transmission capacity application process (transmission capacity on the Idaho Power electrical system) only after the project has returned a signed copy of this letter of understanding, evidence of the interconnection status, evidence of the required transmission agreements and all of the information required for Idaho Power to file this application (see attached Transmission Capacity Application Questionnaire).

After filing a complete firm transmission capacity application with Delivery, Idaho Power will receive notification back from Delivery within 30 days that: (a) adequate transmission capacity is available for this project without the need to construct upgrades; or (b) a transmission capacity system impact study is required to determine the available transmission capacity and/or required upgrades; or (c) a statement of the required transmission upgrades and the associated costs. Idaho Power will notify the project of this response to the transmission capacity application in a timely manner after the response is received from Delivery.

If the response from Delivery is as specified in item (a) (transmission capacity is available), the project will be required to execute a purchase power agreement with Idaho Power within 30 days in order to retain this transmission capacity reservation.

If the response from Delivery is as specified in items (b) or (c) (studies required and/or upgrades required), the project will be required to execute a Network Resource Integration Study Agreement (sample copy attached for your information) and submit all

required deposits or fees within 15 days after receiving notification of this requirement in order for Idaho Power to continue the transmission capacity request. This Network Resource Integration Study Agreement will specify that the project will be responsible for costs incurred by Idaho Power to perform any required studies. If, after the studies are concluded the project wishes to continue the pursuit of transmission capacity, the project will also be responsible for all transmission system upgrade costs identified within the studies. The fees and costs will be in the form of both initial deposits as well as actual costs. If at any time after executing the Network Resource Integration Study Agreement the project does not pay any required fees, or elects to stop the transmission study or upgrade process, the project shall be responsible for all costs incurred by Idaho Power in performing the studies or upgrades up to the point of termination of the Network Resource Integration Study Agreement.

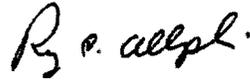
Upon successful completion of the above described transmission capacity upgrade process, a transmission capacity reservation on the Idaho Power electrical system will exist for this project. However, in order to finalize this transmission capacity reservation, a purchase power agreement with Idaho Power must be executed no later than 30 days after the transmission capacity upgrades are completed. If the purchase power agreement is not executed by this deadline, the transmission capacity reservation will be released and this process will have to be repeated if the project later requests transmission capacity.

As noted earlier, this transmission capacity acquisition and associated Network Resource designation must be completed, at the minimum, 60 days prior to the project delivering any energy to Idaho Power. In addition, the project must provide routine updates to Idaho Power of the expected online date of the generation project to ensure Idaho Power is capable of accepting the energy from the project on the actual date the project comes online.

Please return all required information to:

Idaho Power Company
Attn: Randy C. Allphin
P O Box 70
Boise, ID 83707
E-mail: rallphin@idahopower.com

Sincerely,



Randy C Allphin
Idaho Power Company

Understood and accepted this ____ day of _____, 2010

Signature _____

Print Name _____

Title _____



November 1, 2010

Randy C. Alphin
Sr. Energy Contract Coordinator
Tel: (208) 388-2614
rallphin@idahopower.com

Sweeney Ranch Wind Park II
c/o Peter Richardson
515 North 27th Street
P.O. Box 7218
Boise, ID 83702

Original: U S Mail

E-mail copy: Peter@richardsonandoleary.com

RE: Letter of Understanding
Sweeney Ranch Wind Park II - Proposed Wind Generation Project

Mr. Richardson,

Summarized below is a brief outline of the purchase power agreement, interconnection process and transmission capacity requirements for your proposed generation project.

Purchase Power Agreement

The project you have described appears to be eligible for a purchase power agreement under the guidelines for a Qualifying Facility as defined by the Public Utilities Regulatory Policies Act of 1978 (PURPA). At the time you are ready to proceed with a purchase power agreement for this project, Idaho Power will prepare a purchase power agreement that complies with the current rules and regulations that govern these PURPA agreements, any draft purchase power agreements previously provided to you for review must be updated to include current rules and regulations.

Prior to Idaho Power executing a purchase power agreement it will be required that you have:

- 1.) Provided documentation that substantiates that the project has filed for interconnection with the host utility and is in compliance with any payments and/or other requirements specified in the interconnection process for this project and;
- 2.) Received and accepted an interconnection feasibility study for this project and;
- 3.) Acquired or provide evidence that firm transmission capacity is available from all transmission providers required to move the energy from your projects point of interconnection to an acceptable point of delivery on the Idaho Power electrical system.
- 4.) Returned a signed copy of this letter of understanding and all of the required information to enable Idaho Power to file an application requesting transmission capacity on the Idaho Power transmission system for this project. Completion of the enclosed Transmission Capacity Application Questionnaire will provide the majority of this information and;
- 5.) Confirmation that the results of the initial Idaho Power transmission capacity application are known and the project accepts these results and intends to continue with the development of the project including, if applicable, execution of a Network Resource Integration Study Agreement in the form enclosed herein.

Note: As your project appears to not be located in the Idaho Power service territory and in addition will not be physically connected to the Idaho Power electrical system, the interconnection of this project must comply with the host utility's interconnection process, the project must secure firm transmission capacity for the full nameplate rating of the project for the full term of the purchase power agreement from all required transmission providers and also the project shall be responsible for all transmission costs on the Idaho Power electrical system to move the project's energy from the specified point of delivery to Idaho Power customer loads.

Interconnection and Transmission Capacity

Your project will be responsible for all costs of physically interconnecting the project to the host utility electrical system, acquiring firm transmission capacity on all transmission providers electrical systems and any Idaho Power electrical system costs associated with acquiring adequate firm transmission capacity on the Idaho Power transmission system to enable the project's energy to be delivered to Idaho Power customers.

Interconnection

Your project will be required to complete the interconnection process and execute a Generation Interconnection Agreement ("GIA") with the host utility.

Transmission Capacity

To sell your project's energy to Idaho Power, your project must be designated as a Network Resource ("DNR").

In order for this project to achieve DNR status –

The project must secure firm transmission capacity for the full nameplate capacity of the project for a period of time not less than the term of any purchase agreement with Idaho Power from all transmission providers between the project's point of interconnection and the designated point of delivery on the Idaho Power electrical system.

In addition - Idaho Power is required to make a transmission request (complete and file an application) and be granted firm transmission capacity from the Idaho Power delivery business unit ("Delivery") to move your project's energy from the designated point of delivery on the Idaho Power electrical system to Idaho Power customers. In accordance with various rules and regulations, the project must be granted DNR status no later than 60 days prior to the project delivering any energy to Idaho Power.

Idaho Power will begin this firm transmission capacity application process (transmission capacity on the Idaho Power electrical system) only after the project has returned a signed copy of this letter of understanding, evidence of the interconnection status, evidence of the required transmission agreements and all of the information required for Idaho Power to file this application (see attached Transmission Capacity Application Questionnaire).

After filing a complete firm transmission capacity application with Delivery, Idaho Power will receive notification back from Delivery within 30 days that: (a) adequate transmission capacity is available for this project without the need to construct upgrades; or (b) a transmission capacity system impact study is required to determine the available transmission capacity and/or required upgrades; or (c) a statement of the required transmission upgrades and the associated costs. Idaho Power will notify the project of this response to the transmission capacity application in a timely manner after the response is received from Delivery.

If the response from Delivery is as specified in item (a) (transmission capacity is available), the project will be required to execute a purchase power agreement with Idaho Power within 30 days in order to retain this transmission capacity reservation.

If the response from Delivery is as specified in items (b) or (c) (studies required and/or upgrades required), the project will be required to execute a Network Resource Integration Study Agreement (sample copy attached for your information) and submit all

required deposits or fees within 15 days after receiving notification of this requirement in order for Idaho Power to continue the transmission capacity request. This Network Resource Integration Study Agreement will specify that the project will be responsible for costs incurred by Idaho Power to perform any required studies. If, after the studies are concluded the project wishes to continue the pursuit of transmission capacity, the project will also be responsible for all transmission system upgrade costs identified within the studies. The fees and costs will be in the form of both initial deposits as well as actual costs. If at any time after executing the Network Resource Integration Study Agreement the project does not pay any required fees, or elects to stop the transmission study or upgrade process, the project shall be responsible for all costs incurred by Idaho Power in performing the studies or upgrades up to the point of termination of the Network Resource Integration Study Agreement.

Upon successful completion of the above described transmission capacity upgrade process, a transmission capacity reservation on the Idaho Power electrical system will exist for this project. However, in order to finalize this transmission capacity reservation, a purchase power agreement with Idaho Power must be executed no later than 30 days after the transmission capacity upgrades are completed. If the purchase power agreement is not executed by this deadline, the transmission capacity reservation will be released and this process will have to be repeated if the project later requests transmission capacity.

As noted earlier, this transmission capacity acquisition and associated Network Resource designation must be completed, at the minimum, 60 days prior to the project delivering any energy to Idaho Power. In addition, the project must provide routine updates to Idaho Power of the expected online date of the generation project to ensure Idaho Power is capable of accepting the energy from the project on the actual date the project comes online.

Please return all required information to:

Idaho Power Company
Attn: Randy C. Allphin
P O Box 70
Boise, ID 83707
E-mail: rallphin@idahopower.com

Sincerely,



Randy C Allphin
Idaho Power Company

Understood and accepted this ____ day of _____, 2010

Signature _____

Print Name _____

Title _____

NETWORK RESOURCE INTEGRATION STUDY AGREEMENT

THIS Agreement is made and entered into this ____ day of _____ 20____ between Idaho Power Company ("Idaho Power" or "Company") through its Power Supply business unit ("Power Supply") and _____ ("Developer"). Power Supply and Developer may hereinafter be referred to individually as "Party" or collectively as "Parties."

RECITALS:

A. Developer has advised Power Supply that it intends to develop a generating facility that would meet the criteria for a Qualifying Facility ("QF") as that term is defined in the Public Utility Regulatory Policies Act of 1978. Developer desires to sell the energy to be generated by the QF to Idaho Power as a non-interruptible designated network resource ("DNR").

B. In order for the QF to be classified as a DNR and for Idaho Power to purchase the energy to be generated by the QF on a firm basis, a network resource integration system impact study ("SIS") must be performed by Idaho Power's delivery business unit ("Delivery"). The SIS will identify the need and associated costs for Delivery to install facilities, including "upgrades" (as that term is defined in Idaho Power Company's Schedule 72), to allow the QF to operate as a DNR and deliver firm energy to the Company's load centers. The Federal Energy Regulatory Commission's rules require that Power Supply make the request to Delivery to perform the SIS. Delivery will bill Power Supply for the costs incurred to perform the SIS.

AGREEMENTS:

1. Developer hereby requests that Power Supply initiate the process for Delivery to conduct a SIS for determining the cost of the QF's becoming a DNR for the Company. Developer agrees to pay all charges associated with any analyses that Delivery determines are reasonably necessary to evaluate the impact of the QF on Idaho Power's transmission system.

2. In order for Power Supply to initiate a SIS, Developer must submit the estimated SIS cost of _____ within fourteen (14) days of the date of this Agreement. This amount is based on Delivery's estimate of the actual cost of performing the SIS, including appropriate loading and administrative and general overheads. Should the scope of the SIS be changed by Developer or further study be necessitated due to reasons beyond the control of Delivery, Power Supply will advise Developer of the revised charges, if any.

3. Upon receipt of this Agreement executed by Developer, payment of the amount specified in paragraph 2, and all information required to enable Power Supply to complete the necessary request, Power Supply will submit the necessary request and documentation to Delivery to commence the SIS. Subject to Developer's providing requested information and making any requested supplemental payments in a timely manner, Delivery will perform the SIS with due diligence. Power Supply will respond to Developer's reasonable requests for information regarding an estimated completion date for the SIS and, if necessary, with an explanation of why additional time is required to complete the SIS.

4. Following completion of the SIS, a copy of the completed SIS shall be provided to Developer. Power Supply and Developer shall then reconcile the payments made for the SIS and "true-up" any over or under payments made by Developer. The total charge to Developer for the SIS will not exceed the actual cost of the SIS as billed by Delivery to Power Supply.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed effective on the first day written above.

IDAHO POWER COMPANY

By: _____

Title: _____

DEVELOPER

By: _____

Title: _____



Transmission Capacity Application Questionnaire

This list is the known information requirements as of the date of the letter transmitting this request. If additional information is required, Idaho Power will promptly notify the project developer of the additional information requirements.

A. Project Name

B. Project Location

C. Project Developer

Name

Address

City / State / Zip

Phone Number

E-mail

D. Host utility Interconnection "Que" reference number (if not known, please contact the host utility Interconnection group)

E. Evidence of the Project's good standing status in the host utility Interconnection Process

F. Copy of the host utility Interconnection feasibility study and a statement from the project that the project has accepted the results of the interconnection feasibility study and is continuing the process of interconnecting and developing the generation project.

G. Maximum Capacity (MW)

H. Beginning day and time of energy deliveries

Day (mm/dd/yyyy) _____

Time _____

I. Ending day and time of energy deliveries

Day (mm/dd/yyyy) _____

Time _____

J. VAR capability (both leading and lagging) of all generators _____

K. Identification of the control area(s) from which the energy will originate

L. List any periods of restricted operations throughout the year

M. Maintenance schedule

N. Minimum loading level of each generation unit _____

O. Normal operating level of each generation unit. _____

P. Any must-run generation unit designations required for system reliability or contractual reason

Q. Approximate variable generation cost (\$/MWh) *Note – this will be estimated energy pricing from a potential purchase power agreement that this project may be eligible for.*

R. If the generation resource is to be located in the Idaho Power Balancing Authority Area and if only a portion of the resource output is to be designated as a Network Resource, then explain arrangements governing sale and delivery of additional output to third parties.

S. If the project **is not directly interconnected** to the Idaho Power transmission system, provide the transmission provider(s) name, Point of Receipt, Point of Delivery and the transmission reservation number for all of the transmission providers required to deliver the project's energy to Idaho Power.

Transmission Provider(s) Name _____

Point of Receipt _____

Point of Delivery _____

Transmission Reservation Number(s) _____

T. If the project **is directly interconnected** to the Idaho Power transmission system, provide the Point of Receipt, physical location and voltage.

Point of Receipt _____

Physical Location _____

Voltage _____

U. Is the project committed to execute a purchase power agreement with Idaho Power upon a favorable resolution of the identified interconnection and transmission costs?

Yes No

V. Is any portion of the maximum capacity identified for this project committed to any other party?

Yes No

Signature _____ Date _____

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FIRM ENERGY SALES AGREEMENT
BETWEEN
IDAHO POWER COMPANY
AND

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**FIRM ENERGY SALES AGREEMENT
(10 aMW or Less)**

Project Name: _____

Project Number: _____

THIS AGREEMENT, entered into on this ____ day of _____ 2010 between _____, an _____ (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 **"Availability Shortfall Price"** - The current month's Mid-Columbia Market Energy Cost minus the current month's All Hours Energy Price specified in paragraph 7.3 of this Agreement. If this calculation results in a value less than 15.00 Mills/Kwh the result shall be 15.00 Mills/Kwh.

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- 1.2 “Business Days” - means any calendar day that is not a Saturday, a Sunday, or a NERC recognized holiday.
- 1.3 “Calculated Net Energy Amount” - A monthly estimate, prepared and documented after the fact by Seller, reviewed and accepted by the Buyer that is the calculated monthly maximum energy deliveries (measured in Kwh) for each individual wind turbine, totaled for the Facility to determine the total energy that the Facility could have delivered to the Transmitting Entity for delivery to Idaho Power during that month based upon: (1) each wind turbines Nameplate Capacity, (2) Sufficient Prime Mover available for use by each wind turbine during the month, (3) incidents of Force Majeure, (4) scheduled maintenance, or (5) incidents of Forced Outages and less Losses and Station Use. If the duration of an event characterized as item 3, 4 or 5 above (measured on each individual occurrence and individual wind turbine) lasts for less than 15 minutes, then the event will not be considered in this calculation. The Seller shall collect and maintain actual data to support this calculation and shall keep this data for a minimum of 3 years.
- 1.4 “Commission” - The Idaho Public Utilities Commission.
- 1.5 “Contract Year” - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.6 “Delay Liquidated Damages” – Damages payable to Idaho Power as calculated in paragraph 5.3, 5.4, 5.5 and 5.6.
- 1.7 “Delay Period” – All days past the Scheduled Operation Date until the Seller’s Facility achieves the Operation Date.
- 1.8 “Delay Price” - The current month’s Mid-Columbia Market Energy Cost minus the current month’s All Hours Energy Price specified in paragraph 7.3 of this Agreement. If this calculation results in a value less than 0, the result of this calculation will be 0.
- 1.9 “Designated Dispatch Facility” - Idaho Power’s Systems Operations Group, or any subsequent group designated by Idaho Power.

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- 1.10 "Effective Date" – The date stated in the opening paragraph of this Firm Energy Sales Agreement representing the date upon which this Firm Energy Sales Agreement was fully executed by both Parties.
- 1.11 "Facility" - That electric generation facility described in Appendix B of this Agreement.
- 1.12 "First Energy Date" - The day commencing at 00:01 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.
- 1.13 "Forced Outage" – a partial or total reduction of a) the Facility's capacity to produce and/or deliver Net Energy to the Point of Delivery, or b) Idaho Power's ability to accept Net Energy at the Point of Delivery for non-economic reasons, as a result of Idaho Power or Facility: 1) equipment failure which was **not** the result of negligence or lack of preventative maintenance or 2) responding to a transmission provider curtailment order or 3) unplanned preventative maintenance to repair equipment that left unrepaired, would result in failure of equipment prior to the planned maintenance period 4) planned maintenance or construction of the Facility or electrical lines required to serve this Facility. The Parties shall make commercially reasonable efforts to perform this unplanned preventative maintenance during periods of low wind availability.
- 1.14 "Heavy Load Hours" – The daily hours beginning at 7:00 am, ending at 11:00 pm Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.15 "Idaho Power Electrical System Control Area" or "Control Area" – The geographical area of integrated transmission and generation controlled by Idaho Power for which Idaho Power is responsible for scheduling interchanges with other control areas and balancing supply and demand within the area. The Control Area may include physical locations and/or electrical systems not served or owned by Idaho Power, but which are dependent upon Idaho Power's operation of its generation and transmission to balance supply and demand.

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- 1.16 **"Inadvertent Energy"** – Electric energy Seller does not intend to generate. Inadvertent energy is more particularly described in paragraph 7.5 of this Agreement.
- 1.17 **"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.
- 1.18 **"Light Load Hours"** – The daily hours beginning at 11:00 pm, ending at 7:00 am Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.19 **"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 by the Transmitting Entity. The loss calculation formula will be as specified in Appendix B of this Agreement.
- 1.20 **"Market Energy Reference Price"** – Eighty-five percent (85%) of the Mid-Columbia Market Energy Cost.
- 1.21 **"Material Breach"** – A Default (paragraph 19.2.1) subject to paragraph 19.2.2.
- 1.22 **"Maximum Capacity Amount"** – The maximum capacity (MW) of the Facility will be as specified in Appendix B of this Agreement.
- 1.23 **"Mechanical Availability"** - The percentage amount calculated by Seller within 5 days after the end of each month of the Facility's monthly actual Net Energy divided by the Facility's Calculated Net Energy Amount for the applicable month. Any damages due as a result of the Seller falling short of the Mechanical Availability Guarantee for each month shall be determined in accordance with paragraph 6.4.4.
- 1.24 **"Mechanical Availability Guarantee"** shall be as defined in paragraph 6.4.

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- 1.25 “Mid- Columbia Market Energy Cost” – The monthly 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.
- 1.26 “Nameplate Capacity” –The full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovolt-amperers, kilowatts, volts or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.
- 1.27 “Net Energy” – All of the electric energy produced by the Facility, less Station Use and Losses, expressed in kilowatt hours (kWh), which the Transmitting Entity delivers to Idaho Power on the Seller’s behalf, that is less than or equal to the Nameplate Capacity. Seller commits to deliver all energy produced by the Facility, less Station Use, and Losses, to the Transmitting Entity for delivery by the Transmitting Entity to Idaho Power at the Point of Delivery for the full term of the Agreement. Net Energy does not include Inadvertent Energy.
- 1.28 “Operation Date” – The day commencing at 00:01 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.29 “Point of Delivery” – The location specified in Appendix B, where the Transmitting Entity delivers the Facility’s Net Energy and Inadvertent Energy to the Idaho Power electrical system.
- 1.30 “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.
- 1.31 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date. It is expected that the Scheduled Operation Date provided by the

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Seller shall be a reasonable estimate of the date that the Seller anticipates that the Seller's Facility shall achieve the Operation Date.

- 1.32 "Season" – The three periods identified in paragraph 6.2.1 of this Agreement.
- 1.33 "Station Use" – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility. As this Facility is not located in the Idaho Power service territory, Idaho Power has no responsibility or ability to provide Station Use to this Facility.
- 1.34 "Sufficient Prime Mover" means wind speed that is (1) equal to or greater than the generation unit's manufacturer-specified minimum levels required for the generation unit to produce energy and (2) equal to or less than the generation unit's manufacturer-specified maximum levels at which the generation unit can safely produce energy.
- 1.35 "Surplus Energy" – All Net Energy produced by the Seller's Facility and delivered by the Transmitting Entity on the Seller's behalf to the Idaho Power electrical system prior to the Operation Date.
- 1.36 "Total Cost of the Facility" - The total cost of structures, equipment and appurtenances.
- 1.37 "Transmitting Entity" - The signatory(s) (other than the Seller) to the Transmission Agreement referred to in paragraph 9.1 and its successors and assigns.
- 1.38 "Wind Energy Production Forecast" – A forecast of energy deliveries from this Facility provided by an Idaho Power administered wind forecasting model. The Facility shall be responsible for an allocated portion of the total costs of the forecasting model as specified in Appendix E.

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.

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- 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 292.201 et seq. 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 Facility'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 under this Agreement, 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 292.201 et seq. as a certified Qualifying Facility.
- 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

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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, Nameplate Capacity, 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.

4.1.3.1 If the Maximum Capacity specified in Appendix B of this Agreement and the cumulative manufacture Nameplate Capacity rating of the individual generation units at this Facility is less than 10 MW. The Seller shall submit detailed, manufacturer, verifiable data of the Nameplate Capacity ratings of the actual individual generation units to be installed at this Facility. Upon verification by Idaho Power that the data provided establishes the combined Nameplate Capacity rating of the generation units to be installed at this Facility is less than 10 MW, it will be deemed that the Seller has satisfied the Initial Capacity Determination for this Facility.

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- 4.1.4 Nameplate Capacity – Submit to Idaho Power manufacturer’s and engineering documentation that establishes the Nameplate Capacity of each individual generation unit that is included within this entire Facility. Upon receipt of this data, Idaho Power shall review the provided data and determine if the Nameplate Capacity specified is reasonable based upon the manufacturer’s specified generation ratings for the specific generation units.
- 4.1.5 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.
- 4.1.6 Insurance - Submit written proof to Idaho Power of all insurance required in Article XIII.
- 4.1.7 Transmission Agreement - Provide Idaho Power with a copy of (1) the Transmission Agreement executed by the Seller and the Transmitting Entity in a form acceptable to Idaho Power and (2) confirmation that the Idaho Power delivery business unit has agreed to accept the Net Energy deliveries at the Point of Delivery in an amount up to the Maximum Capacity Amount. Idaho Power’s acceptance will not be unreasonably withheld.
- 4.1.8 Network Resource Designation – The Seller’s Facility has been designated as an Idaho Power network resource capable of delivering firm energy up to the amount of the Maximum Capacity at the Point of Delivery.
- 4.1.9 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.

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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 _____
(not to exceed 20 years) Contract Years from the Operation Date.

5.2 **Operation Date** - The Operation Date may occur only after the Facility has achieved all of the following:

- a) Achieved the First Energy Date.
- b) Commission approval of this Agreement in a form acceptable to Idaho Power has been received.
- c) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner.
- d) Seller has requested an Operation Date from Idaho Power in a written 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 **Operation Date Delay** - Seller shall cause the Facility to achieve the Operation Date on or before the Scheduled Operation Date. Delays in the interconnection and transmission network upgrade study, design and construction process by any party (i.e. Seller, Idaho Power, host utility, Transmitting Entity(s), etc) that **are not** Force Majeure events accepted by both Parties, **shall not** prevent Delay Liquidated Damages from being due and owing as calculated in accordance with this Agreement.

5.3.1 If the Operation Date occurs after the Scheduled Operation Date but on or prior to 90 days following the Scheduled Operation Date, Seller shall pay Idaho Power Delay Liquidated Damages calculated at the end of each calendar month after the Scheduled Operation Date as follows:

Delay Liquidated Damages are equal to ((Current month's Initial Year Net Energy Amount as specified in paragraph 6.2.1 divided by the number of days in

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the current month) multiplied by the number of days in the Delay Period in the current month) multiplied by the current month's Delay Price.

5.3.2 If the Operation Date does not occur within ninety (90) days following the Scheduled Operation Date the Seller shall pay Idaho Power Delay Liquidated Damages, in addition to those provided in paragraph 5.3.1, calculated as follows:

Forty five dollars (\$45) multiplied by the Maximum Capacity with the Maximum Capacity being measured in kW.

- 5.4 If Seller fails to achieve the Operation Date within ninety (90) days following the Scheduled Operation Date, such failure will be a Material Breach and Idaho Power may terminate this Agreement at any time until the Seller cures the Material Breach. Additional Delay Liquidated Damages beyond those calculated in 5.3.1 and 5.3.2 will be calculated and payable using the Delay Liquidated Damage calculation described in 5.3.1 above for all days exceeding 90 days past the Scheduled Operation Date until such time as the Seller cures this Material Breach or Idaho Power terminates this Agreement.
- 5.5 Seller shall pay Idaho Power any calculated Delay Damages or Delay Liquidated Damages within 7 days of when Idaho Power calculates and presents any Delay Damages or Delay Liquidated Damages billings to the Seller. Seller's failure to pay these damages within the specified time will be a Material Breach of this Agreement and Idaho Power shall draw funds from the Delay Security provided by the Seller in an amount equal to the calculated Delay Damages or Delay Liquidated Damages.
- 5.6 The Parties agree that the damages Idaho Power would incur due to delay in the Facility achieving the Operation Date on or before the Scheduled Operation Date would be difficult or impossible to predict with certainty, and that the Delay Liquidated Damages are an appropriate approximation of such damages.
- 5.7 Prior to the Seller executing this Agreement, the Seller shall have agreed to and executed a Letter of Understanding with Idaho Power that contains at minimum the following requirements:

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- a) Seller has filed for interconnection and is in compliance with all payments and requirements of the interconnection process
- b) Seller has received and accepted an interconnection feasibility study for this Facility.
- c) Seller has provided all information required to enable Idaho Power to file an initial transmission capacity request.
- d) Results of the initial transmission capacity request are known and acceptable to the Seller.
- e) Seller acknowledges responsibility for all interconnection costs and any costs associated with acquiring adequate firm transmission capacity to enable the project to be classified as an Idaho Power firm network resource.
- f) If the Facility is located outside of the Idaho Power service territory, in addition to the above requirements, the Seller must provide evidence that the Seller has acquired firm transmission capacity from all required transmitting entities to deliver the Facility's energy to an acceptable point of delivery on the Idaho Power electrical system.

5.8 Within thirty (30) days of the date of a Commission Order as specified in Article XXI approving this Agreement; Seller shall post liquid security ("Delay Security") in a form as described in Appendix D equal to or exceeding the amount calculated in paragraph 5.8.1. Failure to post this Delay Security in the time specified above will be a Material Breach of this Agreement and Idaho Power may terminate this Agreement.

5.8.1 Delay Security The greater of forty five (\$45) multiplied by the Maximum Capacity with the Maximum Capacity being measured in kW or the sum of three month's estimated revenue. Where the estimated three months of revenue is the estimated revenue associated with the first three full months following the estimated Scheduled Operation Date, the estimated kWh of energy production as specified in paragraph 6.2.1 for those

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three months multiplied by the All Hours Energy Price specified in paragraph 7.3 for each of those three months.

5.8.1.1 In the event (a) Seller provides Idaho Power with certification that (1) a Generation Interconnection Agreement and Transmission Agreement specifying a schedule that will enable this Facility to achieve the Operation Date no later than the Scheduled Operation Date has been completed and the Seller has paid all required interconnection and transmission costs or (2) a Generation Interconnection Agreement and Transmission Agreement are substantially complete and all material costs of interconnection and transmission have been identified and agreed upon and the Seller is in compliance with all terms and conditions of the Generation Interconnection Agreement and the Transmission Agreement, the Delay Security calculated in accordance with paragraph 5.8.1 will be reduced by ten percent (10%).

5.8.1.2 If the Seller has received a reduction in the calculated Delay Security as specified in paragraph 5.8.1.1 and subsequently (1) at Seller's request, the Generation Interconnection Agreement specified in paragraph 5.8.1.1 is revised and as a result the Facility will not achieve its Operation Date by the Scheduled Operation Date or (2) if the Seller does not maintain compliance with the Generation Interconnection Agreement, the full amount of the Delay Security as calculated in paragraph 5.8.1 will be subject to reinstatement and will be due and owing within 5 business days from the date Idaho Power requests reinstatement. Failure to timely reinstate the Delay Security will be a Material Breach of this Agreement.

5.8.2 Idaho Power shall release any remaining security posted hereunder after all calculated Delay Damages and/or Delay Liquidated Damages are paid in full to Idaho Power and the earlier

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of (1) 30 days after the Operation Date has been achieved or (2) 60 days after the Agreement has been terminated.

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 produced by the Facility and delivered by the Transmitting Entity to Idaho Power at the Point of Delivery. All Inadvertent Energy produced by the Facility will also be delivered by the Transmitting Entity 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 Transmitting Entity on behalf of the Seller to the Point of Delivery exceed the Maximum Capacity Amount.

6.2 Net Energy Amounts - Seller intends to produce and the Transmitting Entity shall deliver Net Energy in the following monthly amounts. These amounts shall be consistent with the Mechanical Availability Guarantee.

6.2.1 Initial Year Monthly Net Energy Amounts:

	<u>Month</u>	<u>kWh</u>
Season 1	March	XXXXXX
	April	XXXXXX
	May	XXXXXX
Season 2	July	XXXXXX
	August	XXXXXX
	November	XXXXXX
	December	XXXXXX
Season 3	June	XXXXXX
	September	XXXXXX
	October	XXXXXX
	January	XXXXXX
	February	XXXXXX

6.3 Unless excused by an event of Force Majeure, Seller's failure to produce and/or the Transmitting Entity(s) failure to deliver Net Energy in any Contract Year in an amount equal to at least ten

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percent (10%) of the sum of the Initial Year Monthly Net Energy Amounts as specified in paragraph 6.2 shall constitute an event of default.

6.4 Mechanical Availability Guarantee – After the Operational Date has been established, the Facility shall achieve a minimum monthly Mechanical Availability of 85% for the Facility for each month during the full term of this Agreement (the “Mechanical Availability Guarantee”). Failure to achieve the Mechanical Availability Guarantee shall result in Idaho Power calculating damages as specified in paragraph 6.4.4.

6.4.1 At the same time the Seller provides the Monthly Power Production and Availability Report (Appendix A), the Seller shall provide and certify the calculation of the Facility's current month's Mechanical Availability. The Seller shall include a summary of all information used to calculate the Calculated Net Energy Amount including but not limited to: (a) Forced Outages, (b) Force Majeure events, (c) wind speeds and the impact on generation output and (c) scheduled maintenance and Station Use information.

6.4.2 The Seller shall maintain and retain for three years detailed documentation supporting the monthly calculation of the Facility's Mechanical Availability.

6.4.3 Idaho Power shall have the right to review and audit the documentation supporting the calculation of the Facility's Mechanical Availability at reasonable times at the Seller's offices.

6.4.4 If the current month's Mechanical Availability is less than the Mechanical Availability Guarantee, damages shall be equal to:

((85 percent of the month's Calculated Net Energy Amount) minus the month's actual Net Energy deliveries) multiplied by the Availability Shortfall Price.

6.4.5 Any damages calculated in paragraph 6.4.4 will be offset against the current month's energy payment. If an unpaid balance remains after the damages are offset against the energy payment, the Seller shall pay in full the remaining balance within 30 days of the

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date of the invoice.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

- 7.1 Heavy Load Purchase Price – For all Net Energy received during Heavy Load Hours, Idaho Power will pay the non-levelized energy price in accordance with Commission Order 31025 and adjusted in accordance with Commission Order 30415 for Heavy Load Hour Energy deliveries, and adjusted in accordance with Commission Order 30488 for the wind integration charge and with seasonalization factors applied:

<u>Year</u>	<u>Season 1 - (73.50 %)</u> <u>Mills/kWh</u>	<u>Season 2 - (120.00 %)</u> <u>Mills/kWh</u>	<u>Season 3 - (100.00 %)</u> <u>Mills/kWh</u>
2010	40.52	66.15	55.12
2011	42.80	69.87	58.24
2012	45.32	74.00	61.66
2013	47.71	78.18	64.92
2014	50.29	82.74	68.42
2015	53.05	87.64	72.17
2016	54.64	90.46	74.34
2017	56.20	93.23	76.61
2018	57.90	96.25	79.12
2019	59.57	99.21	81.59
2020	61.29	102.27	84.14
2021	63.33	105.90	87.16
2022	65.46	109.67	90.31
2023	67.67	113.59	93.57
2024	69.97	117.66	96.97
2025	72.35	121.90	100.50
2026	74.38	125.49	103.49
2027	76.62	129.20	106.58
2028	78.96	133.03	109.77
2029	81.38	136.97	113.06
2030	83.87	141.04	116.45
2031	87.22	146.51	121.01
2032	90.15	151.30	125.00
2033	93.19	156.26	129.13

- 7.2 Light Load Purchase Price – For all Net Energy received during Light Load Hours, Idaho Power

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will pay the non-levelized energy price in accordance with Commission Order 31025 and adjusted in accordance with Commission Order 30415 for Light Load Hour Energy deliveries, and adjusted in accordance with Commission Order 30488 for the wind integration charge and with seasonalization factors applied:

<u>Year</u>	Season 1 - (73.50 %)	Season 2 - (120.00 %)	Season 3 - (100.00 %)
	<u>Mills/kWh</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>
2010	35.59	58.11	48.42
2011	37.88	61.84	51.54
2012	40.40	65.95	54.96
2013	42.79	69.86	58.22
2014	45.37	74.06	61.72
2015	48.13	78.91	65.48
2016	49.72	81.73	67.64
2017	51.28	84.50	69.76
2018	52.97	87.51	72.07
2019	54.65	90.47	74.35
2020	56.37	93.53	76.86
2021	58.41	97.16	79.88
2022	60.54	100.93	83.03
2023	62.74	104.85	86.29
2024	65.04	108.92	89.69
2025	67.43	113.16	93.22
2026	69.45	116.76	96.21
2027	71.55	120.47	99.30
2028	73.70	124.29	102.49
2029	76.03	128.24	105.78
2030	78.52	132.31	109.17
2031	81.87	137.77	113.73
2032	84.80	142.56	117.72
2033	87.84	147.52	121.85

7.3 All Hours Energy Price – The price to be used in the calculation of the Surplus Energy Price and Delay Price shall be the non-levelized energy price in accordance with Commission Order 31025 and adjusted in accordance with Commission Order 30488 for the wind integration charge and with seasonalization factors applied:

Season 1 - (73.50 %) Season 2 - (120.00 %) Season 3 - (100.00 %)

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<u>Year</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>
2010	38.33	62.57	52.14
2011	40.61	66.30	55.26
2012	43.13	70.42	58.68
2013	45.52	74.33	61.93
2014	48.10	78.85	65.44
2015	50.86	83.75	69.19
2016	52.45	86.58	71.36
2017	54.01	89.35	73.48
2018	55.71	92.36	75.88
2019	57.37	95.32	78.35
2020	59.10	98.38	80.90
2021	61.14	102.01	83.92
2022	63.27	105.78	87.07
2023	65.48	109.70	90.33
2024	67.78	113.77	93.73
2025	70.16	118.01	97.26
2026	72.18	121.60	100.25
2027	74.28	125.31	103.35
2028	76.58	129.14	106.53
2029	79.00	133.09	109.82
2030	81.49	137.16	113.21
2031	84.84	142.62	117.77
2032	87.77	147.41	121.76
2033	90.81	152.37	125.89

7.4 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller the current month's Market Energy Reference Price or the All Hours Energy Price specified in paragraph 7.3, whichever is lower.

7.5 Inadvertent Energy –

7.5.1 Inadvertent Energy is electric energy produced by the Facility, expressed in kWh, which the Transmitting Entity(s) delivers on the Seller's behalf to Idaho Power at the Point of Delivery that exceeds 10,000 kW multiplied by the hours in the specific month in which the energy was delivered. (For example January contains 744 hours. 744 hours times 10,000 kW = 7,440,000 kWh. Energy delivered in January in excess of 7,440, 000 kWh in this example would be Inadvertent Energy.)

7.5.2 Although Seller intends to design and operate the Facility to generate no more than

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10 average MW and therefore does not intend to generate Inadvertent Energy, Idaho Power will accept Inadvertent Energy that does not exceed the Maximum Capacity Amount but will not purchase or pay for Inadvertent Energy.

- 7.6 Payment Due Date – Undisputed Energy payments, less the Wind Energy Production Forecasting Monthly Cost Allocation (MCA) described in Appendix E and any other payments due Idaho Power, will be disbursed to the Seller within 30 days of the date which Idaho Power receives and accepts the documentation of the monthly Mechanical Available Guarantee and the Net Energy actually delivered to Idaho Power as specified in Appendix A.
- 7.7 Continuing Jurisdiction of the Commission This Agreement is a special contract and, as such, the rates, terms and conditions contained in this Agreement will be construed in accordance with Idaho Power Company v. Idaho Public Utilities Commission and Afton Energy, Inc., 107 Idaho 781, 693 P.2d 427 (1984), Idaho Power Company v. Idaho Public Utilities Commission, 107 Idaho 1122, 695 P.2d 1 261 (1985), Afton Energy, Inc. v. Idaho Power Company, 111 Idaho 925, 729 P.2d 400 (1986), Section 210 of the Public Utilities Regulatory Policies Act of 1978 and 18 CFR §292.303-308

ARTICLE VIII: ENVIRONMENTAL ATTRIBUTES

- 8.1 Seller retains ownership under this Agreement of Green Tags and Renewable Energy Certificate (RECs), or the equivalent environmental attributes, directly associated with the production of energy from the Seller's Facility sold to Idaho Power.

ARTICLE IX: TRANSMISSION AGREEMENT

- 9.1 Transmission Agreement - The Seller will arrange and pay for the delivery of Net Energy and Inadvertent Energy over the facilities of the Transmitting Entity(s) (XXXXX) to the Point of Delivery. The delivery of Net Energy and Inadvertent Energy from the Facility to the Idaho Power Point of Delivery shall be in accordance with the terms and conditions of a Transmission Agreement between the Seller and the Transmitting Entities. The Transmission

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Agreement must provide for continuous firm transmission capacity on the Transmitting Entities system for no less than the Maximum Capacity Amount and for the full Term of this Agreement.

- 9.2 Acceptance of Transmission Agreement - This Agreement is expressly conditioned and contingent upon Idaho Power's acceptance of the Transmission Agreement. Such acceptance will not be unreasonably withheld. A default by Seller under the Transmission Agreement will be a Material Default under this Agreement.
- 9.3 Losses - Idaho Power will only purchase the Net Energy that is delivered by the Transmitting Entity to Idaho Power at the Point of Delivery. Losses will be calculated as provided in Appendix B of this Agreement.
- 9.4 Required Transmission Agreement provisions for Facilities not located within the Idaho Power Electrical System Control Area –

If the Facility is not located within the Idaho Power Electrical System Control Area, the following requirements must be contained within the Transmission Agreement (s);

- 9.4.1 Scheduling and delivery of Net Energy – The Transmission Agreement shall include provisions that require the Transmitting Entity(s) to schedule and deliver the Facility's energy to Idaho Power in accordance with industry standard Western Electricity Coordinating Council (WECC) scheduling processes and procedures.
- 9.4.2 Energy Reserve Requirements – The Transmitting Entity(s) will provide all generation reserves as required by the WECC and/or as required by any other governing agency or industry standard to deliver the Net Energy to the specified Point(s) of Delivery.
- 9.4.3 Documentation – Seller and/or the Transmitting Entity will provide Idaho Power with monthly documentation in a form acceptable to Idaho Power showing the amount of energy scheduled and delivered to Idaho Power on an hourly bases.

If the Facility is located within the Idaho Power Electrical System Control Area but not

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within the Idaho Power service territory a combination of , energy scheduling, metering and telemetry equipment meeting Idaho Power standards shall be required to be in place that will provide Idaho Power accurate instantaneous Net Energy deliveries being made to Idaho Power at the Point of Delivery at any moment in time as well as the capability to record the Net Energy deliveries for an extended period of time to provide the necessary Net Energy delivery data to administer this Agreement. The Seller shall be responsible to make all necessary arrangements and cost of this process and equipment. The specific equipment and schedule process shall be specified in more detail in Appendix XX of this Agreement.

ARTICLE X - RECORDS

- 10.1 Maintenance of Records - Seller shall maintain at the Facility or such other location mutually acceptable to the Parties adequate total generation, Net Energy, Station Use, Inadvertent Energy and maximum generation (kW) records in a form and content acceptable to Idaho Power.
- 10.2 Inspection - Either Party, after reasonable notice to the other Party, shall have the right, during normal business hours, to inspect and audit any or all generation, Net Energy, Station Use, Inadvertent Energy and maximum generation (kW) records pertaining to the Seller's Facility.

ARTICLE XI: OPERATIONS

- 11.1 Communications - Idaho Power, the Transmitting Entity(s) and the Seller shall maintain appropriate operating communications through Idaho Power's Designated Dispatch Facility in accordance with Appendix A of this Agreement.
- 11.2 Energy Acceptance –
 - 12.2.1 Idaho Power shall be excused from accepting and paying for Net Energy or accepting Inadvertent Energy which would have otherwise been produced by the Facility and delivered by the Transmitting Entity(s) on behalf of the Seller to the Point of Delivery, if it is prevented from doing so by an event of Force Majeure, Forced Outage or if

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Idaho Power determines that curtailment, interruption or reduction of Net Energy or Inadvertent Energy deliveries is necessary because of line construction, electrical system maintenance requirements, emergencies, electrical system operating conditions, or electrical system reliability emergencies on its system or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of Force Majeure or a Forced Outage, a temporary disconnection that exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amounts specified for the applicable month in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.

11.2.2 Under no circumstances will the Transmitting Entity(s) on Seller's behalf deliver Net Energy and/or Inadvertent Energy from the Facility to the Point of Delivery in an amount that exceeds the Maximum Capacity Amount at any moment in time. Either the Transmitting Entity(s) or Seller's failure to limit deliveries to the Maximum Capacity Amount will be a Material Breach of this Agreement.

11.2.3 If Idaho Power is unable to accept the energy from this Facility and is not excused from accepting the Facility's energy, Idaho Power's damages shall be limited to only the value of the estimated energy that Idaho Power was unable to accept. Idaho Power will have no responsibility to pay for any other costs, lost revenue or consequential damages the Facility may incur.

11.3 Scheduled Maintenance – On or before January 31 of each calendar year, Seller shall submit a written proposed maintenance schedule of significant Facility and/or Transmitting Entity maintenance for that calendar year and Idaho Power, Seller and Transmitting Entity 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 Prudent Electrical Practices, Idaho Power system requirements and the Seller's preferred

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schedule. Neither Party shall unreasonably withhold acceptance of the proposed maintenance schedule.

- 11.4 Maintenance Coordination - The Seller, Idaho Power and the Transmitting Entity(s) shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.
- 11.5 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller and/or the Transmitting Entity prior to exercising its rights to curtail, interrupt or reduce deliveries from the Transmitting Entity from the Seller's Facility. Seller and the Transmitting Entity understand that, in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events Idaho Power may not be able to provide notice to the Seller or the Transmitting Entity prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.

ARTICLE XII: RELIABILITY MANAGEMENT SYSTEM

If the Facility is not located within the Idaho Power Electrical System Control Area, the Seller will be required to comply with the Reliability Management processes of the control area operator having control of the specific location of the Facility and this Article XII will not apply. If the Facility is located within the Idaho Power Control Area, the Seller is required to comply with the following:

- 12.1 **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 which Seller and Idaho Power shall be required to comply. Seller acknowledges receipt and understanding of the WECC Reliability Criteria Agreement and how it pertains to the Seller's Facility.
- 12.2 **Compliance.** Seller 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, Seller agrees to be subject to the sanctions applicable to such failure. Such sanctions shall be assessed pursuant to the procedures contained

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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 Article XII as though set forth fully herein, and Seller 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.

- 12.3 Payment of Sanctions. Seller shall be responsible for reimbursing Idaho Power for any monetary sanctions assessed against Idaho Power by WECC due to the action or inaction of the Seller, pursuant to the WECC Reliability Criteria Agreement. Seller also shall be responsible for payment of any monetary sanction assessed against the Seller 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.
- 12.4 Transfer of Control or Sale of Generation Facilities. In any sale or transfer of control of any generation facilities subject to this Agreement, Seller shall, as a condition of such sale or transfer, require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Seller with respect to this Agreement or to enter into an agreement with Idaho Power imposing on the acquiring party or transferee the same obligations applicable to the Seller pursuant to this Article XII.
- 12.5 Publication. Seller consents to the release by the WECC of information related to the Seller's compliance with this Agreement only in accordance with the WECC Reliability Criteria Agreement.
- 12.6 Third Parties. Except for the rights and obligations between the WECC and the Seller specified in this Article XII, 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

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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 Article XII, of the WECC against the Seller for the Seller, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Idaho Power and the Seller expressly intend that the WECC is a third-party beneficiary to this Article XII, and the WECC shall have the right to seek to enforce against the Seller any provision of this Article XII, provided that specific performance shall be the sole remedy available to the WECC pursuant to Article XII of this Agreement, and the Seller shall not be liable to the WECC pursuant to this Agreement 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.

12.7 Reserved Rights. Nothing in the Article XII of this Agreement or the WECC Reliability Criteria Agreement shall affect the right of Idaho Power, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection that Idaho Power may otherwise be entitled to take.

12.8 Termination of Article XII. Seller may terminate its obligations pursuant to this Article XII:

12.8.1 If after the effective date of this Article XII, the requirements of the WECC Reliability Criteria Agreement applicable to the Seller are amended so as to adversely affect the Seller, provided that the Seller gives fifteen (15) days' notice of such termination to Idaho Power and WECC within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Seller for an additional forty-five (45) days if the Seller gives written notice to Idaho Power of such requested extension within the initial forty-five (45) day period; or

12.8.2 For any reason on one year's written notice to Idaho Power and the WECC.

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ARTICLE XIII: INDEMNIFICATION AND INSURANCE

- 13.1 Indemnification - Each Party shall agree to hold harmless and to indemnify the other Party, its officers, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's (a) construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement or (b) negligent or intentional acts, errors or omissions. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all documented costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.
- 13.2 Insurance - During the term of this Agreement, Seller shall secure and continuously carry the following insurance coverage:
- 13.2.1 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.
- 13.2.2 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.
- 13.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.6 herein and annually thereafter, Seller shall furnish Idaho Power a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.

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- 13.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by paragraph 13.2 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 a Material Breach of this Agreement.

ARTICLE XIV: FORCE MAJEURE

- 14.1 As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the control of the Seller or of Idaho Power 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 effective 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.

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ARTICLE XV: LIABILITY; DEDICATION

- 15.1 **Limitation of Liability.** Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. Neither party shall be liable to the other for any indirect, special, consequential, nor punitive damages, except as expressly authorized by this Agreement.
- 15.2 **Dedication.** No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the Party or the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or entity.

ARTICLE XVI: SEVERAL OBLIGATIONS

- 16.1 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XVII: WAIVER

- 17.1 Any waiver at any time by either Party of its rights with respect to a default under this Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.

ARTICLE XVIII: CHOICE OF LAWS AND VENUE

- 18.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Idaho without reference to its choice of law provisions.
- 18.2 Venue for any litigation arising out of or related to this Agreement will lie in the District Court of

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the Fourth Judicial District of Idaho in and for the County of Ada.

ARTICLE XIX: DISPUTES AND DEFAULT

- 19.1 Disputes - All disputes related to or arising under this Agreement, including, but not limited to, the interpretation of the terms and conditions of this Agreement, will be submitted to the Commission for resolution.
- 19.2 Notice of Default
- 19.2.1 Defaults. If either Party fails to perform any of the terms or conditions of this Agreement (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.
- 19.2.2 Material Breaches – The notice and cure provisions in paragraph 19.2.1 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.
- 19.3 Security for Performance - Prior to the Operation Date and thereafter for the full term of this Agreement, Seller will provide Idaho Power with the following:
- 19.3.1 Insurance - Evidence of compliance with the provisions of paragraph 13.2. If Seller fails to comply, such failure will be a Material Breach and may only be cured by Seller supplying evidence that the required insurance coverage has been replaced or reinstated;
- 19.3.2 Engineer’s Certifications - Every three (3) years after the Operation Date, Seller will supply Idaho Power with a Certification of Ongoing Operations and Maintenance

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(O&M) from a Registered Professional Engineer licensed in the State of Idaho, which Certification of Ongoing O & M shall be in the form specified in Appendix C. Seller's failure to supply the required certificate will be an event of default. Such a default may only be cured by Seller providing the required certificate; and

19.3.3 Licenses and Permits - During the full term of this Agreement, Seller shall maintain compliance with all permits and licenses described in paragraph 4.1.1 of this Agreement. In addition, Seller will supply Idaho Power with copies of any new or additional permits or licenses. At least every fifth Contract Year, Seller will update the documentation described in paragraph 4.1.1. If at any time Seller fails to maintain compliance with the permits and licenses described in paragraph 4.1.1 or to provide the documentation required by this paragraph, such failure will be an event of default and may only be cured by Seller submitting to Idaho Power evidence of compliance from the permitting agency.

ARTICLE XX: GOVERNMENTAL AUTHORIZATION

20.1 This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party of this Agreement.

ARTICLE XXI: COMMISSION ORDER

21.1 This Agreement shall become finally effective upon the Commission's approval of all terms and provisions hereof without change or condition and declaration that all payments to be made to Seller hereunder shall be allowed as prudently incurred expenses for ratemaking purposes.

ARTICLE XXII: SUCCESSORS AND ASSIGNS

22.1 This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, except that no assignment hereof by either Party shall become effective without the written consent of both Parties being

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first obtained. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, any party which Idaho Power may consolidate, or into which it may merge, or to which it may convey or transfer substantially all of its electric utility assets, shall automatically, without further act, and without need of consent or approval by the Seller, succeed to all of Idaho Power's rights, obligations and interests under this Agreement. This Article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho Power shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXIII: MODIFICATION

23.1 No modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission.

ARTICLE XXIV: TAXES

24.1 Each Party shall pay before delinquency all taxes and other governmental charges which, if failed to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXV: NOTICES

25.1 All written notices under this Agreement shall be directed as follows and shall be considered delivered when faxed, e-mailed and confirmed with deposit in the U.S. Mail, first-class, postage prepaid, as follows:

To Seller:

Original document to:

Telephone:

Cell: _____

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FAX: _____

E-mail: _____

To Idaho Power:

Original document to:

Vice President, Power Supply
Idaho Power Company
PO Box 70
Boise, Idaho 83707
Email: LGrow@idahopower.com

Copy of document to:

Cogeneration and Small Power Production
Idaho Power Company
PO Box 70
Boise, Idaho 83707
E-mail: rallphin@idahopower.com

Either Party may change the contact person and/or address information listed above, by providing written notice from an authorized person representing the Party.

ARTICLE XXVI: ADDITIONAL TERMS AND CONDITIONS

26.1 This Agreement includes the following appendices, which are attached hereto and included by reference:

- Appendix A - Monthly Power Production and Availability Report
- Appendix B - Facility and Point of Delivery
- Appendix C - Engineer's Certifications
- Appendix D - Forms of Liquid Security
- Appendix E - Wind Energy Production Forecasting

ARTICLE XXVII: SEVERABILITY

27.1 The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other terms or provisions and this Agreement shall be construed in all other respects as if the invalid or unenforceable term or provision were omitted.

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ARTICLE XXVIII: COUNTERPARTS

28.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXIX: ENTIRE AGREEMENT

29.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be executed in their respective names on the dates set forth below:

Idaho Power Company

By

By

Lisa A Grow
Sr. Vice President, Power Supply

Dated

Dated

"Idaho Power"

"Seller"

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APPENDIX A

A-1 MONTHLY POWER PRODUCTION AND AVAILABILITY REPORT

At the end of each month the following required documentation will be submitted to:

**Idaho Power Company
Attn: Cogeneration and Small Power Production
P O Box 70
Boise, Idaho 83707**

The Meter readings required on this report will be the reading on the Meter Equipment measuring the Facility's Net Energy delivered by the Transmitting Entity to the Idaho Power electrical system and/or any other required energy measurements to adequately administer this Agreement. If the Metering Equipment is not located at the point which is able to measure the exact energy deliveries to the Idaho Power electrical system, then the metered energy amounts will be adjusted to account for electrical Losses occurring between the metering point and the point which the energy is delivered to the Idaho Power electrical system.

This report shall also include the Seller's calculation of the Mechanical Availability.

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Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND AVAILABILITY REPORT

Month _____ Year _____

Project Name _____ Project Number: _____
 Address _____ Phone Number: _____
 City _____ State _____ Zip _____

	Net Facility Output	Station Usage	Station Usage	Metered Maximum Generation
Meter Number:	_____	_____	_____	kW
End of Month kWh Meter Reading:	_____	_____	_____	
Beginning of Month kWh Meter:	_____	_____	_____	
Difference:	_____	_____	_____	
Times Meter Constant:	_____	_____	_____	Net Generation
kWh for the Month:	_____ - _____	_____ - _____	_____ = _____	
Metered Demand:	_____	_____	_____	

Mechanical Availability Guarantee

Seller Calculated Mechanical Availability _____

As specified in this Agreement, the Seller shall include with this monthly report a summary statement of the Mechanical Availability of this Facility for the calendar month. This summary shall include details as to how the Seller calculated this value and summary of the Facility data used in the calculation. Idaho Power and the Seller shall work together to mutually develop a summary report that provides the required data. Idaho Power reserves the right to review the detailed data used in this calculation as allowed within the Agreement.

Signature Date

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**A-2 MONTHLY POWER PRODUCTION AND SWITCHING REPORT FOR PROJECTS
LOCATED OUTSIDE OF THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA.**

- a.) The Transmitting Entity will schedule and deliver the Facility's Net Energy to the Idaho Power electrical system at the Point of Delivery in accordance with the electrical industry standard WECC scheduling and delivery processes. As specified in paragraph 9.4 the Seller and/or the Transmitting Entity shall provide Idaho Power with monthly documentation indicating the hourly energy scheduled and delivered to Idaho Power. This documentation will be reconciled with Idaho Power records of energy scheduled and received from this Facility. In the event a discrepancy exists between the Idaho Power records and the Seller / Transmitting Entity documents, Idaho Power records will be considered to be accurate until such time as Idaho Power, the Seller and the Transmitting Entity mutually agree on an adjustment to the Idaho Power records.
- b.) The Seller shall submit to Idaho Power a Monthly Power Production and Switching Report as specified in Appendix A-1 of this Agreement. The meter readings on this report shall be the meter readings at the actual Facility measuring the actual energy deliveries to Transmitting Entity at the Facility.

**A-4 ROUTINE REPORTING FOR PROJECTS OUTSIDE OF THE IDAHO POWER
ELECTRICAL SYSTEM CONTROL AREA.**

The Seller and Transmitting Entity shall maintain appropriate communications with the Idaho Power Designed Dispatch Facility in compliance with electric industry standard WECC energy scheduling processes and procedures.

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Seller's Contact Information

24-Hour Project Operational Contact

Name: _____
Telephone Number: _____
Cell Phone: _____

Project On-site Contact information

Telephone Number: _____

APPENDIX B

FACILITY AND POINT OF DELIVERY

Project Name: _____

Project Number: _____

B-1 DESCRIPTION OF FACILITY

(Must include the Nameplate Capacity rating and VAR capability (both leading and lagging) of all generation units to be included in the Facility.)

Var Capability (Both leading and lagging) Leading is _____ Lagging is _____

B-2 LOCATION OF FACILITY

Near: _____

Sections: ___ Township: _____ Range: _____ County: _____ ID.

Description of Interconnection Location: _____

Nearest Idaho Power Substation: _____

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected _____ as the Scheduled First Energy Date.

Seller has selected _____ as the Scheduled Operation Date.

In making these selections, Seller recognizes that adequate testing of the Facility and completion of all requirements in paragraph 5.2 of this Agreement must be completed prior to the project being granted an Operation Date.

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B-4 MAXIMUM CAPACITY AMOUNT:

This value will be _____MW which is consistent with the value provided by the Seller to Idaho Power in accordance with Schedule 72. This value is the maximum energy (MW) that potentially could be delivered by the Seller's Facility to the Idaho Power electrical system at any moment in time.

B-5 POINT OF DELIVERY

_____ at the point on the Idaho Power electrical system where the Sellers Facility's Net energy is delivered by the Transmitting Entity to the Idaho Power electrical system.

B-6 LOSSES

For Facilities within the Idaho Power Electrical System Control area - If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Transmitting Entity on behalf of the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated for this Facility. If the Idaho Power Metering is unable to measure the exact energy deliveries by the Transmitting Entity on behalf of the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% (or any other reasonably determined value by Idaho Power) of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss specifications, conductor sizes, etc) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at any time during the term of this Agreement, Idaho Power determines that the loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power

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may adjust the calculation and retroactively adjust the previous months kWh loss calculations.

For Facilities outside of the Idaho Power Electrical Control area - Idaho Power will only pay for Net Energy that is scheduled and delivered by the Transmitting Entity to the Point of Delivery. All energy Losses between the Facility and the Point of Delivery will be borne by either the Transmitting Entity or the Seller.

B-7 INTERCONNECTION FACILITIES

The Seller and Transmitting Entity shall construct, operate and maintain the Facility and all interconnection and protection equipment in accordance with Prudent Electrical Practices, the National Electric Safety Code and any other applicable local, state and federal codes

B-8 METERING AND TELEMETRY

For Facilities located within the Idaho Power Electrical System Control Area

Metering Equipment - At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries by the Transmitting Entity to the Point of Delivery and any other energy measurements required to administer this Agreement.

Telemetry Equipment - At the minimum the Telemetry Equipment must be able to provide Idaho Power with continuous instantaneous telemetry of the Facility's energy deliveries to the Transmitting Entity. The Seller will arrange for and make available at Seller's cost, a communications circuit acceptable to Idaho Power, dedicated to Idaho Power's use to be used for load profiling and another communications circuit dedicated to Idaho Power's communication equipment for continuous telemetering of the Facility's energy deliveries to the Transmitting Entity to Idaho Power's Designated Dispatch Facility.

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All costs including but not limited to actual equipment, installation, engineering, monthly communication circuit fees, operations and maintenance will be the responsibility of the Seller.

Exact details of the Metering and Telemetry equipment and specifications will need to be added to this appendix once more information becomes available in regards to the physical and electrical configuration at this site and the configuration of the interconnection at the Point of Delivery.

For Facilities located outside of the Idaho Power Electrical System Control Area

Metering Equipment - At the minimum the Metering Equipment must be able to provide and record hourly energy deliveries by the Facility to the Transmitting Entity and any other energy measurements required to administer this Agreement.

Telemetry Equipment – If Telemetry Equipment is required by the Transmitting Entity and the Transmitting Entity and Idaho Power determine that it is required that Idaho Power have access to the automated data. The Seller shall be responsible for all costs associated with providing the automated telemetry data to Idaho Power.

Exact details of the Metering and Telemetry equipment and specifications will need to be added to this appendix once more information becomes available in regards to the physical and electrical configuration at this site and the configuration of the interconnection at the Point of Delivery.

B-8 NETWORK RESOURCE DESIGNATION

Idaho Power cannot accept or pay for generation from this Facility until a Network Resource Designation (“NRD”) application has been accepted by Idaho Power’s delivery business unit.

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Federal Energy Regulatory Commission ("FERC") Rules require Idaho Power to prepare and submit the NRD. Because much of the information Idaho Power needs to prepare the NRD is specific to the Seller's Facility, Idaho Power's ability to file the NRD in a timely manner is contingent upon timely receipt of the required information from the Seller. Prior to Idaho Power beginning the process to enable Idaho Power to submit a request for NRD status for this Facility, the Seller shall have completed all requirements as specified in Paragraph 5.7 of this Agreement. **Seller's failure to provide complete and accurate information in a timely manner can significantly impact Idaho Power's ability and cost to attain the NRD designation for the Seller's Facility and the Seller shall bear the costs of any of these delays that are a result of any action or inaction by the Seller.**

APPENDIX C

ENGINEER'S CERTIFICATION

OF

OPERATIONS & MAINTENANCE POLICY

The undersigned _____, on behalf of himself/herself and _____, hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Idaho.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and is hereinafter referred to as the "Project."
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____ Range _____, Boise Meridian, _____ County, Idaho.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has reviewed and/or supervised the review of the Policy for Operation and Maintenance ("O&M") for this Project and it is his professional opinion that, provided said Project has been designed and built to appropriate standards, adherence to said O&M Policy will result in the

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Project's producing at or near the design electrical output, efficiency and plant factor for a _____ year period.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his/her knowledge and therefore sets his/her hand and seal below.

By _____

(P.E. Stamp)

Date _____

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APPENDIX C

ENGINEER'S CERTIFICATION

OF

ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself/herself and _____ hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Idaho.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section ____ Township _____ Range _____, Boise Meridian, _____ County, Idaho.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.

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8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. It is Engineer's professional opinion, based on the Project's appearance, that its ongoing O&M has been substantially in accordance with said O&M Policy; that it is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the remaining _____ years of the Agreement.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his/her knowledge and therefore sets his/her hand and seal below.

By _____

(P.E. Stamp)

Date _____

Draft: For Discussion Purposes Only

APPENDIX C

**ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY**

The undersigned _____, on behalf of himself/herself and _____ hereinafter collectively referred to as "Engineer", hereby states and certifies to Idaho Power as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Idaho.
2. That Engineer has reviewed the Firm Energy Sales Agreement, hereinafter "Agreement", between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project, which is the subject of the Agreement and this Statement, is identified as IPCo Facility No _____ and is hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____ Range _____, Boise Meridian, _____ County, Idaho.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project and has made the analysis of the plans and specifications independently.
8. That Engineer has reviewed the engineering design and construction of the Project, including the civil work, electrical work, generating equipment, prime mover conveyance system, Seller furnished Interconnection Facilities and other Project facilities and equipment.

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9. That the Project has been constructed in accordance with said plans and specifications, all applicable codes and consistent with Prudent Electrical Practices as that term is described in the Agreement.

10. That the design and construction of the Project is such that with reasonable and prudent operation and maintenance practices by Seller, the Project is capable of performing in accordance with the terms of the Agreement and with Prudent Electrical Practices for a _____ year period.

11. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, in interconnecting the Project with its system, is relying on Engineer's representations and opinions contained in this Statement.

12. That Engineer certifies that the above statements are complete, true and accurate to the best of his/her knowledge and therefore sets his/her hand and seal below.

By _____
(P.E. Stamp)

Date _____

APPENDIX D

FORMS OF LIQUID SECURITY

The Seller shall provide Idaho Power with commercially reasonable security instruments such as Cash Escrow Security, Guarantee or Letter of Credit as those terms are defined below or other forms of liquid financial security that would provide readily available cash to Idaho Power to satisfy the Delay Security requirement and any other security requirement within this Agreement.

For the purpose of this Appendix D, the term "Credit Requirements" shall mean acceptable financial creditworthiness of the entity providing the security instrument in relation to the term of the obligation in the reasonable judgment of Idaho Power, provided that any guarantee and/or letter of credit issued by any other entity with a short-term or long-term investment grade credit rating by Standard & Poor's Corporation or Moody's Investor Services, Inc. shall be deemed to have acceptable financial creditworthiness.

1. Cash Escrow Security – Seller shall deposit funds in an escrow account established by the Seller in a banking institution acceptable to both Parties equal to the Delay Security or any other required security amount(s). The Seller shall be responsible for all costs, and receive any interest earned associated with establishing and maintaining the escrow account(s).
2. Guarantee or Letter of Credit Security – Seller shall post and maintain in an amount equal to the Delay Security or other required security amount(s): (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to Idaho Power at its discretion, or (b) an irrevocable Letter of Credit in a form acceptable to Idaho Power, in favor of Idaho Power. The Letter of Credit will be issued by a financial

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institution acceptable to both parties. The Seller shall be responsible for all costs associated with establishing and maintaining the Guarantee(s) or Letter(s) of Credit.

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APPENDIX E

WIND ENERGY PRODUCTION FORECASTING

As specified in Commission Order 30488, Idaho Power shall make use of a Wind Energy Production Forecasting model to forecast the energy production from this Facility and other Qualifying Facility wind generation resources. Seller and Idaho Power will share the cost of Wind Energy Production Forecasting. The Facility's share of Wind Energy Production Forecasting is determined as specified below. Sellers share will not be greater than 0.1% of the total energy payments made to Seller by Idaho Power during the previous Contract Year.

- a. For every month of this Agreement beginning with the first full month after the First Energy Date as specified in Appendix of this Agreement, the Wind Energy Production Forecasting Monthly Cost Allocation (MCA) will be due and payable by the Seller. Any Wind Energy Production Forecasting Monthly Cost Allocations (MCA) that are not reimbursed to Idaho Power shall be deducted from energy payments to the Seller.
 - As the value of the 0.1% cap of the Facilities total energy payments will not be known until the first Contract Year is complete, at the end of the first Contract Year any prior allocations that exceeded the 0.1% cap shall be adjusted to reflect the 0.1% cap and if the Facility has paid the monthly allocations a refund will be included in equal monthly amounts over the ensuing Contract Year. If the Facility has not paid the monthly allocations the amount due Idaho Power will be adjusted accordingly and the unpaid balance will be deducted from the ensuing Contract Year's energy payments.
- b. During the first Contract Year, as the value of the 0.1% cap of the Facilities total

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energy payments will not be known until the first Contract Year is complete, Idaho Power will deduct the Facility's calculated share of the Wind Energy Production Forecasting costs specified in item d each month during the first Contract Year and subsequently refund any overpayment (payments that exceed the cap) in equal monthly amounts over the ensuing Contract Year.

- c. The cost allocation formula described below will be reviewed and revised if necessary on the last day of any month in which the cumulative MW nameplate of wind projects having Commission approved agreements to deliver energy to Idaho Power has been revised by an action of the Commission.
- d. The monthly cost allocation will be based upon the following formula :

Where: **Total MW (TMW)** is equal to the total nameplate rating of all QF wind projects that are under contract to provide energy to Idaho Power Company.

Facility MW (FMW) is equal to the nameplate rating of this Facility as specified in Appendix B.

Annual Wind Energy Production Forecasting Cost (AFCost) is equal to the total annual cost Idaho Power incurs to provide Wind Energy Production Forecasting. Idaho Power will estimate the AFCost for the current year based upon the previous year's cost and expected costs for the current year. At year-end, Idaho Power will compare the actual costs to the estimated costs and any differences between the estimated AFCost and the actual AFCost will be included in the next year's AFCost.

$$\text{Annual Cost Allocation (ACA)} = \text{AFCost} \times (\text{FMW} / \text{TMW})$$

And

$$\text{Monthly Cost Allocation (MCA)} = \text{ACA} / 12$$

- e. The Wind Energy Production Forecasting Monthly Cost Allocation (MCA) is

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due and payable to Idaho Power. The MCA will first be netted against any monthly energy payments owed to the Seller. If the netting of the MCA against the monthly energy payments results in a balance being due Idaho Power, the Facility shall pay this amount within 15 days of the date of the payment invoice.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 9

Allphin, Randy

From: Allphin, Randy
Sent: Thursday, November 04, 2010 10:25 AM
To: peter@richardsonandoleary.com
Cc: Walker, Donovan
Subject: Wasatch wind - Grouse Creek I and Grouse Creek II transmission requests

Importance: High

Tracking:

Recipient	Read
peter@richardsonandoleary.com	
Walker, Donovan	Read: 11/4/2010 10:26 AM

Peter, as I indicated in our letter to you dated November 1, 2010. I proceeded with filing transmission service requests (TSR) for both of these projects. Upon review of the information I submitted the application was rejected by the Idaho Power transmission group due to the fact that information did not sync up with the project's transmission requests on the BPA system.

The information provided by the projects in the Idaho Power transmission Capacity application questionnaire indicated an on line date 12/1/2012, whereas the BPA transmission information indicates the earliest BPA would have transmission capacity would be available on the BPA system is June 2013.

The BPA transmission application indicates a 21 MW and a 30 MW project, based on the last information Wastach provided to Idaho Power you requested two 21 MW projects.

In order for the Idaho Power transmission group to accept my transmission applications we must have our information consistent with the project's request for transmission on the BPA system. Please submit a revised Transmission Capacity Application Questionnaire for both the Grouse Creek I and Grouse Creek II project as soon as possible. I will wait to file the Idaho power TSR until you have provided the revised information that is consistent with the BPA transmission requests.

Ancillary Services – it is also very important to note that BPA will not be supplying ancillary services for your project. You will be required to secure these ancillary services from someone. As the project is not in the Idaho Power service territory, Idaho Power is not required to supply ancillary services. If you want Idaho Power to provide these services, you will need to send in a written request and Idaho Power will review the request to determine our ability and cost to provide these services. These services and costs would be in addition to any transmission costs incurred to provide transmission capacity for this project on the Idaho Power electrical system.

In summary – I must have a revised transmission questionnaire from the projects that is consistent with the BPA transmission requests to be able to file an Idaho Power transmission service request.

Randy



DONOVAN E. WALKER
Senior Counsel
dwalker@idahopower.com

November 24, 2010

VIA E-MAIL
Peter J. Richardson
RICHARDSON & O'LEARY, PLLC
515 North 27th Street
P.O. Box 7218
Boise, Idaho 83702

Re: Grouse Creek Wind Park, LLC, and Grouse Creek Wind Park II, LLC

Mr. Richardson:

Please let this confirm receipt of your November 23, 2010, letter regarding the above-referenced proposed projects subsequent to our November 19, 2010, meeting. With that letter you confirm, on behalf of your client, that Idaho Power had previously sent you draft contracts containing the "standard" terms and conditions for a PURPA, less than 10 average megawatts, published avoided cost rate Firm Energy Sales Agreement ("FESA"). With this letter Idaho Power acknowledges that Idaho Power and your client are fully engaged in the referred to PURPA contracting process.

Your letter also confirms and acknowledges that your client wishes to move forward with the FESA, including the standard, Idaho Public Utilities Commission ("Commission") approved \$45 per kilowatt of project capacity delay security, prior to completion of the interconnection and transmission studies and processes. Further, that your client understands it is their responsibility to work with Idaho Power's Delivery business unit to ensure that sufficient time and resources will be available for Delivery to construct the interconnection facilities, and transmission upgrades if required, in time to allow the projects to achieve the Scheduled Operation Date that the projects will commit themselves to in the FESA. In addition, your client has been advised, and accepts the risk, that delays in the interconnection or transmission process do not constitute excusable delays in achieving the Scheduled Operation Date, and if the projects fail to achieve the Scheduled Operation Date at the times specified in the FESA, delay damages will be assessed, and delay security applied. Please allow me to suggest that special consideration be given to the Scheduled Operation Date selected by the projects for inclusion in the FESA, such that with the information available at this time a date is chosen that has a good probability of providing time for the anticipated interconnection and possible transmission upgrades to be completed.

Affidavit of Christine Mikell
Exhibit J
Case Nos. IPC-E-10-61, IPC-E-10-62
Page 1

Attachment No. 9
Case Nos. IPC-E-10-61 & IPC-E-10-62
Allphin Affidavit, IPC
Page 2 of 9

Peter J. Richardson
November 24, 2010
Page 2 of 7

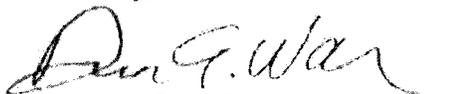
Additionally, given the very large amount of PURPA generation projects that are proposed for integration into Idaho Power's system, as well as the issues raised in the November 5, 2010, Joint Petition filed with the Commission, Idaho Power would like to call your attention to some of the existing terms and conditions that are part of the Commission-approved standard PURPA FESA, as well as part of the Company's approved Tariff Schedule 72, and make certain that both Idaho Power and your clients have a common understanding and meeting of the minds as to the meaning of these terms and conditions prior to executing the FESAs and submitting the same to the Commission for approval.

According to the standard provisions of the FESA (included below for your reference), curtailment without compensation may occur if there is an event of Force Majeure, a Forced Outage, or a temporary disconnection of the Facility in accordance with Tariff Schedule 72. If the generation from your client's facility will have an adverse effect upon Idaho Power's service to its customers, Idaho Power may temporarily disconnect the facility from Idaho Power's transmission/distribution system as specified within Schedule 72, or take such other reasonable steps as Idaho Power deems appropriate. Idaho Power's intent and understanding is that non-compensated curtailment would be exercised when the generation being provided by facilities connected to its system in certain operating conditions exceeds or approaches the minimum load levels of the Company's system such that it may have a detrimental effect upon the Company's ability to manage its thermal, hydro, and other resources in order to meet its obligation to reliably serve loads on its system.

Idaho Power trusts that these provisions are acceptable to you and your clients, as they have been part of the Commission-approved standard FESA, as well as part of the Commission-approved Tariff Schedule 72 for quite some time. Signing and submitting the FESAs to the Commission will evidence your specific acknowledgment that both parties have a common understanding as set out above with regard to the possible curtailment, without compensation, that may occur in certain operating conditions on Idaho Power's system.

Please review the previously provided draft contracts; fill-in or correct any of the project specific, factual information contained therein; and return the draft to Idaho Power so that the Company can then initiate the Sarbanes-Oxley contract approval process and generate an executable draft for signatures.

Sincerely,



Donovan E. Walker

DEW:csb
cc: Randy Allphin (via e-mail)

Affidavit of Christine Mikell
Exhibit J
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Attachment No. 9
Case Nos. IPC-E-10-61 & IPC-E-10-62
Allphin Affidavit, IPC
Page 3 of 9

Article XII: Operations, from the FESA states as follows:

12.1 Communications – Idaho Power and the Seller shall maintain appropriate operating communications through Idaho Power's Designated Dispatch Facility in accordance with Appendix A of this Agreement.

12.2 Energy Acceptance –

12.2.1 Idaho Power shall be excused from accepting and paying for Net Energy or accepting Inadvertent Energy which would have otherwise been produced by the Facility and delivered by the Seller to the Point of Delivery, if it is prevented from doing so by an event of Force Majeure, Forced Outage or temporary disconnection of the Facility in accordance with Schedule 72. If, for reasons other than an event of Force Majeure or a Forced Outage, a temporary disconnection under Schedule 72 exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amounts specified for the applicable month in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.

12.2.2 If, in the reasonable opinion of Idaho Power, Seller's operation of the Facility or Interconnection Facilities is unsafe or may otherwise adversely affect Idaho Power's equipment, personnel or service to its customers, Idaho Power may temporarily disconnect the Facility from Idaho Power's transmission/distribution system as specified within Schedule 72 or take such other reasonable steps as Idaho Power deems appropriate.

12.2.3 Under no circumstances will the Seller deliver Net Energy and/or Inadvertent Energy from the Facility to the Point of Delivery in an amount that exceeds the Maximum Capacity Amount at any moment in time. Seller's failure to limit deliveries to the Maximum Capacity Amount will be a Material Breach of this Agreement.

**Affidavit of Christine Mikell
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Case Nos. IPC-E-10-61, IPC-E-10-62
Page 3**

- 12.2.4 If Idaho Power is unable to accept the energy from this Facility and is not excused from accepting the Facility's energy, Idaho Power's damages shall be limited to only the value of the estimated energy that Idaho Power was unable to accept. Idaho Power will have no responsibility to pay for any other costs, lost revenue or consequential damages the Facility may incur.
- 12.3 **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 Idaho Power 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 Prudent Electrical Practices, Idaho Power system requirements and the Seller's preferred schedule. Neither Party shall unreasonably withhold acceptance of the proposed maintenance schedule.
- 12.4 **Maintenance Coordination** – The Seller and Idaho Power shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.
- 12.5 **Contact Prior to Curtailment** – Idaho Power 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 Idaho Power may not be able to provide notice to the Seller prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.

Idaho Power's Schedule 72, Interconnections to Non-Utility Generation, states in pertinent part:

- 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

Affidavit of Christine Mikell
Exhibit J
Case Nos. IPC-E-10-61, IPC-E-10-62
Page 4

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 nondiscriminatory 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

Affidavit of Christine Mikell
Exhibit J
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Page 5

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

Affidavit of Christine Mikell
Exhibit J
Case Nos. IPC-E-10-61, IPC-E-10-62
Page 6

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.

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.

Affidavit of Christine Mikell
Exhibit J
Case Nos. IPC-E-10-61, IPC-E-10-62
Page 7

Allphin, Randy

From: Peter Richardson [peter@richardsonandoleary.com]
Sent: Monday, November 29, 2010 10:46 AM
To: Kris Sasser
Cc: Walker, Donovan; Greg Adams; Allphin, Randy
Subject: Grouse Creek Complaint Dockets

Kris, as we discussed this morning on the telephone, we have tentatively reached a settlement with Idaho Power and respectfully request that the Commission not serve a summons on Idaho Power at this time. We believe we will have a final settlement within approximately two to three weeks and we will at that time formally request a dismissal that would be contingent upon Commission approval of the final settlement agreement and power purchase agreement. Please reference Docket Nos. IPC-E-10-29 and IPC-E-10-30.

Peter Richardson

Richardson & O'Leary

515 N. 27th Street

Boise, Idaho 83702

(208) 938-7901

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 10

Allphin, Randy

From: Greg Adams [Greg@richardsonandoleary.com]
Sent: Thursday, December 02, 2010 4:42 PM
To: Walker, Donovan
Cc: Peter Richardson; Allphin, Randy
Subject: Grouse Creek Projects
Attachments: 12-2-10 Walker Letter GCWPs.pdf; Grouse Creek PPA Draft - 12-2-10.doc; Grouse Creek II PPA Draft 12-2-10.doc

Donovan,

Please see the attached letter from Peter Richardson and completed draft FESAs for these projects. Please contact us with any questions.

Greg

Greg Adams
Richardson & O'Leary PLLC
515 N. 27th Street, 83702
P.O. Box 7218, 83707
Boise, Idaho
Voice: 208.938.2236
Facsimile: 208.938.7904

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Thank you.



RICHARDSON & O'LEARY, PLLC
ATTORNEYS AT LAW

Peter Richardson

Tel: 208-938-7901 Fax: 208-938-7904
peter@richardsonandoleary.com
P.O. Box 7218 Boise, ID 83707 • 515 N. 27th St. Boise, ID 83702

2 December 2010

Via U.S. Mail and Electronic Mail

Donavon Walker
Legal Department
Idaho Power Company
1221 West Idaho Street
Boise, ID 83702

RE: IPC-E-10-29, IPC-E10-30 – Grouse Creek LLC and Grouse Creek II LLC
Complaints

Dear Donovan:

Thank you for your letter of November 24, 2010, regarding the above-referenced projects and complaint actions. As we agreed, we have taken the steps necessary to stay the pending complaint actions regarding these projects in response to your letter. Wasatch Wind is fully aware of the contracts' provisions you highlighted in your letter. Wasatch Wind is also fully aware of the transmission and interconnection risks, as well as the liquid security provision.

As we discussed earlier today, the draft agreements you sent contain a requirement in Article 5.7 to complete certain interconnection and transmission processes prior to execution of the Firm Energy Sales Agreement, but you agree to remove this requirement from the final agreement. I also would like to point out that Wasatch Wind has not included line losses in the schedule of Monthly Net Energy for the first year of the agreement contained in Article 6.2.1. Wasatch Wind understands that it will only be paid for output delivered to Idaho Power's system per the provisions of Appendix B-6.

Additionally, because there was some confusion earlier, please provide me with confirmation that Idaho Power has initiated the transmission capacity applications to secure Network Resource designations for these projects. The requests should be for two 21 MW projects, each with a First Energy date of December 31, 2012, and Scheduled Operation date of June 1, 2013.

Wasatch Wind is prepared to execute the agreements and we appreciate the fact that Idaho Power is processing them as quickly as possible, subject only to your standard

Mr. Donovan Walker
December 2, 2010
Page 2

Sarbanes-Oxley contract approval process. To that end, enclosed you will find the fully filled out contract for each of the above-referenced projects.

Sincerely,

A handwritten signature in black ink, appearing to read "P.J. Richardson", written in a cursive style.

Peter J. Richardson
Richardson & O'Leary PLLC

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 11

Allphin, Randy

From: Allphin, Randy
Sent: Tuesday, December 07, 2010 1:50 PM
To: 'Peter Richardson'
Cc: Walker, Donovan
Subject: Wasatch wind energy
Attachments: Wasatch wind energy letter 12-07-2010.pdf

Tracking:	Recipient	Read
	'Peter Richardson'	
	Walker, Donovan	Read: 12/7/2010 1:52 PM

Peter,

Attached is a letter in regards to the Wasatch wind energy projects.

Randy Allphin
Idaho Power Company



December 7, 2010

Wasatch Wind
C/O Peter Richardson
Richardson & O'Leary
515 N 27th Street,
Boise, ID 83702

Original: U S Mail

E-mail copy: Peter Richardson peter@richardsonandoleary.com

Re: Grouse Creek I and Grouse Creek II wind project transmission requests

Mr. Richardson,

Idaho Power is in receipt of your letter dated December 2, 2010 and the draft purchase power agreements you provided for these two projects. Idaho Power is reviewing the information provided and will coordinate the completion of these agreements in a prompt manner.

In addition, in this letter you provided clarification of the project sizes and have asked for confirmation that Idaho Power has filed the necessary documentation to initiate the transmission capacity acquisition process.

As was discussed in our meeting of November 19, 2010, the projects have provided Idaho Power with differing details of the project such as project sizes, proposed online dates, third party transmission information, etc. In October and early November 2010, Idaho Power received confirmation from the project of enough specific details to enable Idaho Power to request transmission capacity for these projects. On November 4, 2010, Idaho Power filed a transmission service request application with the Idaho Power transmission group for these projects. At that time, the Idaho Power transmission group returned the application communicating back that they were unable to process the application due to the fact that the BPA transmission requests noted on the information provided by the projects were not consistent with the information provided by the projects to Idaho Power for the Idaho Power transmission request.

On December 6, 2010, we once again filed a transmission service request with the Idaho Power transmission group. We will communicate to you all information regarding this request as we receive it back from the transmission group.

If you have any questions please do not hesitate to contact me.

Sincerely,



Randy C. Allphin
Senior Energy Contract Coordinator
(208) 388-2614
E-mail: rallphin@idahopower.com

cc: Donovan Walker (IPCo)

P.O. Box 70 (83707)
1221 W. Idaho St.
Boise, ID 83702

Attachment No. 11
Case Nos. IPC-E-10-61 & IPC-E-10-62
Allphin Affidavit, IPC
Page 3 of 3

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 12

Allphin, Randy

From: Allphin, Randy
Sent: Tuesday, December 07, 2010 7:49 PM
To: 'Peter Richardson'
Cc: Walker, Donovan
Subject: Grouse creek draft contracts
Attachments: Grouse Creek wind Park II Idaho Power draft agreement 12-07-2010.docx; Grouse Creek wind Park Idaho Power draft agreement 12-07-2010.docx

Tracking:	Recipient	Read
	'Peter Richardson'	
	Walker, Donovan	Read: 12/7/2010 7:56 PM

Peter,

Attached are draft agreements for the Grouse Creek wind park and the Grouse Creek wind park II.

In reviewing the drafts you had previously provided we discovered numerous problems with document formatting, fonts, etc. Therefore we have copied the project specific information you provided in those drafts into new draft agreements. Please use these draft agreements for all new comments etc.

One key piece of information that was missing from both agreements - the accurate location description. The locations provided are identical and the section information was not filled in. Based on this information that has been provided, there is no ability to determine if the projects are at least 1 mile apart from each other.

Please review these draft agreements, add the additional information and return your comments ASAP so that we can continue to move forward with these agreements.

Randy Allphin

Idaho Power Company

Alphin, Randy

From: Peter Richardson [peter@richardsonandoleary.com]
Sent: Thursday, December 09, 2010 3:18 PM
To: Walker, Donovan; Alphin, Randy
Cc: Greg Adams
Subject: Grouse Creek On Line Date

Donovan and Randy,

Our client has agreed to the delay security provisions, and in looking at our on line date request, what would be your reaction if we moved the on line dates from first energy 12/12 and COD 6/13 to first energy 6/13 and COD 12/13? Would we still be o.k. in the process you have going? Thanks, -Pete

Peter Richardson

Richardson & O'Leary

515 N. 27th Street

Boise, Idaho 83702

(208) 938-7901

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 13

Darrington, Michael

From: Darrington, Michael
Sent: Tuesday, December 14, 2010 9:55 AM
To: 'Peter Richardson'
Cc: 'bwoodard@wasatchwind.com'; Allphin, Randy; Walker, Donovan; Snyder, Carlene
Subject: Grouse Creek Wind Park Final Agreements - information needed

Mr. Richardson:

In order to complete the final executable contracts for the Grouse Creek wind projects we need the following information:

ARTICLE IX: TRANSMISSION AGREEMENT

9.1 Transmission Agreement - The Seller will arrange and pay for the delivery of Net Energy and Inadvertent Energy over the facilities of the Transmitting Entity(s) (_____) to the Point of Delivery.

Please list the transmitting entity(s) for each project.

APPENDIX B

B-2 LOCATION OF FACILITY

Near: Lynn, UT

Sections: ___ Township: 14 N Range: 17 W County: Box Elder, UT

Please list the Section for each project.

Once we have this information, we can finalize the Energy Sales Agreement for signature.

Michael Darrington
Sr. Planning Analyst
Power Supply
Idaho Power Company
PO Box 70
1221 W. Idaho St.
Boise, ID 83709
(208)388-5946

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 14

Allphin, Randy

From: Allphin, Randy
Sent: Wednesday, December 15, 2010 7:49 AM
To: 'Peter Richardson'; Walker, Donovan
Cc: Greg Adams; Darrington, Michael
Subject: RE: Grouse Creek On Line Date

Tracking:	Recipient	Read
	'Peter Richardson'	
	Walker, Donovan	Read: 12/15/2010 8:52 AM
	Greg Adams	
	Darrington, Michael	

Mr. Richardson

Idaho Power has reviewed your request to alter the First Energy date and the Operation Dates within the Grouse Creek I and II proposed agreements and can accept your request. We will insert these new dates in the draft agreements

On Tuesday, Dec 14 Michael Darrington emailed you a request for additional information requirements to complete these draft agreements – in general the information required is name of the Transmitting Entity(s) and completion of the location description for these projects. Please reference his e-mail for complete details.

After receipt of this additional information required to complete the agreements we will resume the processing of these proposed agreements.

Randy Allphin

Idaho Power Company

From: Peter Richardson [<mailto:peter@richardsonandoleary.com>]
Sent: Tuesday, December 14, 2010 4:36 PM
To: Peter Richardson; Walker, Donovan; Allphin, Randy
Cc: Greg Adams
Subject: RE: Grouse Creek On Line Date

Donovan and Randy:

Any thoughts on the below question.

Peter Richardson

Richardson & O'Leary

515 N. 27th Street

Boise, Idaho 83702

(208) 938-7901

From: Peter Richardson
Sent: Thursday, December 09, 2010 3:18 PM
To: Walker, Donovan; 'Allphin, Randy'
Cc: Greg Adams
Subject: Grouse Creek On Line Date

Donovan and Randy,

Our client has agreed to the delay security provisions, and in looking at our on line date request, what would be your reaction if we moved the on line dates from first energy 12/12 and COD 6/13 to first energy 6/13 and COD 12/13? Would we still be o.k. in the process you have going? Thanks, -Pete

Peter Richardson

Richardson & O'Leary

515 N. 27th Street

Boise, Idaho 83702

(208) 938-7901

Allphin, Randy

From: Greg Adams [Greg@richardsonandoleary.com]
Sent: Wednesday, December 15, 2010 3:41 PM
To: Allphin, Randy; Peter Richardson; Walker, Donovan
Cc: Darrington, Michael
Subject: RE: Grouse Creek On Line Date

Randy and Michael,

Thank you for acceptance of the new dates. Here is the additional data requested for the Grouse Creek Wind Park and Grouse Creek Wind Park II. The legal descriptions are different for the two projects, but the transmission provider is the same. Please let us know if you have any additional questions, and please copy me as Pete is out of the office for a few days.

GCWP: T14N R17W Sections 8,16,17

GCWP II: T14N R17W Sections 21, 27, 28

Transmission Provider: BPA

Greg Adams
Richardson & O'Leary PLLC
515 N. 27th Street, 83702
P.O. Box 7218, 83707
Boise, Idaho
Voice: 208.938.2236
Facsimile: 208.938.7904

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Thank you.

From: Allphin, Randy [mailto:RAllphin@idahopower.com]
Sent: Wednesday, December 15, 2010 7:49 AM

To: Peter Richardson; Walker, Donovan
Cc: Greg Adams; Darrington, Michael
Subject: RE: Grouse Creek On Line Date

Mr. Richardson

Idaho Power has reviewed your request to alter the First Energy date and the Operation Dates within the Grouse Creek I and II proposed agreements and can accept your request. We will insert these new dates in the draft agreements

On Tuesday, Dec 14 Michael Darrington emailed you a request for additional information requirements to complete these draft agreements – in general the information required is name of the Transmitting Entity(s) and completion of the location description for these projects. Please reference his e-mail for complete details.

After receipt of this additional information required to complete the agreements we will resume the processing of these proposed agreements.

Randy Allphin

Idaho Power Company

From: Peter Richardson [<mailto:peter@richardsonandoleary.com>]
Sent: Tuesday, December 14, 2010 4:36 PM
To: Peter Richardson; Walker, Donovan; Allphin, Randy
Cc: Greg Adams
Subject: RE: Grouse Creek On Line Date

Donovan and Randy:

Any thoughts on the below question.

Peter Richardson

Richardson & O'Leary

515 N. 27th Street

Boise, Idaho 83702

(208) 938-7901

From: Peter Richardson
Sent: Thursday, December 09, 2010 3:18 PM
To: Walker, Donovan; 'Allphin, Randy'
Cc: Greg Adams
Subject: Grouse Creek On Line Date

Donovan and Randy,

Our client has agreed to the delay security provisions, and in looking at our on line date request, what would be your reaction if we moved the on line dates from first energy 12/12 and COD 6/13 to first energy 6/13 and COD 12/13? Would we still be o.k. in the process you have going? Thanks, -Pete

Peter Richardson

Richardson & O'Leary

515 N. 27th Street

Boise, Idaho 83702

(208) 938-7901



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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-10-61

CASE NO. IPC-E-10-62

IDAHO POWER COMPANY

ATTACHMENT NO. 15

Allphin, Randy

From: Greg Adams [Greg@richardsonandoleary.com]
Sent: Thursday, December 16, 2010 8:19 AM
To: Darrington, Michael
Cc: Allphin, Randy; Peter Richardson; Walker, Donovan
Subject: RE: Grouse Creek On Line Date

Yes, those are the correct dates.

June 1, 2013 as first energy date.

December 1, 2013 as Scheduled Operation date.

Thanks for checking.

Greg Adams
Richardson & O'Leary PLLC
515 N. 27th Street, 83702
P.O. Box 7218, 83707
Boise, Idaho
Voice: 208.938.2236

Facsimile: 208.938.7904

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Thank you.

From: Darrington, Michael [mailto:MDarrington@idahopower.com]
Sent: Wednesday, December 15, 2010 4:17 PM
To: Greg Adams
Cc: Allphin, Randy; Peter Richardson; Walker, Donovan
Subject: RE: Grouse Creek On Line Date

Greg:

I want to make sure I understand the requested dates (as requested in the first email of this string) for the First Energy Date and Scheduled Operation Date for the Grouse Creek Wind projects.

The current dates, as found in Appendix B-3 are:

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected December 31, 2012 as the Scheduled First Energy Date.

Seller has selected June 1, 2013 as the Scheduled Operation Date.

My interpretation of the dates you have requested (first energy 6/13 and COD 12/13) would change

Appendix B-3 as follows:

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected June 1, 2013 as the Scheduled First Energy Date.

Seller has selected December 1, 2013 as the Scheduled Operation Date.

Are these the correct dates that you would like in Appendix B-3 of the Firm Energy Sales Agreement?

Thanks,

Michael Darrington
Sr. Planning Analyst
Power Supply
Idaho Power Company
PO Box 70
1221 W. Idaho St.
Boise, ID 83709
(208)388-5946

From: Greg Adams [mailto:Greg@richardsonandoleary.com]
Sent: Wednesday, December 15, 2010 3:41 PM
To: Allphin, Randy; Peter Richardson; Walker, Donovan
Cc: Darrington, Michael
Subject: RE: Grouse Creek On Line Date

Randy and Michael,

Thank you for acceptance of the new dates. Here is the additional data requested for the Grouse Creek Wind Park and Grouse Creek Wind Park II. The legal descriptions are different for the two projects, but the transmission provider is the same. Please let us know if you have any additional questions, and please copy me as Pete is out of the office for a few days.

GCWP: T14N R17W Sections 8,16,17

GCWP II: T14N R17W Sections 21, 27, 28

Transmission Provider: BPA

Greg Adams
Richardson & O'Leary PLLC
515 N. 27th Street, 83702
P.O. Box 7218, 83707
Boise, Idaho
Voice: 208.938.2236
Facsimile: 208.938.7904

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Thank you.

From: Allphin, Randy [mailto:RAllphin@idahopower.com]
Sent: Wednesday, December 15, 2010 7:49 AM
To: Peter Richardson; Walker, Donovan
Cc: Greg Adams; Darrington, Michael
Subject: RE: Grouse Creek On Line Date

Mr. Richardson

Idaho Power has reviewed your request to alter the First Energy date and the Operation Dates within the Grouse Creek I and II proposed agreements and can accept your request. We will insert these new dates in the draft agreements

On Tuesday, Dec 14 Michael Darrington emailed you a request for additional information requirements to complete these draft agreements – in general the information required is name of the Transmitting Entity(s) and completion of the location description for these projects. Please reference his e-mail for complete details.

After receipt of this additional information required to complete the agreements we will resume the processing of these proposed agreements.

Randy Allphin

Idaho Power Company

From: Peter Richardson [mailto:peter@richardsonandoleary.com]
Sent: Tuesday, December 14, 2010 4:36 PM
To: Peter Richardson; Walker, Donovan; Allphin, Randy
Cc: Greg Adams
Subject: RE: Grouse Creek On Line Date

Donovan and Randy:

Any thoughts on the below question.

Peter Richardson

Richardson & O'Leary

515 N. 27th Street

Boise, Idaho 83702

(208) 938-7901

From: Peter Richardson
Sent: Thursday, December 09, 2010 3:18 PM
To: Walker, Donovan; 'Allphin, Randy'
Cc: Greg Adams
Subject: Grouse Creek On Line Date

Donovan and Randy,

Our client has agreed to the delay security provisions, and in looking at our on line date request, what would be your reaction if we moved the on line dates from first energy 12/12 and COD 6/13 to first energy 6/13 and COD 12/13? Would we still be o.k. in the process you have going? Thanks, -Pete

Peter Richardson

Richardson & O'Leary

515 N. 27th Street

Boise, Idaho 83702

(208) 938-7901



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Allphin, Randy

From: Allphin, Randy
Sent: Thursday, December 16, 2010 9:53 AM
To: 'peter@richardsonandoleary.com'; 'Greg@richardsonandoleary.com'
Cc: Darrington, Michael
Subject: Grouse Creek agreements

Gentlemen,

We have the two Grouse Creek agreements ready for you, would you like to pick them up at our front desk or do you wish us to mail them. If mailing is desired please provide the address. If you wish to pick them up we can have them at the front desk at noon.

Randy

Darrington, Michael

From: Darrington, Michael
Sent: Thursday, December 16, 2010 10:41 AM
To: 'Greg Adams'; Allphin, Randy; Peter Richardson
Subject: RE: Grouse Creek agreements

Greg:

Yes, we will have the Grouse Creek Agreements ready to pick up at noon, along with the Shell and Exergy Agreements.

Michael Darrington
Sr. Planning Analyst
Power Supply
Idaho Power Company
PO Box 70
1221 W. Idaho St.
Boise, ID 83709
(208)388-5946

From: Greg Adams [<mailto:Greg@richardsonandoleary.com>]
Sent: Thursday, December 16, 2010 10:36 AM
To: Allphin, Randy; Peter Richardson
Cc: Darrington, Michael
Subject: RE: Grouse Creek agreements

We will pick these up as well. Will they be ready with the Exergy and Shell PPAs at noon?

Thanks.

Greg Adams
Richardson & O'Leary PLLC
515 N. 27th Street, 83702
P.O. Box 7218, 83707
Boise, Idaho
Voice: 208.938.2236
Facsimile: 208.938.7904

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Thank you.

From: Allphin, Randy [<mailto:RAllphin@idahopower.com>]
Sent: Thursday, December 16, 2010 9:53 AM
To: Peter Richardson; Greg Adams
Cc: Darrington, Michael
Subject: Grouse Creek agreements

Gentlemen,

We have the two Grouse Creek agreements ready for you, would you like to pick them up at our front desk or do you wish us to mail them. If mailing is desired please provide the address. If you wish to pick them up we can have them at the front desk at noon.

Randy



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