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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Grouse Creek Wind Park, LLC
and Grouse Creek Wind Park II, LLC

BEFORE THE IDAHO

PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE) **CASE NO. IPC-E-10-61**
APPLICATION OF IDAHO POWER)
COMPANY FOR A DETERMINATION) **AFFIDAVIT OF CHRISTINE MIKELL**
REGARDING THE FIRM ENERGY) **IN SUPPORT OF APPROVAL OF**
SALES AGREEMENT FOR THE SALE) **THE ENERGY SALES AGREEMENT**
AND PURCHASE OF ELECTRIC) **FOR GROUSE CREEK WIND PARK,**
ENERGY BETWEEN IDAHO POWER) **LLC**
COMPANY AND GROUSE CREEK)
WIND PARK, LLC)

IN THE MATTER OF THE) **CASE NO. IPC-E-10-62**
APPLICATION OF IDAHO POWER)
COMPANY FOR A DETERMINATION) **AFFIDAVIT OF CHRISTINE MIKELL**
REGARDING THE FIRM ENERGY) **IN SUPPORT OF APPROVAL OF**
SALES AGREEMENT FOR THE SALE) **THE ENERGY SALES AGREEMENT**
AND PURCHASE OF ELECTRIC) **FOR GROUSE CREEK WIND PARK**
ENERGY BETWEEN IDAHO POWER) **II, LLC**
COMPANY AND GROUSE CREEK)
WIND PARK II, LLC)

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

1. I am over the age of 18, and I am Director of Development for Wasatch Wind Intermountain, LLC (“WWI”), which is a wind power development company.

2. My primary responsibilities include the oversight of WWI’s portfolio of projects. In this role, I act as Project Developer of the Grouse Creek Wind Park, LLC and Grouse Creek Wind Park II, LLC (“GC” and “GCII,” or the “Project(s)”) qualifying facilities (“QFs”).

3. As Project Developer of the Grouse Creek Wind Park, LLC and Grouse Creek Wind Park II, LLC, I am responsible for managing the land acquisition, the interconnection process, the transmission service agreements, environmental and cultural studies as well as negotiating the Firm Energy Sales Agreements (“FESAs”).

General Project Development Background

4. WWI initially intended to place a 150 megawatt (“MW”) project on a combination of private land and approximately 1,000 acres of land managed by the Bureau of Land Management (“BLM”) near Lynn, Utah, very close to the Utah-Idaho border. WWI secured leases for over 3,000 acres of private land near Lynn, Utah on February 4, 2008.

5. WWI formed Grouse Creek Wind Park, LLC in July 2009, and formed Grouse Creek Wind Park II, LLC in September 2010, and WWI is the manager of the Projects.

6. WWI first obtained a permit to begin wind monitoring on private land from Box Elder County, Utah in October 2007, and began wind monitoring in December 2007.

7. WWI obtained a right-of-way from the BLM to conduct wind monitoring

in August 2008, and began wind monitoring activities on BLM lands.

8. WWI also began meeting with federal officials in March 2008 regarding vegetation and wildlife concerns. WWI also consulted subsequently with the U.S. Fish and Wildlife Service (“USFWS”) and Utah Division of Wildlife Resources (“UDWR”) regarding the project.

9. WWI and the agencies discussed wildlife and vegetation concerns, as well as the National Environmental Policy Act (“NEPA”) compliance in great detail from March 2008 until March 2010.

10. Ultimately, the costs and complexities of the federal permitting process resulted in removal of the BLM lands from the project area on March 15, 2010, and we eventually scaled the initial 150 MW project down to two smaller 21 MW QFs separated by at least one mile.

11. WWI currently possesses the real property rights for wind project development on both the GCWP and GCWP II sites.

12. Although no permits will be needed from these federal agencies to commence operations now that the Projects do not impact federal lands, WWI continued to meet with the federal agencies regarding potential impacts to adjacent private lands, and the agencies have expressed support for WWI’s approach to those issues. From the surveys and studies conducted, on which WWI has spent in excess of \$275,000, WWI and its wildlife consultants have identified no wildlife issues that would preclude development of the Projects on private lands.

13. Additionally, WWI has collected sufficient wind data to be confident that the wind resource is very good, and to allow WWI to accurately predict the output of the

Projects' at issue in these contract approval cases.

14. Based on other projects, WWI expects that there will be an average of 96 on-site construction workers over the six months of the wind park construction. The peak number of workers would come in month two at a total of 168 workers. It is expected that these workers will stay in American Falls, Idaho as this is the closest city to the Projects. Once the Projects are built, it is expected that there will be between 3-5 workers on site with additional support for the Projects and interconnection substation. We expect at least half of these continuing employees to live in Idaho.

Efforts to Secure an Interconnection Agreement

15. WWI has expended substantial amounts of time and money during the Large Generator Interconnection Process with Bonneville Power Administration ("BPA").

16. Grouse Creek Wind Park, LLC submitted its Large Generation Interconnection Application to BPA for 150 MW on May 5, 2008, along with a \$10,000 fee, for interconnection to a 138 kilovolt line leased to BPA by Raft River Rural Electric Cooperative.

17. Next, GC signed the Feasibility Study agreement on September 2, 2008, and funded BPA an additional \$10,000. The Feasibility Study suggested that there was 93 MW of available transmission and interconnection capacity on the line.

18. On August 7, 2009, GC submitted a request to change the requested size to 95 MW.

19. The System Impact Study ("SIS") agreement was signed and GC funded BPA an additional \$50,000 in April 2009. The SIS completed by BPA on September 25,

2009 concluded again that there was 93 MW of available transmission and interconnection capacity available, and BPA agreed that Raft River Rural Electric Cooperative would sign the Interconnection Agreement with Wasatch Wind.

20. On January 26, 2010, GC executed the Facility Study Agreement and funded the study deposit of \$46,500. GC signed the Interconnection Agreement with Raft River on March 31, 2010.

21. BPA issued the Facility Study Agreement on June 29, 2010.

22. Because WWI had decided at this time to remove the federal lands from the Project and instead develop two smaller 10 average megawatt ("aMW") projects, WWI requested an amendment to the Interconnection Agreement. On June 21, 2010, Raft River Rural Electric Cooperative agreed to amend the Interconnection Agreement to accommodate the two smaller projects, which will still use the same single point of interconnection.

23. BPA has also subsequently authorized the reduced size of the Projects to a cumulative output of 42 MW.

24. Most recently, on February 24, 2011, WWI met with Raft River Rural Electric Cooperative and an engineering firm to commence the procedures necessary to design the project and interconnection substations with an in-service date of summer 2013.

25. In sum, the Projects and their predecessors have spent a total of \$116,500 on the interconnection process, and prior to December 14, 2010 possessed a final Interconnection Agreement, under which they have subsequently taken steps to proceed with construction.

Point to Point Transmission on BPA's System for Delivery to Idaho Power

26. WWI has also engaged in the transmission process to deliver the output from the point of interconnection to Idaho Power's Minidoka substation, and has paid BPA over \$76,000 in efforts to establish firm point to point transmission ("PTP") service.

27. On June 30, 2010, the Projects submitted the necessary applications for BPA's 2010 Network Open Season ("NOS") to achieve the initially projected online date of June 2012, for a 30 MW and a 21 MW project on June 30, 2010. The next step was to provide BPA with a Performance Assurance \$794,376 by August 18, 2010.

28. Due to confusion in the contracting process with Idaho Power at that time, WWI was not comfortable making this financial expenditure, and backed out of the BPA NOS. As a result, it appeared unlikely that WWI could achieve an online date in June 2012, as planned.

29. On August 19, 2010, WWI made a traditional transmission service request ("TSR") on BPA's OASIS site with a new start date of June 1, 2013. All the other parameters of the projects remained the same.

30. Subsequently, BPA has approved a resubmitted 21 MW request to replace the 30 MW request to reflect the changed project parameters for GC, and the TSR for GC II is still 21 MW.

31. Transmission has appeared to be feasible all along for the output of the two QFs. Most recently, on March 18, 2011, BPA, stated in emails and phone calls from Craig Hardin, that the Firm Point to Point agreements will arrive to WWI by the end of the March, and WWI will have 15 days from then to execute the two transmission agreements.

32. At that time, we will have to decide whether it makes sense for the Projects to execute the agreements and obligate themselves to 20 year PTP agreements in light of the status of the FESAs with Idaho Power.

33. I understand that signing the PTP agreements with BPA would, not only be the point at which the Projects cannot obtain a refund of the initial deposit of \$76,000, but also will obligate the Projects to pay for transmission service for the 20 year term. If the FESAs are not approved, the Projects obviously will not use the reserved transmission themselves. I understand that the only way to resolve this situation is to assign the transmission service to a third party or resale this firm service on the transmission provider's OASIS. WWI is concerned that it would be unlikely that another transmission customer would need the exact, same amount of PTP transmission service with the same Point of Integration, Point of Receipt and Point of Delivery, and that redirecting firm transmission service to alternate points is often a difficult task.

Firm Energy Sales Agreement Negotiations with Idaho Power

34. WWI has been engaged in formal power sales contract discussions with Idaho Power since at least February 26, 2010, when I emailed Randy Allphin, of Idaho Power, and described the project, our progress through the interconnection process with BPA, and that it appeared that adequate transmission was available on Idaho Power's system from the Minidoka substation to its Treasure Valley load center. Mr. Allphin responded on March 2, 2010. He stated the requirements WWI would have to meet prior to execution of a power sales contract, which included execution of an interconnection agreement and reservation of firm transmission on both the BPA and Idaho Power transmission system to get the energy from the project to Idaho Power customer loads. I

have attached a true and correct copy of our initial request and Idaho Power's initial response as **Exhibit A**.

35. WWI formally requested that Idaho Power provide it with a PURPA contract for a project between 57.5 and 65 MW in April 2010.

36. On June 2, 2010, WWI received pricing for 65 MWs. I have attached a true and correct copy of Mr. Allphin's letter providing the pricing from its AURORA model as **Exhibit B**.

37. WWI signed a letter of understanding provided by Idaho Power, and sent it to Idaho Power on June 17, 2010. I have attached a true and correct copy of that communication and the letter of understanding as **Exhibit C**.

38. The letter of understanding stated Idaho Power would not execute a power sales contract prior to when the Project received confirmation that the results of the initial Idaho Power transmission capacity application for transmission to its load center are known and the Project accepts the results. The only other requirements to obtain a power purchase agreement involved interconnection, and WWI had already met those interconnection requirements.

39. From the discussions, WWI felt that Mr. Allphin was working with his team to make the necessary TSR on Idaho Power's system.

40. Mr. Allphin stated in an e-mail on June 23, 2010, that he was concerned that Idaho Power's transmission personnel would not accept Idaho Power's contracts unit's request for network integration TSR prior to the time that WWI had secured firm PTP transmission rights on BPA's system from the Project to the Minidoka substation. This was consistent with Mr. Allphin's initial statement on March 2, 2010, that we must

secure firm transmission rights prior to execution of a contract.

41. Also in June 2010, Wasatch Wind began to seriously reevaluate the number of turbines the project could accommodate because of the federal permitting concerns with using the 1,000 acres of BLM land initially included in the Project.

42. On June 25, 2010, WWI again responded to Mr. Allphin that based on our interconnection studies and conversations that we had with BPA, there are 93 MW available on the necessary BPA line to the Minidoka substation, and therefore interconnection and transmission of 65 MW to Idaho Power would not be a problem.

43. In the June 25, 2010 email, WWI also indicated that due to communications with the federal agencies, WWI wished to reduce its overall footprint and wished to discuss power sales contracts for two single 10 aMW projects, instead of the large 65 MW project.

44. On July 14, 2010, WWI formally submitted its request for two 10 aMW PURPA contracts to Mr. Allphin. In this request, WWI explained the maturity of the Projects in detail, including the Interconnection Agreement which already had progressed to the Facilities Study stage, two years of wind data supporting output projections, final land leases, and explained in detail that BPA had stated transmission would be available to Idaho Power's Minidoka substation.

45. This letter also requested that Idaho Power investigate availability of transmission on its system to its load center and provided completed Transmission Capacity Application Questionnaires for each project. WWI also explained that on June 30, 2010, WWI submitted into BPA's NOS and that by August 18, 2010, BPA would require WWI to post the substantial security for this NOS transmission process. I have

attached a true and correct copy of this correspondence as **Exhibit D**.

46. Randy Allphin stated on July 21, 2010 in an e-mail, "I have not 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 have attached a true and correct copy of this correspondence as **Exhibit E**.

47. On August 2, 2010, Mr. Allphin asked if WWI was submitting 30 MWs or 21 MWs and appeared confused that WWI in fact intended for there to be two separate projects. In a separate email later the same day, Mr. Allphin recognized the error and asked WWI for which of the two QFs it would prefer him to place a TSR first and questioned whether they qualified for standard 10 aMW contracts.

48. WWI became frustrated with the confusion and many months of attempted negotiation without yet having even received a draft power purchase agreement, and decided to retain attorneys to assist in the negotiations. WWI has negotiated PURPA contracts with other utilities, without the assistance of attorneys, and this is the first time we felt the need to hire attorneys to obtain PURPA contracts.

49. WWI sent Idaho Power an email on August 17, 2010, in which WWI clarified that WWI was formally requesting two power sales contracts for PURPA projects, the GC Project that would be 30 MW and the GC II Project which would be 21 MW. I have attached a true and correct copy of this email as **Exhibit F**.

50. This email explained that each of the Projects would be physically limited such that each would generate no more than 10 average megawatts in a single month. The email also included two completed Transmission Capacity Application Questionnaires for the two Projects.

51. The parties discussed the network integration transmission requests on the telephone, but there appeared to WWI to be confusion as to whether Idaho Power would agree to submit a request to its transmission personnel for both Projects at the same time or submit one request and wait for the response on it prior to sending the request for the second project.

52. On October 1, 2010, counsel for WWI, Peter Richardson, sent a letter to Idaho Power for each Grouse Creek QF, expressing WWI's intent to obligate itself at that time to two power sales agreements for the two QF projects. I have attached a true and correct copy of this letter as **Exhibit G**.

53. The October 1st letters listed several standard terms applicable through Public Utilities Commission orders, including 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).

54. The October 1st letter expressed concern that Idaho Power may have taken the position that Idaho Power would only submit a single 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.

55. The October 1st letter expressed WWI's objection to that process, and reminded Idaho Power that WWI had submitted Transmission Capacity Applications 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 expected the applications be processed in parallel.

56. The October 1st letter expressed WWI's concern also with the legality of the high delay security provision Idaho Power had begun charging to QFs. Specifically, the

letter stated, "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."

57. The October 1st letter provided very detailed project information for each of the Grouse Creek QFs, and stated that both projects would now be sized at 21 MW of maximum capacity and would generate under 10 aMW.

58. Idaho Power did not respond by October 27, 2010, and Mr. Richardson sent a follow up letter to Idaho Power on that same date. I have attached a true and correct copy of this letter as **Exhibit H**.

59. On November 1, 2010, Idaho Power responded with a letter from Mr. Allphin addressing the Grouse Creek projects and another project WWI had begun discussing with Idaho Power. I have attached a true and correct copy of this letter as **Exhibit I**.

60. In that letter, Mr. Allphin maintained that Idaho Power had never stated that only one of the projects TSRs could be processed at a single time, but also stated he had not yet submitted the TSRs to its transmission personnel.

61. Mr. Allphin stated Idaho Power will file TSRs for Grouse Creek Wind Park I for nameplate rating of 21 MW and Grouse Creek Wind Park II for nameplate rating of 21 MW.

62. Mr. Allphin's November 1st letter also expressed Idaho Power's position that the Projects must agree to a \$45/kw delay security amount, and for the first time

provided WWI with a draft standard FESA for the Projects.

63. This FESA contained the \$45/kw delay security clause. It also required in Section 5.7, that prior to execution of the FESA, with regard to the TSR for Idaho Power's system, "Results of the initial transmission capacity request are known and acceptable to the Seller," and that "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."

64. The Projects obviously had not met these requirements, and in the case of BPA doing so would have required the Projects to obligate themselves to long term PTP wheeling agreements prior to any assurance they could secure executed power sales contracts with the published rates.

65. Then, on November 5, 2010, Idaho Power, along with Avista Utilities and Rocky Mountain Power, filed the Joint Motion to Reduce the Published Rate Eligibility Cap.

66. Prior to that time, nobody from Idaho Power had informed WWI that it would make this request for a reduction in the eligibility cap.

67. The Grouse Creek Wind Park, LLC and the Grouse Creek Wind Park II, LLC each filed complaints against Idaho Power on November 8, 2010, alleging Idaho Power had acted in bad faith by requiring completion of interconnection processes and transmission service requests prior to executing the power sales contract and refusing to enter into an agreement without a punitive delay liquidated damages security provision requiring the QF to post \$45/kw nameplate capacity.

68. The Complaints further alleged that the QFs had expressed a willingness to agree to a delay security damages clause reasonably calculated by the Commission to approximate Idaho Power's damages in the event of a delay default, and that each remained committed to such a provision deemed reasonable by the Commission, which made Idaho Power's insistence on completion of the protracted interconnection and transmission processes prior to executing a power sales contract unreasonable.

69. The Commission docketed the Complaints in Case Nos. IPC-E-10-29 and -30.

70. After the Commission did not grant the immediate reduction in the published rate eligibility cap requested by the Joint Utilities, on November 19, 2010, Idaho Power and the Projects agreed to stay the complaint proceeding and execute standard QF wind contracts containing the published rates.

71. Idaho Power sent a letter dated November 24, 2010, acknowledging WWI's agreement to accept the \$45 per kw security clause, and requesting that it review the previously provided contracts, fill in project-specific information 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." I have attached a true and correct copy of this letter as **Exhibit J**.

72. WWI sent versions of the Idaho Power's November 30th contract for each project, containing all project specifics on December 2, 2010. I have attached a true and correct copy of this submittal as **Exhibit K**.

73. A cover letter from Mr. Richardson confirmed the parties' agreement that the FESAs would not contain the onerous transmission requirements in Section 5.7, but

would contain the \$45/kw delay security clauses.

74. Idaho Power confirmed receipt in a letter sent by Mr. Allphin on December 7, 2010.

75. On December 9, 2010, Mr. Richardson requested through email to Idaho Power that the FESAs contain online dates of a First Energy Date of June 2013 and a Commercial Online Date of December 2013, rather than the dates filled in by the Projects in contracts provided on December 2nd, which were First Energy in December 2012 and Commercial Online Date June 2013. This change was consistent with the delay necessary in the wheeling arrangements over BPA's system, and with the Projects' August 19, 2010 TSR with BPA for wheeling to commence on June 1, 2013.

76. Idaho Power next contacted the Projects on December 14, 2010, but it only responded to ask for clarification on the identity of the transmitting entity and for the cartographic sections within which for the Projects were located, which items had inadvertently been omitted from the contracts WWI provided on December 2, 2010. However, both of these items were previously provided in WWI's prior letters from Mr. Richardson dated October 1, 2010, which is attached as **Exhibit I**.

77. On December 15, 2010, Idaho Power stated that the online dates provided December 9th would be included in the contracts, and later that day counsel for the GC and GC II Projects, Greg Adams, provided the transmitting entity and the sections. The transmitting entity (BPA) and the sections provided were consistent with the information provided in the October 1, 2010 letters.

78. On December 16, 2010, Idaho Power provided the executable FESAs, which counsel for WWI sent by overnight delivery to WWI. These versions of the

FESAs were consistent with the parties' agreement weeks earlier to remove the requirements in section 5.7 for firm PTP wheeling rights and acceptance of a final Idaho Power's network resource capacity finding, prior to execution of the FESAs.

79. On December 21, 2010, the Grouse Creek QF and the Grouse Creek II QF executed the FESAs, and sent them overnight delivery to Idaho Power.

80. Idaho Power executed the FESAs on December 28, 2010, and filed them for Commission determination the next day.

81. It is my opinion that, without the confusion regarding Idaho Power's network integration TSR and seemingly unworkable prerequisite to prove WWI secured capacity for PTP wheeling rights on BPA's system, which Idaho Power ultimately waived, WWI would have obtained fully executed standard PURPA agreements in early fall 2010.

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

DATED this 21 day of March 2011.

By Christine Mikell
Christine Mikell

STATE OF UTAH

)

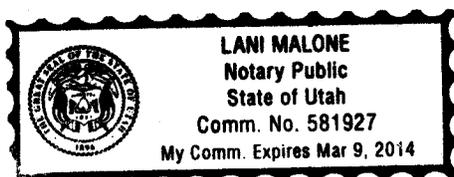
) ss.

COUNTY OF Summit

)

On this 21st day of March 2011, before me, a Notary Public in and for the State of Utah, personally appeared Christine Mikell, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person who executed this instrument and acknowledged it to be her free and voluntary act and deed for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



Lani Malone

NOTARY PUBLIC for the State of Utah

Residing at 1440E 3200 S.
Francis, UT 84036

My Commission expires
March 9, 2014

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NOS. IPC-E-10-61, IPC-E-10-62

**GROUSE CREEK WIND PARK, LLC
GROUSE CREEK WIND PARK II, LLC**

AFFIDAVIT OF CHRISTINE MIKELL

EXHIBIT A

**FEBRUARY 26, 2010 TO MARCH 2, 2010 EMAIL
CORRESPONDENCE**

Thanks.

From: Alphin, Randy [mailto:RALphin@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.

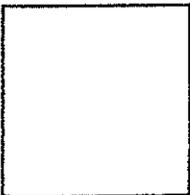
We find ourselves in a chicken and egg dilemma by which, if we are wrong and there is no available ATC, we have firm stranded transmission with no buyer. Here we sit, knowing that the pricing will change downwardly by the end of March and we are desperate to know about the available ATC. We must act 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

clean energy. clean air. clean earth.
www.wasatchwind.com



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IDAHO PUBLIC UTILITIES COMMISSION**

CASE NOS. IPC-E-10-61, IPC-E-10-62

**GROUSE CREEK WIND PARK, LLC
GROUSE CREEK WIND PARK II, LLC**

AFFIDAVIT OF CHRISTINE MIKELL

EXHIBIT B

**JUNE 2, 2010 CORRESPONDENCE FROM RANDY ALLPHIN
OF IDAHO POWER**



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	Energy Pricing						Contract Price							
	Heavy and Light Load Hour		Heavy Load Hour		Light Load Hour		March, April and May		July, August, November and December		June, September, October, January and February			
	Hour	\$7.28	Hour	\$3.24	Hour	(\$4.04)	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	45.30	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	44.89	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														

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NOS. IPC-E-10-61, IPC-E-10-62

**GROUSE CREEK WIND PARK, LLC
GROUSE CREEK WIND PARK II, LLC**

AFFIDAVIT OF CHRISTINE MIKELL

EXHIBIT C

**JUNE 17, 2010 CORRESPONDENCE FROM CHRISTINE
MIKELL OF WASATCH WIND**

Greg Adams

From: Christine Mikell [christine@wasatchwind.com]
Sent: Monday, March 21, 2011 12:15 PM
To: Greg Adams
Subject: FW: Proposed Grouse Creek Wind Project--LOU Grouse Creek June 2010
Attachments: 0197_0001.pdf

Christine Mikell
Director of Development
Direct: 435-503-8814
Mobile: 801-455-1045
www.wasatchwind.com



Wasatch Wind

clean energy. clean air. clean earth.

This message and any attachments contain information that is proprietary, confidential and privileged. They are intended for the private and exclusive use of the addressee and are covered by the Electronic Communications Privacy Act, 18 U.S.C. § 2510-2521. Unless you are the addressee (or authorized to receive for the addressee) you may not use, copy, print or disclose to anyone this message or any information contained in the message and any attachments. If you have received this communication in error, please advise the sender by reply and delete this message.

From: Christine Mikell <christine@wasatchwind.com>
Date: Thu, 17 Jun 2010 15:21:35 -0400
To: Randy Allphin <RAllphin@idahopower.com>
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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www.wasatchwind.com



Wasatch Wind

INTERMOUNTAIN

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March 12, 2010

Randy C. Alphin
Sr. Energy Contract Coordinator
Tel: (208) 388-2614
ralfphin@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 projects 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

required transmission upgrades and the associated costs. Idaho Power will notify the project of this response to the Idaho Power 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) (Idaho Power 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 Idaho Power 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 Idaho Power 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 Idaho Power 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 Idaho Power transmission capacity upgrade process, an Idaho Power 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 Idaho Power transmission capacity upgrades are completed. If the purchase power agreement is not executed by this deadline, the Idaho Power transmission capacity reservation will be released and this process will have to be repeated if the project later requests transmission capacity on the Idaho Power electrical system.

As noted earlier, this Idaho Power 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,



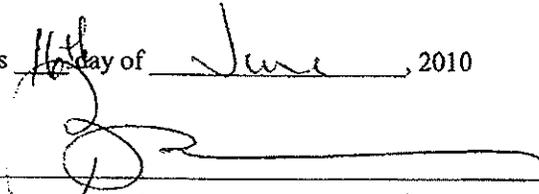
Randy C Allphin
Idaho Power Company

Understood and accepted this 16th day of June, 2010

Signature

Print Name

Title


Brett Woodard
Crowne Creek Wild Farm 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
Gronse Creek Wind Park LLC
- B. Project Location
3 miles north-east of Lynn, Utah
- C. Project Developer
- | | |
|--------------------|-------------------------------------|
| Name | <u>Wasatch Wind</u> |
| Address | <u>2700 Homestead Rd. Suite 210</u> |
| City / State / Zip | <u>Park City, UT 84098</u> |
| Phone Number | <u>435-503-8814</u> |
| E-mail | <u>christine@wasatchwind.com</u> |
- 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 $P_{active} = 2.5 \text{ MW}$ $PF = 0.95$
 $Apparent \ Power \ (s) = P_{active} / .95 = 2631 \text{ MVA}$, $Q_{reactive} = (S^2 \times 2 - P^2 \times 2)^{.5}$

K. Identification of the control area(s) from which the energy will originate $= 1820 \text{ MVar}$
Idaho Power $= 820 \text{ kVar}$

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. 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.*

IPCO - \$55/MWh levelized

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) that

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 _____

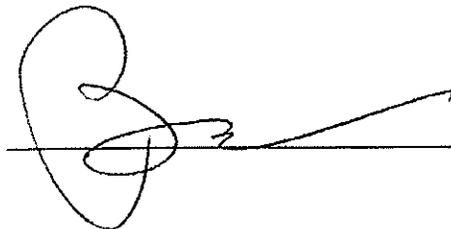
U. Is the project committed to execute a purchase power agreement with Idaho Power upon a favorable resolution of the identified interconnection and transmission costs?

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

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NOS. IPC-E-10-61, IPC-E-10-62

**GROUSE CREEK WIND PARK, LLC
GROUSE CREEK WIND PARK II, LLC**

AFFIDAVIT OF CHRISTINE MIKELL

EXHIBIT D

**JULY 14, 2010 CORRESPONDENCE FROM CHRISTINE
MIKELL OF WASATCH WIND**



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

Dear Mr. Allphin,

Wasatch Wind (WW) would like to request that Idaho Power commence Qualifying Facility conversations with our subsidiary, Grouse Creek Wind Park I and II, LLC for two 10 Average MW projects under PURPA. We believe we have completed the necessary due diligence to move forward with Idaho Power (IPCO).

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. The facility study is complete and the report was sent to WW on June 25th. In addition, WW has executed an interconnection agreement with Raft River Electric; we would be happy to share that with you. Finally, we have an e-mail from Idaho Power that discusses what WW needs to complete before the projects' commercial operation date since IPCO is 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 and the substation will be built. The military has supported the project as long as the intertie line is less than 100 feet.

Having said all this, we understand that in order for you to view our project as serious 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. In advance of submitting a Transmission Service Request (TSR) to BPA, WW worked with Eric Taylor in transmission services on the interconnection studies as well as to determine ATC. During our conversations with BPA during the feasibility and subsequent interconnection studies, BPA enumerated that the amount of MW's that we could interconnect was equal to the amount of MW's of available transmission, in this case that number is approximately 93 MW's. The rationale for this is that this line is stranded and not connected to any part of their system. Heber Carpenter, General Manager of Raft River Rural Electric Co-op, Inc and owner of the 138 kV line, also confirmed that there is about 93 MW's of available transmission on that line.



The System Impact Study further enforces this in the following comment:

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.

With this anecdotal information, we pushed BPA for more information prior to making the TSR. Exhibit C is a spreadsheet that BPA provides to its customers to determine ATC. BPA provided WW with the POD and POR of LaGrande_230 WW. The output shows that there is no impact on any of the other parts of the BPA system and this was confirmed with BPA that indeed there is available ATC, exhibit C.

With this information, WW submitted its Transmission Service Request to BPA on June 30th, exhibit B. The Precedent Transmission Service Agreement will be delivered from BPA to WW sometime during the late July/early August timeframe. Wasatch must return the PTSA and provide a year of transmission service deposit by August 18th. 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 WW through the take or pay contract provision.

Per your suggestion, WW 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 Facilities.

Our hope is that IPCO can move forward and make a request for Network Service to determine available ATC on its system so that WW doesn't unnecessarily make deposits in excess of \$800k to BPA and enter into a transmission service agreement with BPA to find out there is no way to transmit the power to IPCO's load center.

Please let us know if you have any questions. We are happy to set up conference calls with the appropriate people to ensure that IPCO feels confident that there is available transmission on the BPA system.

Kind regards,

Christine Watson Mikell

Senior Project Development Manager

435-503-8814



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)

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) 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) 12/1/2012

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 y inactive = 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 Substations
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 _____

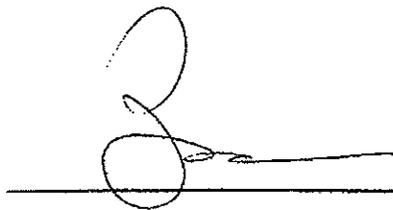
U. Is the project committed to execute a purchase power agreement with Idaho Power upon a favorable resolution of the identified interconnection and transmission costs?

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)

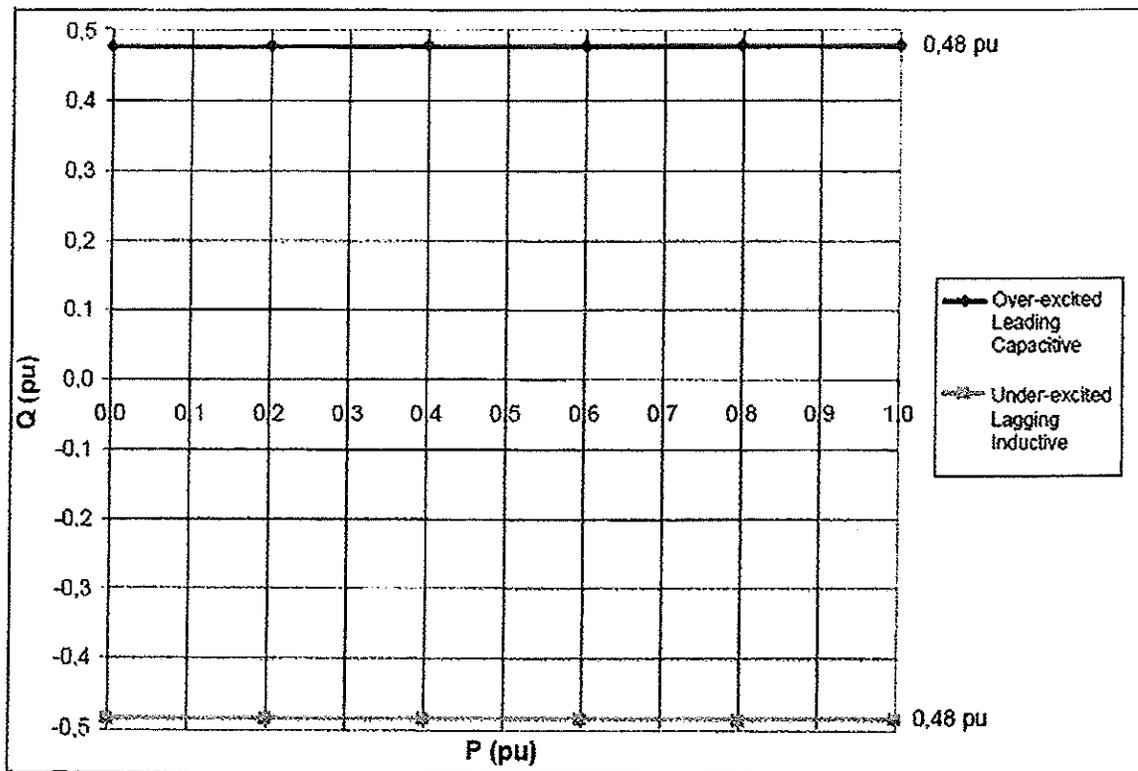


Exhibit B—Documentation of Transmission Service Request

This customer will be part of the 2010 Network Open Season. No notification to opt out submitted in comments section of TSRs received

3.5 Receipt of TSR Deposit

3.5.1 The TSR Deposit must be deposited with BPA, or into an Escrow Account, by Close of Business 10 Business Days after the TSR status is changed to RECEIVED in OASIS or the TSR status will be changed to DECLINED.

If the customer wishes to pay the TSR Deposit via Escrow, please contact the bank directly. To allow for timely processing and to ensure the TSR deposit deadline of 7/15/10 is met, BPA requires the Escrow Agreement, with customer signature, from the bank within 5 business days after the Received date of 6/30/10 (by 7/8/10).

4 Non-Refundable Processing Fee

4.1 In addition to a TSR Deposit, when making a LTF PTP or NT TSR, the Customer must submit a separate \$2500 non-refundable Processing Fee to BPA.

4.3.1 BPA Transmission Services must receive the TSR Processing Fee by Close of Business 10 Business Days after the TSR is RECEIVED on OASIS or the TSR will be DECLINED and receive no further consideration.

4.4.1 The TSR Processing Fee must be paid directly to BPA Transmission Services and cannot be placed into an Escrow Account

Transmission Service Requests placed in RECEIVED Status

AREF	Related Ref	Name	Rec'd Date	Rate	MW	TSR Deposit Due	Non-Refundable Processing Fee Due	10 Day Due Date
74412433		Wasatch Wind Development	6/30/10	PTP 1.298	30	\$38,940.00	\$2,500	7/15/10
74412442		Wasatch Wind Development	6/30/10	PTP 1.298	21	\$27,258.00	\$2,500	7/15/10
						\$0.00	\$0	
						\$0.00	\$0	
					Subtotal:	\$66,198.00	\$5,000	7/15/10
					Total Due:			\$71,198

A New Long Term Reservation (TSR 74412433) has been RECEIVED for Wasatch Wind Development LLC

[Click here to see Transmission Request in CBSA](#)

A New Long Term Reservation (TSR 74412442) has been RECEIVED for Wasatch Wind

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 BPA Reservations Desk at tbresdesk@bpa.gov.

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

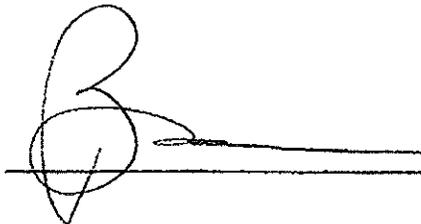
U. Is the project committed to execute a purchase power agreement with Idaho Power upon a favorable resolution of the identified interconnection and transmission costs?

Yes No

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

Yes No

Signature

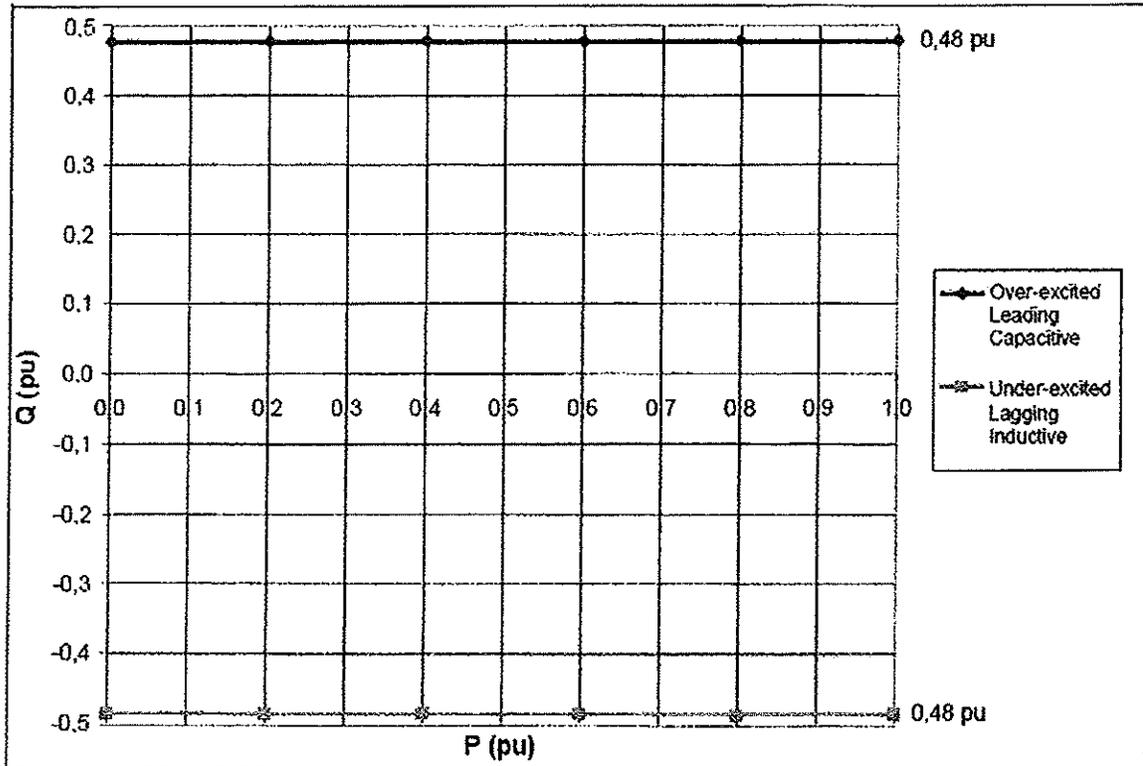


Date

7-13-2010

Exhibit A: Answer to Question J

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



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LT and NT PUF Calculator

Evaluated POR: LAGRANDE 230.00
 Evaluated POD: LAGRANDE 230.00
 Evaluated MW: 100 MW

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

Evaluated Impact of Request

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NOS. IPC-E-10-61, IPC-E-10-62

**GROUSE CREEK WIND PARK, LLC
GROUSE CREEK WIND PARK II, LLC**

AFFIDAVIT OF CHRISTINE MIKELL

EXHIBIT E

June 28, 2010 to JULY 28, 2010 CORRESPONDENCE

From: Randy Allphin <RAllphin@idahopower.com>
Date: Wed, 21 Jul 2010 16:45:40 -0400
To: Christine Mikell <christine@wasatchwind.com>
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 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?

Thanks!

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

clean energy. clean air. clean earth.
www.wasatchwind.com



This message and any attachments contain information that is proprietary, confidential and privileged. They are intended for the private and exclusive use of the addressee and are covered by the Electronic Communications Privacy Act, 18 U.S.C. §§ 2510-2521. Unless you are the addressee (or authorized to receive for the addressee) you may not use, copy, print or disclose to anyone this message or any information contained in the message and any attachments. If you have received this communication in error, please advise the sender by reply and delete this message.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NOS. IPC-E-10-61, IPC-E-10-62

**GROUSE CREEK WIND PARK, LLC
GROUSE CREEK WIND PARK II, LLC**

AFFIDAVIT OF CHRISTINE MIKELL

EXHIBIT F

AUGUST 2, 2010 to AUGUST 17, 2010 CORRESPONDENCE

Peter Richardson

From: Christine Mikell [christine@wasatchwind.com]
Sent: Tuesday, August 17, 2010 5:32 PM
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

From: Allphin, Randy [mailto:RAllphin@idahopower.com]
Sent: Wednesday, August 11, 2010 7:12 AM
To: Christine Mikell
Subject: RE: 21 or 30 MW ?

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

9/3/2010

Christine,

Sorry I missed you on Tuesday, got tied up in meetings.

Would today (Wednesday) 11 am Boise time work for you?

Randy

From: Christine Mikell [mailto:christine@wasatchwind.com]
Sent: Tuesday, August 10, 2010 12:20 PM
To: Allphin, Randy
Subject: RE: 21 or 30 MW ?

Hi Randy,

What time can we talk today or tomorrow? I am available after 3 pm.

Thanks.

From: Allphin, Randy [mailto:RAllphin@idahopower.com]
Sent: Tuesday, August 03, 2010 9:10 AM
To: Christine Mikell
Subject: RE: 21 or 30 MW ?

We can plan on 2pm. If you prefer to wait for another day, I will be around every day except Friday. Just let me know

Randy

From: Christine Mikell [mailto:christine@wasatchwind.com]
Sent: Tuesday, August 03, 2010 9:00 AM
To: Allphin, Randy
Subject: Re: 21 or 30 MW ?

Hi randy. On vacation but will tru to call you in the mix of things. How about 1 or 2 pm your time?

From: Allphin, Randy <RAllphin@idahopower.com>
To: Christine Mikell
Sent: Tue Aug 03 08:49:01 2010
Subject: RE: 21 or 30 MW ?

Lets plan on a quick phone call to get things sorted out. I am available pretty much available anytime today (Tuesday Aug 3) e-mail a suggested time or you can just give me a try on the phone.

Randy

From: Christine Mikell [mailto:christine@wasatchwind.com]
Sent: Monday, August 02, 2010 4:16 PM
To: Allphin, Randy
Subject: Re: 21 or 30 MW ?

Affidavit of Christine Mikell
Exhibit F
Case Nos. IPC-E-10-61, IPC-E-10-62
Page 2

9/3/2010

We calculated it, the higher winds are to the north with fewer turbines and lower winds are to the south. Do you need something from us to make this case?

Thanks.

From: Allphin, Randy <RAllphin@idahopower.com>
To: Christine Mikell
Sent: Mon Aug 02 17:33:58 2010
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.

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 –

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

9/3/2010

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: Alphin, 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



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 _____

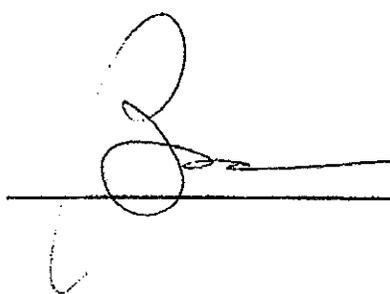
U. Is the project committed to execute a purchase power agreement with Idaho Power upon a favorable resolution of the identified interconnection and transmission costs?

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

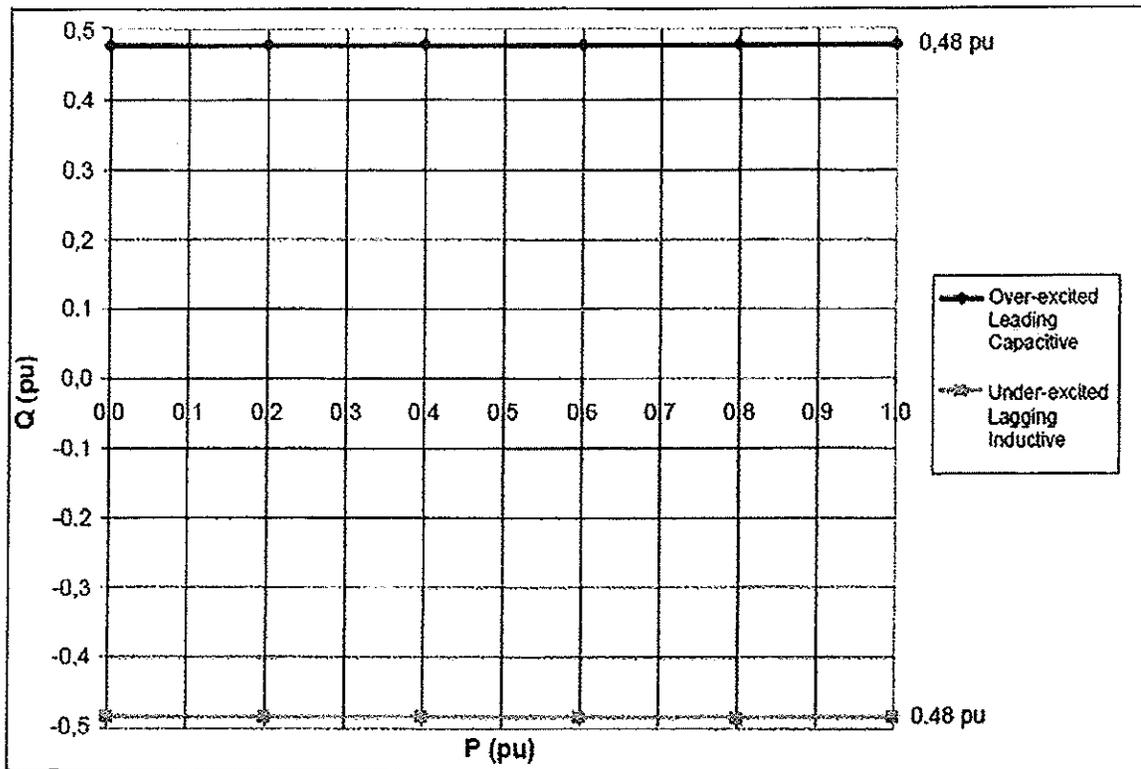


Exhibit B—Documentation of Transmission Service Request

This customer will be part of the 2010 Network Open Season. No notification to opt out submitted in comments section of TSRs received

3.5 Receipt of TSR Deposit

3.5.1 The TSR Deposit must be deposited with BPA, or into an Escrow Account, by Close of Business 10 Business Days after the TSR status is changed to RECEIVED in OASIS or the TSR status will be changed to DECLINED.

If the customer wishes to pay the TSR Deposit via Escrow, please contact the bank directly. To allow for timely processing and to ensure the TSR deposit deadline of 7/15/10 is met, BPA requires the Escrow Agreement, with customer signature, from the bank within 5 business days after the Received date of 6/30/10 (by 7/8/10).

4 Non-Refundable Processing Fee

4.1 In addition to a TSR Deposit, when making a LTF PTP or NT TSR, the Customer must submit a separate \$2500 non-refundable Processing Fee to BPA.

4.3.1 BPA Transmission Services must receive the TSR Processing Fee by Close of Business 10 Business Days after the TSR is RECEIVED on OASIS or the TSR will be DECLINED and receive no further consideration.

4.4.1 The TSR Processing Fee must be paid directly to BPA Transmission Services and cannot be placed into an Escrow Account

Transmission Service Requests placed in RECEIVED Status

AREF	Related Ref	Name	Rec'd Date	Rate	MW	TSR Deposit Due	Non-Refundable Processing Fee Due	10 Day Due Date
74412433		Wasatch Wind Development	6/30/10	PTP 1.298	30	\$38,940.00	\$2,500	7/15/10
74412442		Wasatch Wind Development	6/30/10	PTP 1.298	21	\$27,258.00	\$2,500	7/15/10
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						\$0.00	\$0	
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[Click here to see Transmission Request in CBSA](#)

A New Long Term Reservation (TSR 74412442) has been RECEIVED for Wasatch Wind

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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.

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

Office of Christine Mikell



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 _____

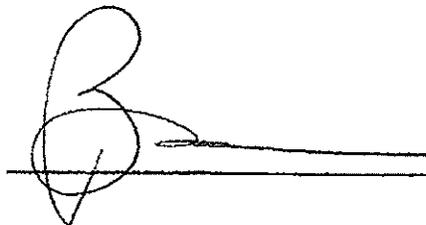
U. Is the project committed to execute a purchase power agreement with Idaho Power upon a favorable resolution of the identified interconnection and transmission costs?

Yes No

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

Yes No

Signature

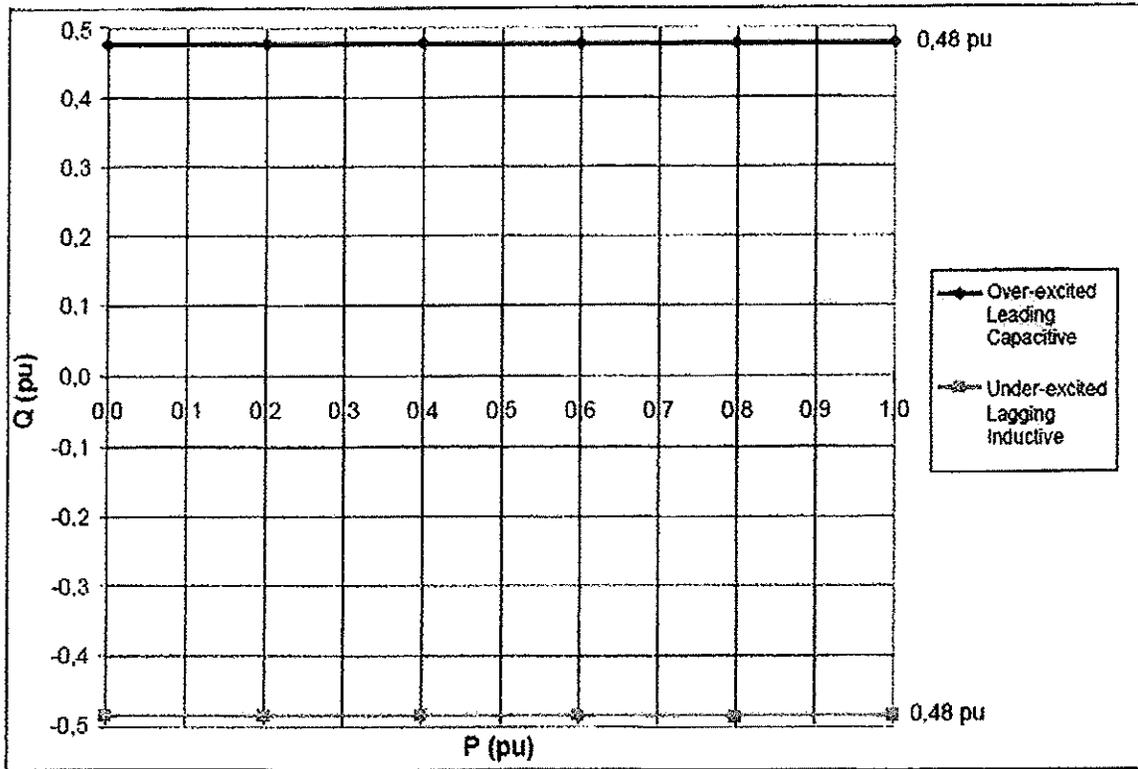


Date

7-13-2010

Exhibit A: Answer to Question J

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



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File and NT PUF Calculator
 Evaluated POR: LAGRANDE 230.00
 Evaluated POD: LAGRANDE 230.00
 Evaluated MW: 100 MW
 Christine Mikell

Evaluated Impact of Request												
	CROSS	CASCADES	CASCADES	CROSS	MONROE-	NORTH OF	NORTH OF	NORTH OF	PAUL TO	RAVER TO	WEST OF	WEST OF
	SOUTH OF	CASCADES	NORTH	SOUTH	ECHO LAKE	HANFORD	JOHN DAY	ALLSTON	PAUL	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

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NOS. IPC-E-10-61, IPC-E-10-62

**GROUSE CREEK WIND PARK, LLC
GROUSE CREEK WIND PARK II, LLC**

AFFIDAVIT OF CHRISTINE MIKELL

EXHIBIT G

**OCTOBER 1, 2010 CORRESPONDENCE FROM PETER
RICHARDSON FOR WASATCH WIND**



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.

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

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

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.

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



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 II

Dear Randy:

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Affidavit of Christine Mikell
Exhibit G
Case Nos. IPC-E-10-61, IPC-E-10-62
Page 9

Interconnection/Transmission Request Processing

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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 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. 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 II, 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 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.

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).

(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 NOS. IPC-E-10-61, IPC-E-10-62

**GROUSE CREEK WIND PARK, LLC
GROUSE CREEK WIND PARK II, LLC**

AFFIDAVIT OF CHRISTINE MIKELL

EXHIBIT H

**OCTOBER 27, 2010 CORRESPONDENCE FROM PETER
RICHARDSON FOR WASATCH WIND**



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 27, 2010

Via Certified U.S. Mail 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 LLC and Grouse Creek Wind Park II LLC

Dear Randy:

I write on behalf of my client, Wasatch Wind, regarding its request for separate power purchase agreements (PPAs) for the Grouse Creek Wind Park LLC and the Grouse Creek Wind Park II LLC – each of which is a qualifying facility (QF) under the Public Utilities Regulatory Policy Act of 1978 (PURPA). Wasatch Wind is the managing member of Grouse Creek Wind Park LLC and the Grouse Creek Wind Park II LLC. Wasatch Wind has been in contact with you for several months, and has provided substantial amounts of information regarding these PURPA project in its efforts to secure PPAs.

Further, you and I discussed these projects on August 30, 2010, and I sent you a comprehensive letter for each project on October 1, 2010. In those most-recent letters, I provided very detailed information on each project's specifics, as well as the terms of the requested contracts based upon the applicable Idaho Public Utility Commission orders and the most recent wind QF PPA approved by the Commission (Case No. IPC-E-09-25). My October 1 letters also clarified Wasatch Wind's position on some issues of contention, or perhaps simply misunderstanding, regarding these Grouse Creek projects. Wasatch Wind's position and the project-specifics remain unchanged. So I will not repeat the details of those October 1 letters. In short, Wasatch Wind remains still intends obligate the Grouse Creek Wind Park LLC and the Grouse Creek Wind Park II LLC to PPAs, as described in the October 1 letters.

To date, I have not heard back from you regarding my October 1 letters. In the months since initiating these requests, Wasatch Wind has received no draft PPAs from Idaho Power. Thus far, Wasatch Wind has received only Idaho Power's refusal to process the PPA requests simultaneously. The delay in processing these PPA requests continues to seriously impair Wasatch Wind's ability to

Affidavit of Christine Mikell
Exhibit H
Case Nos. IPC-E-10-61, IPC-E-10-62
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Mr. Allphin
October 27, 2010
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develop the projects.

I believe that you have all of the necessary information to complete standard PPAs for these projects, but if not please inform me soon. We hope to be able to resolve all material issues. If, however, we are unable to resolve any issues, Wasatch Wind would prefer that we complete PPAs with all undisputed terms, and proceed to the Commission for resolution of the remaining issues.

Time is of the essence in negotiating these Grouse Creek contracts, and we hope to hear back from you soon. If we do not hear back from you in seven days, we will assume that Idaho Power does not intend to process these PPA requests.

Very truly yours,



Peter J. Richardson
Attorney for Wasatch Wind

cc: Donovan Walker, Attorney for Idaho Power (Certified U.S. Mail and Electronic Mail)
Christine Mikell, Wasatch Wind (electronic mail)

Enclosure

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NOS. IPC-E-10-61, IPC-E-10-62

**GROUSE CREEK WIND PARK, LLC
GROUSE CREEK WIND PARK II, LLC**

AFFIDAVIT OF CHRISTINE MIKELL

EXHIBIT I

**NOVEMBER 1, 2010 CORRESPONDENCE FROM RANDY
ALLPHIN OF IDAHO POWER**



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

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

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

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-09-20, 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

Draft: For Discussion Purposes Only
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-amperes, 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

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

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>Season 2 - (120.00 %)</u>	<u>Season 3 - (100.00 %)</u>
	<u>Mills/kWh</u>	<u>Mills/kWh</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.

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.

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: LGgrow@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"

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 _____

	<u>Net Facility Output</u>	<u>Station Usage</u>	<u>Station Usage</u>	<u>Metered Maximum Generation</u>
Meter Number: _____				
End of Month kWh Meter Reading: _____				kW
Beginning of Month kWh Meter: _____				
Difference: _____				
Times Meter Constant: _____				<u>Net Generation</u>
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

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.

Seller's Contact Information

24-Hour Project Operational Contact

Name: _____
Telephone Number: _____
Cell Phone: _____

Project On-site Contact information

Telephone Number: _____

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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.

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 Seller's 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.**

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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 _____

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.

DRAFT

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.

DRAFT

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.

DRAFT

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NOS. IPC-E-10-61, IPC-E-10-62

**GROUSE CREEK WIND PARK, LLC
GROUSE CREEK WIND PARK II, LLC**

AFFIDAVIT OF CHRISTINE MIKELL

EXHIBIT J

**NOVEMBER 24, 2010 CORRESPONDENCE FROM DONOVAN
WALKER OF IDAHO POWER**



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.

Peter J. Richardson
November 24, 2010
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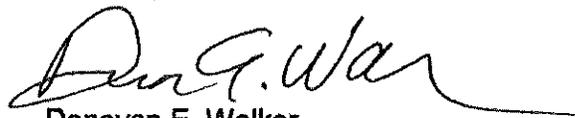
Additionally, given the very large amount of PURPA generation projects that are proposed for integration into Idaho Power's system, as well as the issues raised in the November 5, 2010, Joint Petition filed with the Commission, Idaho Power would like to call your attention to some of the existing terms 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 affect 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)

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.

- 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

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

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
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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.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NOS. IPC-E-10-61, IPC-E-10-62

**GROUSE CREEK WIND PARK, LLC
GROUSE CREEK WIND PARK II, LLC**

AFFIDAVIT OF CHRISTINE MIKELL

EXHIBIT K

**DECEMBER 2, 2010 CORRESPONDENCE FROM PETER
RICHARDSON FOR WASATCH WIND**



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

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

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 "Peter J. Richardson". The signature is fluid and cursive, with a large initial "P" and "R".

Peter J. Richardson
Richardson & O'Leary PLLC

FIRM ENERGY SALES AGREEMENT
BETWEEN
IDAHO POWER COMPANY
AND
Grouse Creek Wind Park, LLC
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FIRM ENERGY SALES AGREEMENT
(10 aMW or Less)

Project Name: Grouse Creek Wind Park

Project Number: _____

THIS AGREEMENT, entered into on this _____ day of _____, _____ between Grouse Creek Wind Park, LLC, a Delaware corporation (Seller), and IDAHO POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as "Parties" or individually as "Party."

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 "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.

- 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.

- 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.

- 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.

- 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

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.

- 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

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.

- 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.

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 20 years (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

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:

- 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

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

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>	kWh
Season 1	March	7,440,000
	April	5,614,100
	May	4,547,000
Season 2	July	1,524,500
	August	2,513,400
	November	6,686,300
	December	6,941,400
Season 3	June	640,500
	September	3,566,300
	October	6,306,500
	January	6,178,900
	February	6,720,000

- 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

10/28/2010

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

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>	Season 1 - (73.50 %) <u>Mills/kWh</u>	Season 2 - (120.00 %) <u>Mills/kWh</u>	Season 3 - (100.00 %) <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

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 %) <u>Mills/kWh</u>	Season 2 - (120.00 %) <u>Mills/kWh</u>	Season 3 - (100.00 %) <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 %)

<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

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) (PacifiCorp) 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

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

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

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

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

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

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.

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.

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.

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

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

(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

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:

Brett Woodard
Wasatch Wind Intermountain, LLC
2700 Homestead Rd, Suite 210
Park City, UT 84098

Telephone: 435-503-8822
Cell: 972-832-7609

FAX: 435-647-5889

E-mail: bwoodard@wasatchwind.com

To Idaho Power:

Original document to:

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

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

Lisa A Grow
Sr. Vice President, Power Supply

Dated

“Idaho Power”

By

Brett Woodard
Manager

Dated

“Seller”

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.

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 kW
Meter Number: _____	_____	_____	_____	
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

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.

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: Grouse Creek Wind Park

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.)

21 MW wind energy facility consisting of seven, 3.0 MW Vestas 3.0 V-112 wind turbine generators. The maximum output at rated power: Leading VAR Capability (VARs provided by machine, overexcited) 0.98 leading power factor or 0.61 MVAR per machine, for a total of 4.26 MVAR for the site. Lagging VAR capability (VARs absorbed by machine, underexcited) 0.96 lagging power factor or 0.88 MVAR per machine, for a total of 6.13 MVAR for the site.

Var Capability (Both leading and lagging) Leading is 6.31 MVAR Lagging is 9.3 MVAR

If the Seller wishes to substitute different wind turbines, the Seller shall provide detailed specifications of the proposed substitute wind turbines to Idaho Power. Idaho Power will then review this detailed information and either accept or reject the Seller's proposed substitute wind turbines. Idaho Power's acceptance of the substitute wind turbines will be required by both confirmations that the interconnection is able to accommodate the substitute wind turbines and that the substitute wind turbines are acceptable under this Agreement. Only after Idaho Power's acceptance of the substitute wind turbines shall the Seller be allowed to install the substitute wind turbines, which acceptance shall not be unreasonably withheld.

B-2 LOCATION OF FACILITY

Near: Lynn, UT

Sections: Township: 14 N Range: 17 W County: Box Elder, UT

Description of Interconnection Location: Between Bridge and West Wendover Substations along 138 kV line

Nearest Idaho Power Substation: Minnidoka

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.

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.

B-4 MAXIMUM CAPACITY AMOUNT:

This value will be 21 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

Minidoka Substation _____ 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

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.

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.

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

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)

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.

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 _____

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.

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

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.

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

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.

Annual Cost Allocation (ACA) = AFCost X (FMW / TMW)

And

Monthly Cost Allocation (MCA) = ACA / 12

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

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.

FIRM ENERGY SALES AGREEMENT

BETWEEN

IDAHO POWER COMPANY

AND

Grouse Creek Wind Park II, LLC

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FIRM ENERGY SALES AGREEMENT
(10 aMW or Less)

Project Name: Grouse Creek Wind Park II

Project Number: _____

THIS AGREEMENT, entered into on this this ____ day of _____, _____ between Grouse Creek Wind Park II, LLC, a Delaware corporation (Seller), and IDAHO POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as "Parties" or individually as "Party."

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 "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.

- 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.

- 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.

- 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.

- 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

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.

- 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

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.

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 20 years (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

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:

- 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

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

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>	kWh
Season 1	March	7,440,000
	April	5,614,100
	May	4,547,000
Season 2	July	1,524,500
	August	2,513,400
	November	6,686,300
	December	6,941,400
Season 3	June	640,500
	September	3,566,300
	October	6,306,500
	January	6,178,900
	February	6,720,000

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

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

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>	Season 1 - (73.50 %)	Season 2 - (120.00 %)	Season 3 - (100.00 %)
	<u>Mills/kWh</u>	Mills/kWh	Mills/kWh
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

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 %)

<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

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) (PacifiCorp) 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

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

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

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

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

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

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.

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.

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.

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

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

(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

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:

Brett Woodard
Wasatch Wind Intermountain, LLC
2700 Homestead Rd, Suite 210
Park City, UT 84098

Telephone: 435-503-8822

Cell: 972-832-7609

FAX: 435-647-5889

E-mail: bwoodard@wasatchwind.com

To Idaho Power:

Original document to:

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

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

Lisa A Grow
Sr. Vice President, Power Supply

Dated

"Idaho Power"

By

Brett Woodard
Manager

Dated

"Seller"

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.

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: _____	_____	_____	_____	Net Generation
Times Meter Constant: _____	_____	_____	_____	
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.

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: Grouse Creek Wind Park II

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.)

21 MW wind energy facility consisting of seven , 3.0 MW Vestas 3.0 V-112 wind turbine generators. The maximum output at rated power: leading VAR Capability (VARs provided by machine, overexcited) 0.98 leading power factor or 0.61 MVAR per machine, for a total of 4.26 MVAR for the site. Lagging VAR capability (VARs absorbed by machine, underexcited) 0.96 lagging power factor or 0.88 MVAR per machine, for a total of 6.13 MVAR for the site.

Var Capability (Both leading and lagging) Leading is 6.31 MVAR Lagging is 9.3 MVAR

If the Seller wishes to substitute different wind turbines, the Seller shall provide detailed specifications of the proposed substitute wind turbines to Idaho Power. Idaho Power will then review this detailed information and either accept or reject the Seller's proposed substitute wind turbines. Idaho Power's acceptance of the substitute wind turbines will be required by both confirmations that the interconnection is able to accommodate the substitute wind turbines and that the substitute wind turbines are acceptable under this Agreement. Only after Idaho Power's acceptance of the substitute wind turbines shall the Seller be allowed to install the substitute wind turbines, which acceptance shall not be unreasonably withheld.

B-2 LOCATION OF FACILITY

Near: Lynn, UT

Sections: Township: 14 N Range: 17 W County: Box Elder, UT

Description of Interconnection Location: Between Bridge and West Wendover Substations along 138 kV line

Nearest Idaho Power Substation: Minnidoka

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.

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.

B-4 MAXIMUM CAPACITY AMOUNT:

This value will be 21 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

Minidoka Substation _____ 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

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.

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.

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

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)

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.

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 _____

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.

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

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.

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

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.

Annual Cost Allocation (ACA) = AFCost X (FMW / TMW)

And

Monthly Cost Allocation (MCA) = ACA / 12

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

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.

