

Interconnect Solar Development LLC.  
3777 Twilight Dr.  
Boise Idaho  
83703

William Piske  
Solar Manager

RECEIVED  
2012 FEB 14 PM 3:20  
IDAHO PUBLIC  
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO )  
POWER COMPANY'S )  
CANCELLATION OF THE )  
FESA (PPA) AND POSTING )  
OF LIQUIDATED DAMAGES )

---

CASE No. *IPC-E-12-10*

Complaint and request to intervene

COMES NOW, Interconnect Solar Development LLC (hereinafter "Interconnect Solar"), an Idaho limited liability company, and files this complaint against Idaho Power for the cancellation notice of Interconnect Solar's FESA (Exhibit A) and mishandling of the GIA, Facility study.

In December of 2010, Idaho power provided a completed FSR and estimated a cost of construction for a power line to be \$1,245,000 Million dollars, and construction complete within 18 months of receiving the deposits required. (Exhibit B).

After a long PPA negotiating timeline,(over a year), Interconnect Solar agreed to accept a shorter time line for the construction then Idaho Power proposed based on conversations with the BLM offices in California, and Idaho.

Interconnect Solar signed a letter and accepted the responsibility of the loss of the Liquidated Damages should the interconnection not be completed by August 2012.

In following up on the process, and checking to see if Idaho Power was performing in accordance with agreements to complete the Environmental Assessment, in the month of September, 2011, Interconnect Solar was told by the BLM, (Kelly Moore) that the path chosen by Idaho Power was not viable.

On October 28, a meeting was held at the BLM office in Boise. The following people were present:

LISA LOOMIS-Project Leader  
MARC PATTERSON - Engineering leader T&D planning  
STACEY BACHKOWSKI- Environmental  
KELLY MOORE-BLM  
TRISHA ROLLER-BLM birds of prey  
DONAVAN WALKER -Lead Council Idaho Power  
One other Idaho Power employee  
WILLIAM H. PISKE - Solar Manager Interconnect Solar

At the Meeting, Stacey Bachkowski pulled out two Idaho Power Maps (Exhibits C and D). After the BLM personnel explained that this path crosses a "NO GO ZONE" on the Oregon trail, and protected raptor nesting occurs there, Stacey Bachkowski stated, "So this was never a viable path" and the BLM responded "no".

After further discussions, a second path to Sinker Creek using the existing Line that is in place across Murphy Flats was chosen. This path would require a new Botanical, wildlife, and cultural study in the spring of 2012. A revised EA from Idaho Power timely submitted would allow for a ROW Grant to be issued if no problems occurred or were found, within 45-60 days. Kelly Moore sent out the E-mail confirming this conversation and meeting outcome. (Exhibit E).

Interconnect Solar paid Idaho Power \$30,000 for the FSR and was told this was a

viable path as the documents prove. Interconnect was also told it would be 18 months to complete after funding. (Exhibit F).

On December 2, 2012, after two weeks of no response, a meeting was held at Idaho Power to resolve the issues which Idaho Power's error had incurred on the project.

Present at the meeting were:

|                  |                           |
|------------------|---------------------------|
| Donavan Walker   | IPco                      |
| Lisa Loomis      | Ipco                      |
| Marc Patterson   | IPco                      |
| Ron Williams     | Williams Bradbury         |
| Dan Reid         | H& H utility construction |
| William H. Piske | Interconnect solar        |
| Randy Hemmer     | Interconnect solar        |

The discussion was framed around a new expedited timeline that would not keep Interconnect Solar from losing the 1603 Treasury Grant expiring on December 31, 2012. It was also agreed that Idaho Power would move the "In service Date" in the PPA as this schedule was no longer viable due to the need for a new Botanical study and exposed Interconnect Solar to losing the 900,000 Liquidated Damage money.

Interconnect Solar asked Idaho Power (Lisa Loomis-Project Leader) to study both paths while they were in the field. (Exhibit G). Interconnect paid Idaho Power \$50,000.00 Dollars to perform this work. An EA report came from URS. It did not include the second path. Because Interconnect had already paid and completed a FSR for queue #358, in which Idaho Power provided a quote of \$6,200,000 Million dollars to build this same path now being considered, it could be expedited to a two week time frame for the new quote.

The new FSR arrived on January 4,th 2012 costing \$2,440,000 Million dollars,

which represents a \$1,200,000 Million dollar increase and the loss of the Treasury cash grant, as well as the "IN PLACE" financing for the project. Exhibit - H

Since Idaho Power asked and it was agreed not to go to the Idaho Public Utilities commission to resolve these issues, Interconnect Solar believed Idaho Power would work hard to correct and repair the mistake they made in good faith. That did not happen.

Since Interconnect Solar no longer had a GIA schedule 72, (and still does not) that was accurate, and the in service date has not been moved, Interconnect Solar has not been able to complete the new loan based on the "Investment Tax Credit" and "Accelerated Depreciation" and post the required LD's for the PPA.

Interconnect Solar's lenders are not willing to post a security deposit that is a set-up for failure.

In addition to the Cancellation Notice issued by Randy Allphin on the 9<sup>th</sup> of February, Donovan Walker sent an E-Mail explaining their new GIA was in error, and would require as much as 2 ½ years to complete the process. Mr. Walker was present at the October 28, 2011 meeting, and is well aware his position on the power line build-out from 12.5 to 34.5 is not "IN SYNC" with the October meeting. His Email also states it is the BLM process that is the problem, and this is Idaho Power's environmental staff's position. (Exhibit **ff**).

Mr. Walker also states he would send out a revised GIA. This has still not happened.

Interconnects concerns are many.

1.) Why did Idaho Power not inform Interconnect Immediately upon discovering the

path was not viable?

- 2.) Why did Idaho Power say it would move the "IN SERVICE DATE" and will not even return my calls, and E-mails to resolve this critical issue?
- 3.) Why did Idaho Power take so long to quote a cost that had already been completed?
- 4.) Why does the E-Mail from Mr. Walker of February 9, 2012 not conform to the time-line established in the October 28, 2011 Meeting?
- 5.) How and why did Interconnect receive a confirmation that the original path was viable?

Interconnect Solar respectfully asks the Idaho Public Utilities Commission to stop this manipulation of the required documents for a QF to achieve the necessary funding for this Multi Million Dollar facility.

To demand Idaho Power provide a revised "IN SERVICE date on the PPA that lines up with the ever moving GIA schedule -72.

To provide the corrected GIA which lines up with the BLM meeting and schedules set forth and agreed upon by all Parties.

To provide the BLM with a timely EA and spring Botanical study so the BLM can expedite the ROW GRANT.

To ask Idaho Power to stop delaying the project and damaging Interconnect Solar.

If Idaho Power had provided a correct FSR and GIA in the first place, Interconnect Solar's funding and compliance with the timelines required, including the placement of the LD's construction deposits would be complete. Interconnect Solar

would be under construction, and this cancellation would be moot. To make an error as damaging as this was to Interconnect Solar, Interconnect Solar believes Idaho Power had an obligation to resolve and repair the damage. Still as of this time Tuesday the 14<sup>th</sup> of February, 2012, Interconnect Solar still has not received the corrected information and contracts necessary to complete the new loan the error forced Interconnect Solar to make. To have taken the loan without disclosing the mistaken power line path once discovered to the lenders, would constituted fraud on William Piske's part.

Randy Allphin has not returned my calls for 11 days now.

The cancelling of our PPA is a tragedy and given the recent Supreme court decision dated August 4, 2011 (docket # 37228) Liquidated Damages used in this manner may not be enforceable or legal, but certainly an issue of concern.

Interconnect has filed with Idaho Power a Force Majeure clause December 21, 2011, after it became clear Idaho Power had no intentions of getting the necessary cost estimate and conforming documents in a timely manner. (Exhibit **U**).

Interconnect asks for a timely response from the IPUC, as the termination date is Friday the 17<sup>th</sup> of February at 5pm, 2012.

Thanks you



William H. Piske

Solar Manager  
Interconnect Solar development LLC.  
208-941-7458

Certificate of service

I hereby certify that on this 14, day of February, 2012, I caused a true and correct copy of the foregoing document to be served by the method indicated below, and addressed to the following:

*IDAHO PUBLIC UTILITIES COMMISSION*

*Boise IDAHO*

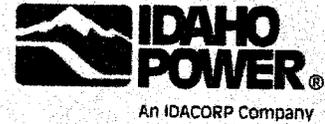
U.S. Mail

Hand Delivered

William H. PISKE

*William A. Piske*

*2/14/2012*



February 9, 2012

**Randy C. Allphin**  
Senior Energy Contracts Coordinator

Interconnect Solar Development LLC  
3777 Twilight Drive  
Boise, ID 83703

Original: Certified U.S. Mail

|              |              |                          |
|--------------|--------------|--------------------------|
| E-mail Copy: | Bill Piske   | billpiske@cableone.net   |
|              | Randy Hemmer | randyhemmer@gmail.com    |
|              | Ron Williams | ron@williamsbradbury.com |

RE: Interconnect Solar Development LLC  
Project Name: Murphy Flats Solar Power Project  
Project Number – 12616650

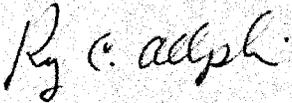
My records indicate that the project was provided a revised Facility Study on January 4<sup>th</sup>, 2012. The project has identified this revised Facility Study in various meetings and correspondence as a key element the project required in order to cure the current Material Breach of the Firm Energy Sales Agreement (“FESA”).

Mr. Williams’ letter dated December 21, 2011 states that the project will require two to four weeks after presentation of the revised Facility Study to cure this Material Breach.

Notification of the Material Breach was issued on December 16, 2011. It has now been over five weeks since the project received the revised Facility Study, and eight weeks since notification of the Material Breach.

Please provide Idaho Power acceptable security as required in the FESA to cure this Material Breach no later than close of business, Friday February 17th, 2012, 5:00 p.m. Mountain Standard Time to avoid termination of this FESA. If the required security is not so posted by the deadline mentioned above, the FESA will be terminated as of that date and time.

Sincerely,



Randy C Allphin  
Idaho Power Company

Cc: Donovan Walker (IPCo)

Bill Piske  
1303 E. Carter  
Boise, ID 83706

EXHIBIT - B



December 23, 2010

Randy Hemmer  
Interconnect Solar Development, LLC  
3777 Twilight Drive  
Boise, ID 83703

Re: Murphy Flats – GI Project #345  
Dear Mr. Hemmer:

Idaho Power Company (IPC) has completed the Facility Study cost estimate for your Generator Interconnection project. Attached please find a Draft Facility Study Report (FSR). I am available to discuss the FSR, and begin Construction arrangements for the project.

In order to proceed with this project, please provide your comments to the Facility Study Report to me by January 24, 2011 and indicate whether you wish to proceed with final design and construction. The final report will be used to prepare a draft Generator Interconnection Agreement in preparation for Construction. Rowena Bishop will be working with you to finalize the Interconnection Agreement.

Before we can begin Construction or order materials, you are responsible for contacting Idaho Power's credit department to discuss credit requirements for construction funding. Please contact Aubrae Sloan (208-388-5697) at your earliest convenience. Once we receive funding, or the credit requirement is met, we can proceed with construction of the project.

The actual construction and labor charges will be finalized approximately 90 days subsequent to project completion. We will reconcile any over- or underpayment at that time.

I look forward to hearing from you soon.

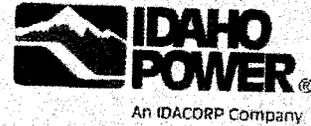
Sincerely,

A handwritten signature in cursive script that reads "Lisa Loomis".

Lisa Loomis  
Project Leader

Attachment: Murphy Flats Solar Project Facility Study Report with Drawings

Cc: R Bishop/IPC  
A Sloan/IPC  
B Piske/Interconnect Solar Development, LLC



**DRAFT**  
**Generator Interconnection**  
**Facility Study Report**

for the

**Murphy Flats Solar Project – GI #345**

for

**Randy Hemmer/Interconnect Solar Development, LLC**

in

**Owyhee County, ID**

**12/23/10**

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# DRAFT - FACILITY STUDY REPORT (FSR)

**Murphy Flats**

**Project #345**

**12/23/10**

## **1. General Facility Description**

The proposed project will consist of Idaho Power's standard 4 pole overhead generation interconnection package and 5 miles of new distribution circuit. The location of the project is in section 25 of T2S, R2W (GPS coordinates N 43° 12' 59.327", W 116° 30' 43.046") in Idaho Power's Canyon service territory in Owyhee County, Idaho and it connects to the 34.5kV system out of Idaho Power Company's Sinker Creek substation. The total project output is 20 MW.

Interconnection Customer:

Randy Hemmer  
Interconnect Solar Development, LLC  
3777 Twilight Drive  
Boise  
Idaho

A Standard Generator Interconnection Agreement under Idaho Power Company's Open Access Transmission Tariff (OATT) or Schedule 72 between Interconnection Customer and Idaho Power Company – Delivery (Transmission Owner) for the Murphy Flats Project, specifically Generator Interconnection Project # 345, will be prepared for this project.

### **1.1 Interconnection Point**

The Interconnection Point for the Murphy Flats Project will be the Generator side of Idaho Power's X disconnect switch in the interconnection package. The project's location is Owyhee County, Idaho. A drawing identifying the Point of Interconnection is attached.

### **1.2 Point of Change of Ownership**

The Point of Change of Ownership for the Murphy Flats Project will be the Generator side of Idaho Power's X disconnect in the interconnection package.

### **1.3 Customer's Interconnection Facilities**

The Interconnection Customer will install multiple solar panel arrays, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures and associated auxiliary equipment. Interconnection customer will build facilities to the Point of Change of Ownership for the generator facility.

## **1.4 Other Facilities Provided by Interconnection Customer**

### **1.4.1 Telecommunications**

The Interconnection Customer will provide two communication circuits between the generation interconnection site and a location, or locations, specified by Idaho Power. One of the circuits will be either (a) a dedicated 4-wire leased analog circuit or (b) a DDS frame relay circuit, connected to the SEL 311C relay and the other will be a POTS dial-up circuit to the revenue meter. The Interconnection Customer is responsible for supplying and coordinating the installation of the phone lines and paying the monthly service charges. The communication circuits will need to be installed and operational prior to generating into the Idaho Power system.

### **1.4.2 Ground Fault Equipment**

The Interconnection Customer will install transformer configurations that are Grounded WYE on the high side and will limit the contribution of ground fault current to 20 amps or less at the Interconnection Point.

### **1.4.3 Easements**

The Interconnection Customer will secure appropriate easements with the land owner for the four-pole interconnection package. Idaho Power will provide the documentation.

### **1.4.4 Generator Output Limit Control**

The Interconnection Customer will install equipment to receive signals from Idaho Power Grid Operations for Generation Output Limit Control ("GOLC") - see Section 3 Operating Requirements.

### **1.4.5 Local Service**

The Interconnection Customer is responsible to arrange for local service to their site, as necessary.

## **1.5 Idaho Power Company's Interconnection Facilities**

Idaho Power will install a standard generation interconnection package that will connect to distribution feeder SCSU-041. If the Interconnection customer is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Generator to install cables to interconnect to the Idaho Power system. If the interconnection customer is going overhead to the Interconnection Point, it will be at a tension not to exceed the design tension specified by Idaho Power.

The new interconnection package will include four distribution poles to mount a local service transformer, solid blade disconnects, primary metering package, recloser, relays, fuses and riser necessary for the package. The interconnection will be controlled by a SEL-311C protection relay. The relay will be located in a pole mounted enclosure and will also contain a test switch (TS4), SLSS, dialup modem, 202 modem, isolation interface, power supply, DC converter, control switch and surge protector.

**Facility Estimated Cost:**

The following good faith estimates are provided in 2010 dollars:

**Interconnection Facilities:**

|   |                 |                  |
|---|-----------------|------------------|
| Overhead Generation Interconnection Package | IPC             | \$170,000        |
|   | <b>SUBTOTAL</b> | <b>\$170,000</b> |

*See Section 6 for the Project Grand Total*

**2. Milestones**

|   |  |
|---|--|
| TBD   | <i>Construction Funds Received by IPCO</i> |
| 18 Months after Construction Funds Received by IPCO | <i>IPCO Construction Complete</i>          |
| 2 Weeks after IPCO Construction Complete            | <i>IPCO Commissioning Complete</i>         |
| TBD by seller                                       | <i>Commercial Operation Date</i>           |

BLM permitting issues are outside the immediate control of Idaho Power and can influence the Commercial Operation Date.

**3. Operating Requirements**

Voltage flicker at startup and during operation must be limited to less than 5% as measured at the Point of Interconnection. The project is required to comply with the applicable Voltage and Current Distortion Limits found in IEEE Standard 519-1992 *IEEE Recommended Practices and requirements for harmonic Control in Electrical Power Systems.*

Murphy Flats Project will be subject to reductions directed by Idaho Power Grid Operations during transmission system contingencies. When outages occur, the Project will be subject to Generator Output Limit Control ("GOLC") and will have equipment capable of receiving an analog setpoint from Idaho Power for GOLC. Generator Output Limit Control will be a setpoint from Idaho Power to the Project indicating maximum output allowed during transmission contingencies.

Interconnection Customer will be able to modify power plant facilities on the Interconnection Customer side of the Point of Interconnection with no impact upon the operation of the transmission or distribution system whenever the generation facilities are electrically isolated from the system via the X disconnect switch and a terminal clearance is issued by Idaho Power Company's Grid Operator.

**4. Reactive Power**

Murphy Flats Project should be controlled to operate as a VAR neutral system with a ± 600 kVAR operating band.

## 5. Upgrades

### 5.1 Distribution Upgrades

Idaho Power will build approximately 5 miles of new 34.5kV distribution feeder from existing Idaho Power 34.5kV distribution feeder on Warrior Road to the project site. The conductor installed will be 795 ACSR.

This route will require easements across private land and a permit from the BLM. Idaho Power will prepare a BLM Grant Application that will require a Botanical Survey, a Cultural Survey, an Environmental Assessment (for NEPA compliance) and a General Wildlife Survey. The typical time frame for BLM grant approval will be a minimum of one year. If the customer wishes to proceed, it is important to start the BLM process in January, 2011 so that the studies can be conducted in the spring of 2011.

### 5.2 Substation Upgrades

Idaho Power will upgrade the SCADA system at Sinker Creek Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check.

## Estimated Costs

The following good faith estimates are provided in 2010 dollars:

### Estimated Cost:

#### *Interconnection Facilities:*

|   |              |                  |
|---|--------------|------------------|
| Overhead Generation Interconnection Package | IPC          | \$170,000        |
|   | <b>TOTAL</b> | <b>\$170,000</b> |

#### *Upgrades to Distribution:*

|  |              |                  |
|--|--------------|------------------|
| New 34.5kV Distribution Feeder (5 miles of 795 ACSR) | IPC          | \$910,000        |
| BLM Permitting Studies/Surveys                       | IPC          | \$40,000         |
|  | <b>TOTAL</b> | <b>\$950,000</b> |

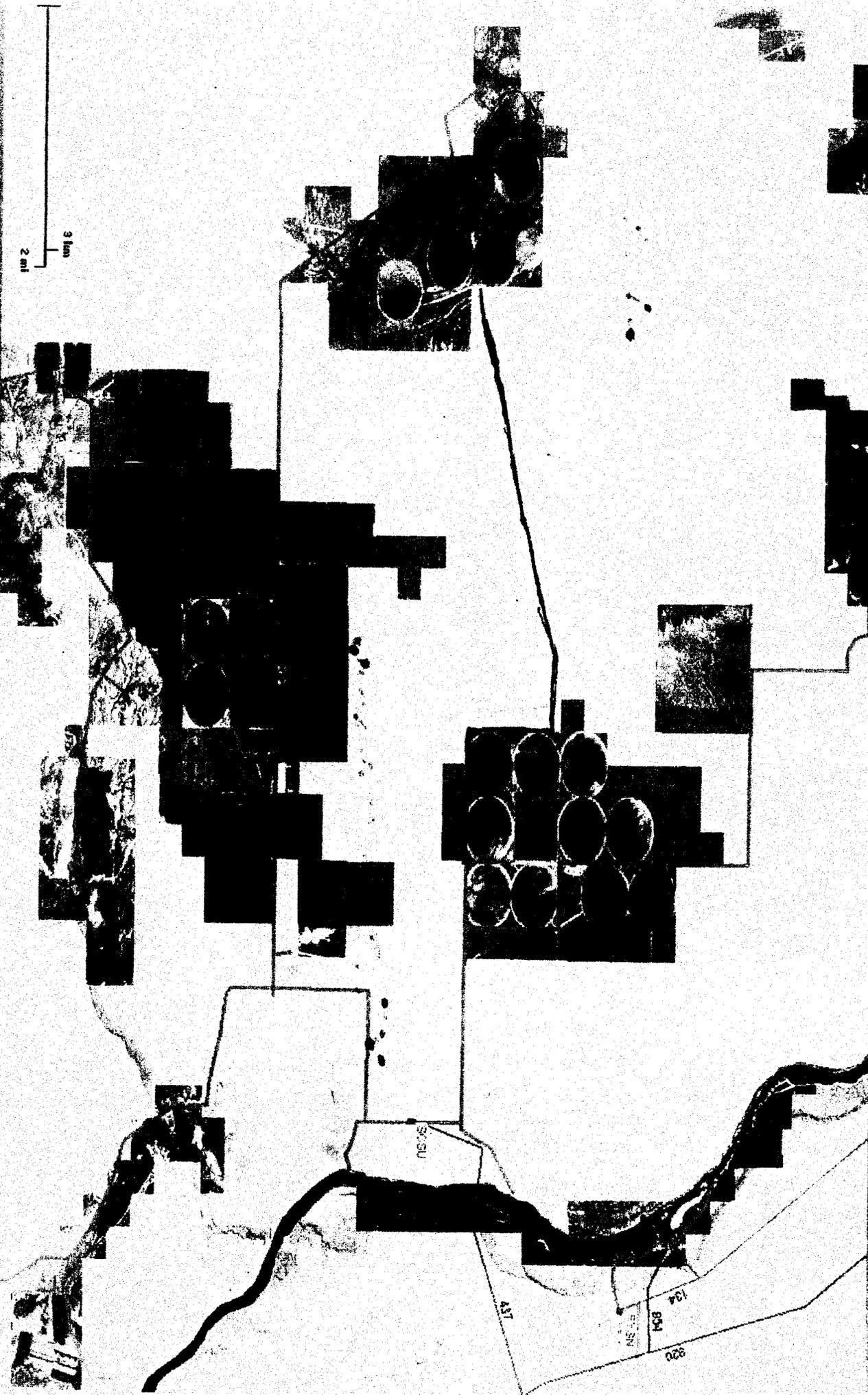
#### *Substation Upgrades:*

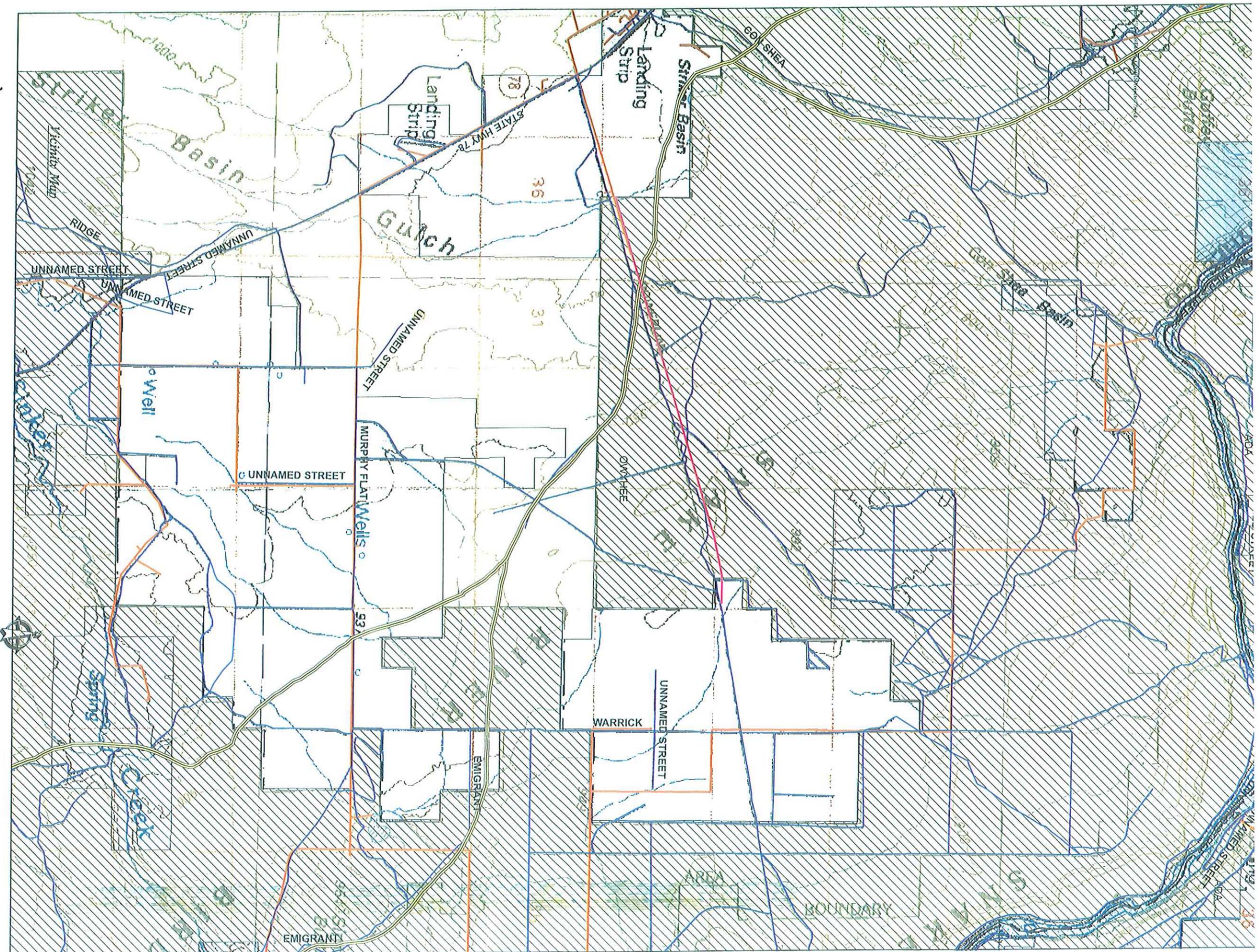
|                           |              |                  |
|---------------------------|--------------|------------------|
| SCADA Upgrade             | IPC          | \$100,000        |
| Local Service Transformer | IPC          | \$25,000         |
|                           | <b>TOTAL</b> | <b>\$125,000</b> |

**GRAND TOTAL** \$1,245,000

### **Note Regarding Transmission Service:**

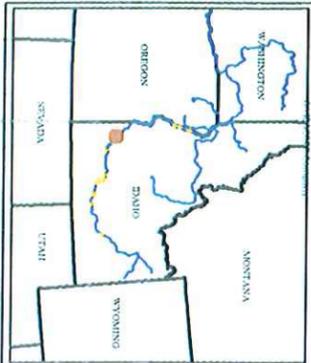
Transmission system improvements and associated costs outside the scope of this Generator Interconnection Facility Study Report may be required for the delivery of energy from this project. Generator interconnection service does not in any way convey transmission rights nor determine other transmission system improvements to deliver your project energy to any specific customer or point of delivery in our system.





Features Legend

- Proposed Murphy Flats Interconnect
- Oregon Trail
- Existing Road
- Existing Distribution Line
- SMAType
- Birds of Prey
- ACE T OverheadLine
- BLM
- Private
- State



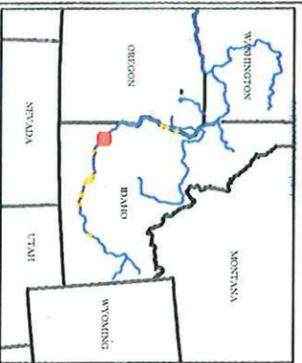
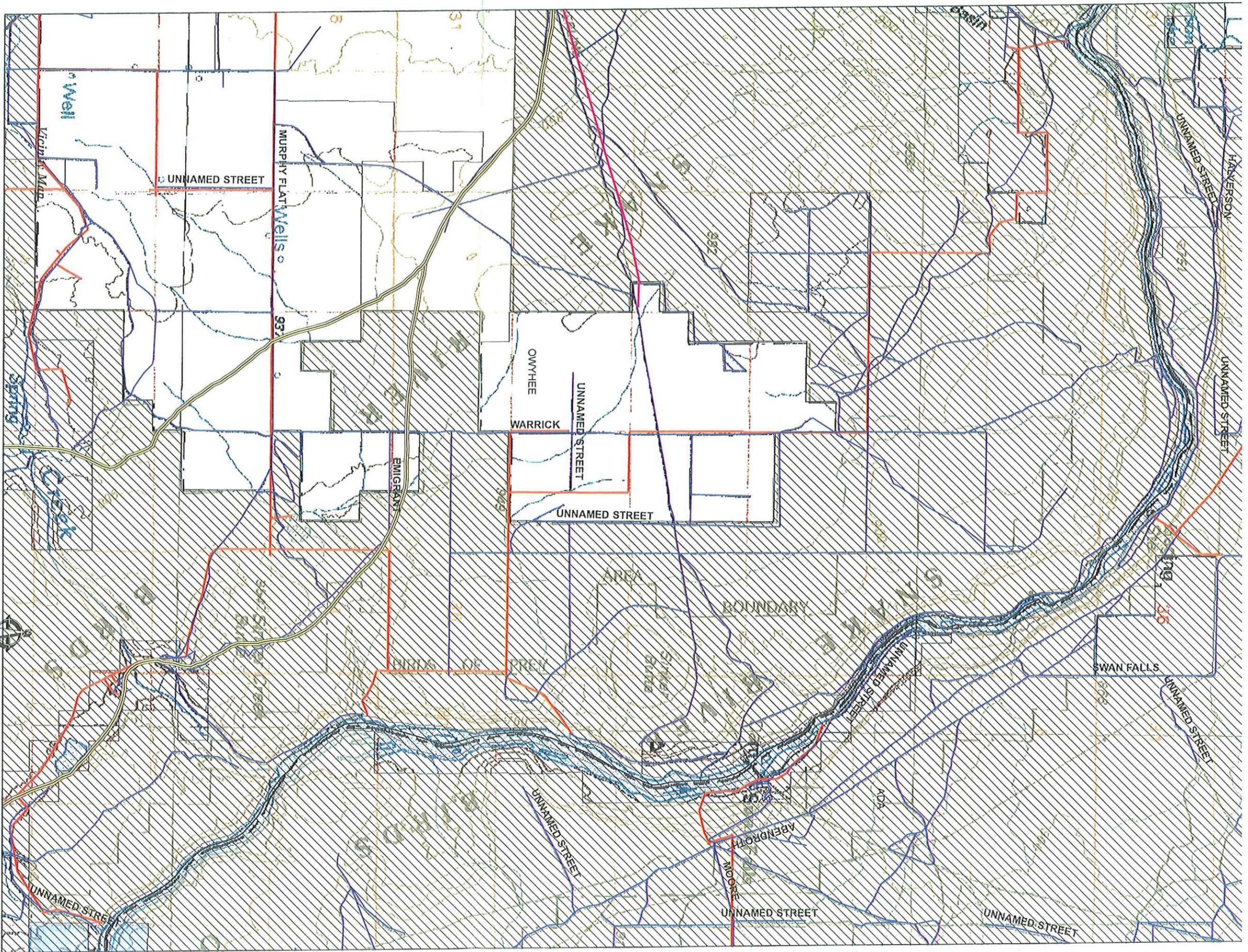
IDAHO POWER COMPANY, BOISE, ID 2011

Proposed Murphy Flats Interconnect  
Distribution Line

Site Map  
Figure 2



12/15/08



Features Legend

| SMATYPE   |                                    |
|-----------|------------------------------------|
|           | Proposed Murphy Flats Interconnect |
|           | Oregon Trail                       |
|           | Existing Road                      |
|           | Existing Distribution Line         |
| OWNERTYPE |                                    |
|           | Birds of Prey                      |
|           | ACE-T Overhead Line                |
|           | State                              |
|           | Private                            |

IDAHO POWER COMPANY, BOISE, ID 2011

Proposed Murphy Flats Interconnect  
Distribution Line

Site Map  
Figure 2





EXHIBIT - E

BILL PISKE &lt;billpiske@cableone.net&gt;

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## conclusion of meeting with Idaho Power on October 28th

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Moore, Kelley &lt;kmoore@blm.gov&gt;

Mon, Nov 14, 2011 at 2:45 PM

To: "billpiske@cableone.net" &lt;billpiske@cableone.net&gt;

Bill,

Per our meeting on October 28<sup>th</sup>, it was decided that the powerline route originally sought by Interconnect Solar would require new construction and therefore, was not in compliance with the Morley Nelson Snake River Birds of Prey National Conservation Area (NCA) Resource Management Plan (RMP).

All parties agreed to explore the use of an existing powerline that would require a re-build which is acceptable under the NCA's RMP. The existing powerline is an old powerline and will therefore require clearances to be completed (botanical, archaeological and wildlife) before the Environmental Assessment (EA) can be completed. The botanical clearance will require a survey next spring during the growing season to ensure there are no threatened, endangered, sensitive or candidate species growing as the re-build will require the placement of new power poles, therefore a significant amount of surface disturbance will occur.

Idaho Power staff is writing the EA. Once they have completed the document, it will be reviewed by BLM staff and if changes are needed will be returned to Idaho Power for those changes. Once the EA is finalized, Idaho Power will be offered an amended grant for this powerline.

I am unable to give you a timeframe for completion of the clearances and EA as the BLM will not be conducting the botanical and archaeological clearances, nor will be BLM be writing the EA. Once the EA draft is received by this office it would be 30-45 days for review.

Thank you,

Kelley Moore

Supervisory Realty Specialist

Boise District, BLM

3948 Development Ave

Boise, Idaho 83705

(208) 384-3339

(208) 384-3326 (fax)

EXHIBIT - F



January 25, 2011  
Via email & Certified Mail#  
70060100000014538119

Randy Hemmer  
Interconnect Solar Development  
3777 Twilight Drive  
Boise, ID 83703

Re: Murphy Flats- GI Project #345

Dear Randy:

Attached please find a copy of the final Facility Study Report (FSR) and a draft Generator Interconnection Agreement (GIA) for your Generator Interconnection project. This Agreement is part of Idaho Power Company's Rate Schedule 72 tariff approved by the Idaho Public Utilities Commission (IPUC). The IPUC has the authority to review and modify these schedules periodically. You may view the most current tariff at Idaho Power's website at: <http://www.idahopower.com/aboutus/regulatoryinfo/tariffs.asp>.

Transmission studies have determined that transmission capacity is available and Network Upgrades to move your Project energy to load are NOT required. The estimated costs in this Facility Study report are the total costs for the interconnection and for the transmission of your 20 MW output. If you would like to schedule a meeting or conference call to discuss the GIA please contact me as soon as possible.

Under the Generator Interconnection process, the following items must be provided to me on or before execution of the GIA:

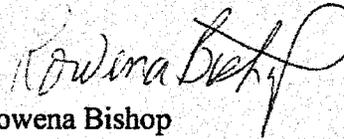
- Final Proof of Site Control for the project
- Financial arrangements/construction funding

Although the preferred method of funding is full deposit upfront; payment arrangements may be requested. If you have not already done so, please contact Aubrae Sloan (208-388-5697), Operations Finance at your earliest convenience to discuss Idaho Power's credit requirements for construction funding. Once we receive funding, or the credit requirement is met, we can proceed with construction of the project. The actual construction and labor charges will be reconciled approximately 90 days subsequent to project completion.

You may have noticed that we have drafted the GIA Attachments based on the Facility Study Report provided to you on December 23, 2010. Please review the Attachments to make sure they are comprehensive and accurate and advise me of any changes as soon as possible. The completed Attachments must be sent to me by close of business on February 28, 2011 so that we may prepare the GIA for execution.

Failure to respond to this letter will be considered as an election not to proceed with the project,  
and we will consider your Generator Interconnection request to have been withdrawn and  
terminated. If you have any further questions, please don't hesitate to contact me.

Sincerely,



Rowena Bishop  
Operations Analyst  
[rbishop@idahopower.com](mailto:rbishop@idahopower.com)  
ph 208.388.2658

Encl: Final Facility Study Report  
draft GIA for Murphy Flats Solar Project # 345

Cc: (via email)  
Bill Piske/Interconnect Solar Development  
Lisa Loomis/IPC  
Rich Bauer/IPC  
Aubrae Sloan/IPC

F A

I.P.U.C. No. 29, Tariff No. 101

January 25, 2011

**GENERATOR INTERCONNECTION AGREEMENT  
Schedule 72**

**MURPHY FLATS SOLAR PROJECT  
20 MW**

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This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the \_\_\_\_ day of \_\_\_\_\_, 2011 between \_\_\_\_\_, ("Seller" or "The Project") and Idaho Power Company – Delivery ("Company", or "Transmission Owner").

### RECITALS

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

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

### AGREEMENTS

#### 1. Capitalized Terms

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

#### 2. Terms and Conditions

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

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

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

#### 4. Attachments

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

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

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

Attachment 3 – Milestones For Interconnecting the Generation Facility.

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

Attachment 5 – Reactive Power.

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

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5. Effective Date, Term, Termination and Disconnection.

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

5.2 Termination.

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

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

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

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

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

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

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

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

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

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

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.

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*Modifications shall be done in accordance with Good Utility Practice. If the Seller makes such modification without the Company's prior written authorization, the latter shall have the right to temporarily disconnect the Generation Facility.*

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

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

**5.4 Land Rights.**

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

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

**5.4.3 Joint Use of Facilities.** *Subject to Idaho Power's compliance with Paragraph 5.4.4, Idaho Power may use and attach its distribution and/or transmission facilities to Seller's Interconnection Facilities, may reconstruct Seller's Interconnection Facilities to accommodate Idaho Power's usage or Idaho Power may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to Paragraph 5.4.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by Paragraph 5.4.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this Paragraph 5.4.3.*

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

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

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

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

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

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

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

6.3 Indemnity.

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

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

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

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

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

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

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

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

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

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6.5 Default and Material Breaches.

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

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

7. Insurance.

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

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

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

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

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

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

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

8. Miscellaneous.

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

8.2 Salvage. No later than sixty (60) days after the termination or expiration of this Agreement, Idaho Power will prepare and forward to Seller an estimate of the remaining value

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of those Idaho Power furnished Interconnection Facilities as required under Schedule 72 and/or described in this Agreement, less the cost of removal and transfer to Idaho Power's nearest warehouse, if the Interconnection Facilities will be removed. If Seller elects not to obtain ownership of the Interconnection Facilities but instead wishes that Idaho Power reimburse the Seller for said Facilities the Seller may invoice Idaho Power for the net salvage value as estimated by Idaho Power and Idaho Power shall pay such amount to Seller within thirty (30) days after receipt of the invoice. Seller shall have the right to offset the invoice amount against any present or future payments due Idaho Power.

9. Notices.

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

**If to the Seller:**

Seller: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**If to the Company:**

Idaho Power Company - Delivery  
Attention: Operations Manager  
1221 W. Idaho Street  
Boise: Idaho 83702  
Phone: 208-388-5669 Fax: 208-388-5504

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

Seller: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Idaho Power Company - Delivery  
Attention: Corporate Cashier  
PO Box 447  
Salt Lake City Utah 84110-0447  
Phone: 208-388-5697 email: asloan@idahopower.com

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

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**Seller's Operating Representative:**

Seller: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**Company's Operating Representative:**

Idaho Power Company - Delivery  
Attention: Regional Outage Coordinator - Regional Dispatch  
1221 W. Idaho Street  
Boise, Idaho 83702  
Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours  
(after hours Southern Region 208-388-5190).

9.5 Changes to the Notice Information. Either Party may change this information by giving five (5) Business Days written notice prior to the effective date of the change.

10. Signatures.

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

**For the Seller**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

**For the Company**

Name: \_\_\_\_\_

Title: Manager, Grid Operations – Idaho Power Company, Delivery

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

\_\_\_\_\_

## Attachment 1

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

#### **General Facility Description**

The proposed project will consist of Idaho Power's standard 4 pole overhead generation interconnection package and 5 miles of new distribution circuit. The location of the project is in section 25 of T2S, R2W (GPS coordinates N 43° 12' 59.327", W 116° 30' 43.046") in Idaho Power's Canyon service territory in Owyhee County, Idaho and it connects to the 34.5kV system out of Idaho Power Company's Sinker Creek substation. The total project output is 20 MW.

#### **Interconnection Point**

The Interconnection Point for the Murphy Flats Project will be the Generator side of Idaho Power's X disconnect switch in the interconnection package. The project's location is Owyhee County, Idaho. A drawing identifying the Point of Interconnection is attached.

The Point of Change of Ownership for the Murphy Flats Project will be the Generator side of Idaho Power's X disconnect in the interconnection package.

#### **Seller's Interconnection Facilities**

The Interconnection Customer will install multiple solar panel arrays, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures and associated auxiliary equipment. Interconnection customer will build facilities to the Point of Change of Ownership for the generator facility.

The Seller will install equipment to receive signals from Idaho Power Company Grid Operations for Generator Output Limit Control ("GOLC") - see Attachment 4 Operating Requirements.

The Seller will provide phone service to IPCo's generator interconnect package as described in *Telecommunications* below.

All interconnection equipment electrically located on the generator side of the Point of Change Ownership shall be owned and maintained by the Seller.

#### **Other Facilities Provided by Seller**

##### ***Telecommunications***

The Interconnection Customer will provide two communication circuits between the generation interconnection site and a location, or locations, specified by Idaho Power. One of the circuits will be either (a) a dedicated 4-wire leased analog circuit or (b) a DDS frame relay circuit, connected to the SEL 311C relay and the other will be a POTS dial-up circuit to the revenue meter. The Interconnection Customer is responsible for supplying and coordinating the installation of the phone lines and paying the monthly service charges. The communication circuits will need to be installed and operational prior to generating into the Idaho Power system.

##### ***Ground Fault Equipment***

The Interconnection Customer will install transformer configurations that are Grounded WYE on the high side and will limit the contribution of ground fault current to 20 amps or less at the Interconnection Point.

##### ***Easements***

The Interconnection Customer will secure appropriate easements with the land owner for the interconnection facilities. The Interconnection Customer will provide to IPCO a surveyed (Metes &

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Bounds) legal description along with exhibit map for IPCO's facilities. After the legal description has been delivered to IPCO for review, IPCO will supply to the Interconnection Customer a completed IPCO easement for signature by the land owner of record. Once the signatures have been secured, the Interconnection Customer will return the signed easement to IPCO for recording. IPCO construction will not proceed until the appropriate easements are secured.

**Local Service**

The Interconnection Customer is responsible to arrange for local service to their site, as necessary.

**Idaho Power Company's Interconnection Facilities**

Idaho Power will install a standard generation interconnection package that will connect to distribution feeder SCSU-041. If the Interconnection customer is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Generator to install cables to interconnect to the Idaho Power system. If the interconnection customer is going overhead to the Interconnection Point, it will be at a tension not to exceed the design tension specified by Idaho Power.

The new interconnection package will include four distribution poles to mount a local service transformer, solid blade disconnects, primary metering package, recloser, relays, fuses and riser necessary for the package. The interconnection will be controlled by a SEL-311C protection relay. The relay will be located in a pole mounted enclosure and will also contain a test switch (TS4), SLSS, dialup modem, 202 modem, isolation interface, power supply, DC converter, control switch and surge protector. See single line drawing as Attachment 2.

All interconnection equipment electrically located on the utility side of the Interconnection Point shall be owned, operated, and maintained by Idaho Power.

**Estimated Cost & Ownership:** The following good faith estimates are provided in 2010 dollars

| Description   | Ownership    | Cost Estimate       |
|---|--------------|---------------------|
| <b>Generation Facilities:</b>   |              |                     |
| Provided by Seller  | Seller       | \$N/A               |
| <b>Interconnection Facilities:</b>  |              |                     |
| Overhead Generation Interconnection Package<br>(See ATTACHMENT 6 for Project Grand Total) | IPCO         | <u>\$170,000.00</u> |
|   | <b>TOTAL</b> | <b>\$170,000.00</b> |

Full payment is required up front in accordance with Section 9, unless payment arrangements are made in advance with Idaho Power Delivery Finance.

Billing for construction activities will be based upon actual expenditures.

Attachment 2

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



Attachment 3

**Milestones:**

*Note: These Milestones are estimates only, and not guarantees of meeting or not meeting any specific date or milestone.*

| Date                                       | Milestones                         |
|--|------------------------------------|
| TBD  | <b>Funding Received</b>            |
| 18 months after funding received by IPC    | <b>IPCO Construction Complete</b>  |
| 2 weeks after IPC construction complete    | <b>IPCO Commissioning Complete</b> |
| [to be provided by Seller at a later date] | <b>Commercial Operation **</b>     |

\*\*BLM permitting issues are outside the immediate control of Idaho Power Company and can influence the Commercial Operation Date.

**Agreed to by:**

For the Interconnection Customer \_\_\_\_\_ Date \_\_\_\_\_

For the Transmission Provider  
Idaho Power Company, Delivery \_\_\_\_\_ Date \_\_\_\_\_

## Attachment 4

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

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

#### **Operating Requirements**

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point. The project is required to comply with the applicable Voltage and Current Distortion Limits found in IEEE Standard 519-1992 *IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems* or any subsequent standards as they may be updated from time to time.

Seller will be able to modify power plant facilities on the generator side of the Interconnection Point with no impact upon the operation of the transmission system whenever the generation facilities are electrically isolated from the transmission system via the X disconnect switch and a terminal clearance is issued by Idaho Power Company's Grid Operator.

#### **Ground Fault Equipment**

The Seller will install transformer configurations that provide a ground source to the transmission system.

#### **Generator Output Limit Control ("Re-dispatch" or "GOLC")**

The Project will be allowed to deliver the net output of 20MW at the Interconnection Point subject to reductions directed by Idaho Power Company Grid Operations during transmission system contingencies. When outages occur, the Project will be subject to Generator Output Limit Control ("GOLC") and have equipment capable of receiving signals from Idaho Power for GOLC. Generator Output Limit Control will be a signal from Idaho Power to the Project indicating maximum output allowed during transmission contingencies.

#### **Commercial Operation Requirements**

The Seller will be granted a requested Commercial Operation date only when all requirements have been met under this GIA and Idaho Power Company's Power Sales Agreement. A transmission service request ("TSR") for this generation has been submitted to Idaho Power Company's Grid Operations group and transmission service is approved.

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during transmission contingencies.

**Commercial Operation Requirements**

The Seller will be granted a requested Commercial Operation date only when all requirements have been met under this GIA and Idaho Power Company's Power Sales Agreement. A transmission service request ("TSR") for this generation has been submitted to Idaho Power Company's Grid Operations group and transmission service is approved.

**Attachment 5**

**Reactive Power Requirements**

Murphy Flats Project should be controlled to operate as a VAR neutral system with a  $\pm 600$  KVAR operating band.

**Attachment 6**

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

As provided in Schedule 72 this Attachment describes Upgrades, Special Facilities, including Network Upgrades, and provides an itemized best estimate of the cost of the required facilities.

**Upgrades**

**Substation Upgrades**

Idaho Power will upgrade the SCADA system at Sinker Creek Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check.

**Distribution Upgrades**

Idaho Power will build approximately 5 miles of new 34.5kV distribution feeder from existing Idaho Power 34.5kV distribution feeder on Warrior Road to the project site. The conductor installed will be 795 ACSR.

This route will require easements across private land and a permit from the BLM. Idaho Power will prepare a BLM Grant Application that will require a Botanical Survey, a Cultural Survey, an Environmental Assessment (for NEPA compliance) and a General Wildlife Survey. The typical time frame for BLM grant approval will be a minimum of one year. If the customer wishes to proceed, it is important to start the BLM process in January, 2011 so that the studies can be conducted in the spring of 2011.

The following good faith estimates are provided in 2010 dollars:

| <i>Description</i>                          | <i>Ownership</i> | <i>Cost Estimate</i> |
|---|------------------|----------------------|
| <b>Interconnection Facilities:</b>          |                  |                      |
| Overhead Generation Interconnection Package | IPC              | \$170,000            |



**CABLE ONE**

EXHIBIT - G

BILL PISKE &lt;billpiske@cableone.net&gt;

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## Murphy Flats GI#345

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BILL PISKE &lt;billpiske@cableone.net&gt;

Thu, Mar 24, 2011 at 2:28 PM

To: "Loomis, Lisa" &lt;LLoomis@idahopower.com&gt;

Cc: Randy Hemmer &lt;randyhemmer@clearwire.net&gt;

Lisa, can.t we use the the same people to complete the whole process at once, instead of TWO different processes? I have a company, as discussed, that suggested this! Your thoughts? Billy

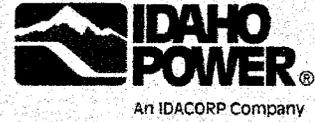
[Quoted text hidden]

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Bill [Piske@cableone.net](mailto:Piske@cableone.net) 1-208-941-7458

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EXHIBIT - H



**Generator Interconnection  
Revised Facility Study Report**

for the

**Murphy Flats Solar Project – GI #345**

for

**Randy Hemmer/Interconnect Solar Development, LLC**

in

**Owyhee County, ID**

**1/4/12**

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# REVISED FACILITY STUDY REPORT (FSR)

**Murphy Flats**

**Project #345**

**1/4/12**

## **1. General Facility Description**

The proposed project will consist of Idaho Power's standard 4 pole overhead generation interconnection package and approximately 9 miles of upgraded distribution circuit. The location of the project is in section 35 of T2S, R2W in Idaho Power's Canyon service territory in Owyhee County, Idaho and it connects to the 34.5kV system out of Idaho Power Company's Sinker Creek substation. The total project output is 20 MW.

**Interconnection Customer:**

Randy Hemmer  
Interconnect Solar Development, LLC  
3777 Twilight Drive  
Boise  
Idaho

A Standard Generator Interconnection Agreement under Idaho Power Company's Open Access Transmission Tariff (OATT) or Schedule 72 between Interconnection Customer and Idaho Power Company – Delivery (Transmission Owner) for the Murphy Flats Project, specifically Generator Interconnection Project # 345, will be prepared for this project.

### **1.1 Interconnection Point**

The Interconnection Point for the Murphy Flats Project will be the Generator side of Idaho Power's X disconnect switch in the interconnection package. The project's location is Owyhee County, Idaho. A drawing identifying the Point of Interconnection is attached.

### **1.2 Point of Change of Ownership**

The Point of Change of Ownership for the Murphy Flats Project will be the Generator side of Idaho Power's X disconnect in the interconnection package.

### **1.3 Customer's Interconnection Facilities**

The Interconnection Customer will install multiple solar panel arrays, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures and associated auxiliary equipment. Interconnection customer will build facilities to the Point of Change of Ownership for the generator facility.

## **1.4 Other Facilities Provided by Interconnection Customer**

### **1.4.1 Telecommunications**

In addition to communication circuits that may be needed by the Interconnection Customer, the Interconnection Customer shall provide the following communication circuits for Idaho Power's use:

1. One POTS (Plain Old Telephone Service) dial-up circuit for querying the revenue meter at the generation interconnection site.
2. One leased DDS (Digital Data Service) circuit for SCADA between the generation interconnection site and Idaho Power's Central Dispatch Center (10790 Franklin Road, Boise, ID 83709)]. This circuit must operate at 19.2 kbps data rate or higher. Please note that Frame Relay service is not acceptable.

The Interconnection Customer is required to coordinate with a communications provider to provide the communications circuits and pay the associated one time setup and periodic charges. The communication circuits will need to be installed and operational prior to generating into the Idaho Power system. Note that installation by communications provider may take several months and should be ordered in advance to avoid delaying the project. If the communication circuit types listed above are not available at the site by a communications provider, the Interconnection Customer shall confer with Idaho Power.

If high voltage protection is required by the communications provider for the incoming communications provider cable, the high voltage protection assembly shall be engineered and supplied by the Interconnect Customer. Options are available for indoor or outdoor mounting. The high voltage protection assembly shall be located in a manner that provides Idaho Power 24-hour access to the assembly for troubleshooting of Idaho Power owned equipment.

### **1.4.2 Ground Fault Equipment**

The Interconnection Customer will install transformer configurations that are Grounded WYE on the high side and will limit the contribution of ground fault current to 20 amps or less at the Interconnection Point.

### **1.4.3 Easements**

The Interconnection Customer will secure appropriate easements with the land owner for the four-pole interconnection package. Idaho Power will provide the documentation.

### **1.4.4 Generator Output Limit Control**

The Interconnection Customer will install equipment to receive signals from Idaho Power Grid Operations for Generation Output Limit Control ("GOLC") - see Section 3 Operating Requirements.

### **1.4.5 Local Service**

The Interconnection Customer is responsible to arrange for local service to their site, as necessary.

### 1.5 Idaho Power Company's Interconnection Facilities

Idaho Power will install a standard generation interconnection package that will connect to distribution feeder SCSU-041. If the Interconnection customer is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Generator to install cables to interconnect to the Idaho Power system. If the interconnection customer is going overhead to the Interconnection Point, it will be at a tension not to exceed the design tension specified by Idaho Power.

The new interconnection package will include four distribution poles to mount a local service transformer, solid blade disconnects, primary metering package, recloser, relays, fuses and riser necessary for the package. The interconnection will be controlled by a SEL-311C protection relay. The relay will be located in a pole mounted enclosure and will also contain a test switch (TS4), SLSS, dialup modem, 202 modem, isolation interface, power supply, DC converter, control switch and surge protector.

#### Facility Estimated Cost:

The following good faith estimates are provided in 2012 dollars:

| Description                                 | Ownership | Cost Estimate    |
|---|-----------|------------------|
| <i>Interconnection Facilities:</i>          |           |                  |
| Overhead Generation Interconnection Package | IPC       | \$175,000        |
| <b>SUBTOTAL</b>                             |           | <b>\$175,000</b> |

*See Section 6 for the Project Grand Total*

### 2. Milestones

| Date  | Milestones                          |
|---|-------------------------------------|
| TBD   | Construction Funds Received by IPCO |
| 18 Months after Construction Funds Received by IPCO | IPCO Construction Complete          |
| 2 Weeks after IPCO Construction Complete            | IPCO Commissioning Complete         |
| TBD by seller                                       | Commercial Operation Date           |

BLM permitting and tribal consultation issues are outside the immediate control of Idaho Power and can influence the Commercial Operation Date.

### 3. Operating Requirements

The project is required to comply with the applicable Voltage and Current Distortion Limits found in IEEE Standard 519-1992 *IEEE Recommended Practices and requirements for harmonic Control in Electrical Power Systems* or any subsequent standards as they may be updated from time to time. Voltage flicker at startup and during operation must be limited to less than 5% as measured at the Point of Interconnection.

Murphy Flats Project will be subject to reductions directed by Idaho Power Grid Operations during transmission system contingencies and other reliability events. When these conditions occur, the Project will be subject to Generator Output Limit Control ("GOLC") and will have equipment capable of receiving an analog setpoint via DNP 3.0 from Idaho Power for GOLC. Generator Output Limit Control will be a setpoint from Idaho Power to the Project indicating maximum output allowed.

The Project must be capable of riding through faults on adjacent section of the power system without tripping due to low voltage. It has been determined, through study, that the Project must be capable of remaining interconnected for any single phase voltage as low as 0.7 PU for 30 cycles, and for all three phase voltages as low as 0.8 PU for 30 cycles.

Interconnection Customer will be able to modify power plant facilities on the Interconnection Customer side of the Point of Interconnection with no impact upon the operation of the transmission or distribution system whenever the generation facilities are electrically isolated from the system via the X disconnect switch and a terminal clearance is issued by Idaho Power Company's Grid Operator.

#### **4. Reactive Power**

Murphy Flats Project should be controlled to operate as a VAR neutral system with a  $\pm 300$  kVAR operating band.

#### **5. Upgrades**

##### **5.1 Distribution Upgrades**

Idaho Power will rebuild approximately 9 miles of existing distribution feeder to the project site. The feeder conductor size will be upgraded to 795 ACSR. Approximately half of the upgraded section will be rebuilt from 12.5kV to 34.5kV.

This route will require a permit from the BLM. Idaho Power will prepare a BLM Grant Application that will require a Botanical Survey, a Cultural Survey, an Environmental Assessment (for NEPA compliance) and a General Wildlife Survey. Once the Environmental Assessment is complete, tribal consultation will also be required. The typical time frame for BLM grant approval is a minimum of one year.

##### **5.2 Substation Upgrades**

Idaho Power will upgrade the SCADA system at Sinker Creek Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check.

#### **Estimated Costs**

The following good faith estimates are provided in 2012 dollars:

#### **Estimated Cost:**

| Description   | Ownership | Cost Estimate      |
|---|-----------|--------------------|
| <b>Interconnection Facilities:</b>                        |           |                    |
| Overhead Generation Interconnection Package               | IPC       | \$175,000          |
| <b>TOTAL</b>  |           | <b>\$175,000</b>   |
| <b>Upgrades to Distribution:</b>                          |           |                    |
| Upgraded 34.5kV Distribution Feeder (9 miles of 795 ACSR) | IPC       | \$2,100,000        |
| BLM Permitting Studies/Surveys                            | IPC       | \$40,000           |
| <b>TOTAL</b>  |           | <b>\$2,140,000</b> |
| <b>Substation Upgrades:</b>                               |           |                    |
| SCADA Upgrade   | IPC       | \$100,000          |
| Local Service Transformer                                 | IPC       | \$25,000           |
| <b>TOTAL</b>  |           | <b>\$125,000</b>   |
| <b>GRAND TOTAL</b>  |           | <b>\$2,440,000</b> |

**Note Regarding Transmission Service:**

Transmission system improvements and associated costs outside the scope of this Generator Interconnection Facility Study Report may be required for the delivery of energy from this project. Generator interconnection service does not in any way convey transmission rights nor determine other transmission system improvements to deliver your project energy to any specific customer or point of delivery in our system.

**CABLE ONE**

EXHIBIT - I

BILL PISKE &lt;billpiske@cableone.net&gt;

**Draft GIA Murphy Solar**

Walker, Donovan &lt;DWalker@idahopower.com&gt;

Thu, Feb 9, 2012 at 4:11 PM

To: Randy Hemmer &lt;randyhemmer@clearwire.net&gt;, BILL PISKE &lt;billpiske@cableone.net&gt;, Ron Williams &lt;ron@williamsbradbury.com&gt;

Cc: "Bauer, Rich" &lt;RBauer@idahopower.com&gt;, "Bishop, Rowena" &lt;RBishop@idahopower.com&gt;, "Allphin, Randy" &lt;RAllphin@idahopower.com&gt;, "Loomis, Lisa" &lt;LLoomis@idahopower.com&gt;, "Sloan, Aubrae" &lt;ASloan@idahopower.com&gt;

Gentlemen,

## PLEASE BE ADVISED:

The Milestone dates set forth in Attachment 3 of the enclosed Draft Generator Interconnection Agreement #345 ("GIA") that was forwarded to you on February 2, 2012, are not correct. Those dates start with Construction Funding by the project on March 1, 2012, and end with a Customer's In-Service Date of October 30, 2013.

Our most recent information from Idaho Power's Environmental Permitting personnel is that the BLM permitting process for this project, in and of itself, can be much longer than the entire timeline set forth above and in the draft GIA forwarded to you on February 2, 2012. Idaho Power's current best estimate for the time required to conduct the required environmental and cultural study work, for BLM to conduct the required Environmental Assessment, and for BLM to ultimately issue a Record of Decision and possible ROW Grant is 24 months. In addition, there will be at least six months of required construction time subsequent to a BLM ROW Grant.

Also, as we have discussed on several occasions, there is no guarantee as to the timing of the BLM permitting process. It could be shorter - or it could be longer - than what Idaho Power's best estimate is. Additionally, there is no guarantee that BLM will grant the ROW request at all, and it could ultimately be rejected or denied.

I apologize for any inconvenience that inclusion of the incorrect Milestone dates in this Draft GIA may have. Idaho Power will revise the Milestone dates contained in Attachment 3 to the Draft GIA, and send you a new draft as soon as possible.

Sincerely,

Donovan E. Walker  
Lead Counsel  
Idaho Power Company  
208-388-5317

—Original Message—

From: Bishop, Rowena

Sent: Thursday, February 02, 2012 2:16 PM

To: Randy Hemmer

Cc: Ronald Williams; Walker, Donovan; 'BILL PISKE'; Bauer, Rich; Loomis, Lisa; Sloan, Aubrae

Subject: Draft GIA Murphy Solar

[Quoted text hidden]

EXHIBIT - J

# WILLIAMS · BRADBURY

A T T O R N E Y S A T L A W

December 21, 2011

HAND DELIVERED

Donovan Walker  
Counsel  
Idaho Power Company  
PO Box 70  
Boise, ID 83707

Re: Interconnect Solar Development – Notice of Event of Force Majeure

Dear Donovan:

Interconnect Solar Development LLC (“Interconnect Solar” or “ISD”) hereby invokes the provisions of Article XIV of the Firm Energy Sales Agreement (“FESA”) between Idaho Power Company and ISD, dated May 11, 2011, for the reasons outlined above, and for the limited duration of time required which is necessary to resolve the Force Majeure event.

1. The Force Majeure Event. The Force Majeure event being claimed is the cardinal change in the route, expense and time-frame, yet unknown, related to the BLM’s unwarranted and unexpected decision to deny Idaho Power the right to interconnect the ISD solar project (“Project”) along the route that was assumed available (the “Assumed Route”) in the initial Feasibility Study, the final Facility Study and the Generation Interconnection Agreement (“GIA”).

On December 23, 2010, Idaho Power presented ISD with a completed Facility Study and Cost Estimate for interconnecting the ISD Project to the Sinker Creek substation. (See Attachment 1) The estimated cost of interconnection was \$1.245 million. A map of the Assumed Route for the Facility Study was provided to ISD by Idaho Power on December 27, 2010. (See Attachment 2) Idaho Power provided a GIA to Interconnect Solar on May 9, 2011 that confirmed the good faith estimate of \$1.245 million for interconnecting the ISD Project using the Assumed Route. (See Attachment 3)

In November, 2011, ISD learned that the BLM had notified Idaho Power that the Assumed Route was not acceptable and that electrical interconnection of the ISD Project would need to follow an alternative route (the “Alternative Route”) along public rights-of-

way. Idaho Power and ISD met on Friday, December 1, 2011 to discuss this cardinal change in interconnection routing, costs, and schedule.

At the December 1, 2011 meeting, Idaho Power advised ISD that the Alternative Route would likely be significantly more expensive (possibly, triple) than the costs contained in the GIA. Interconnect Solar requested that Idaho Power immediately provide a revised Facilities Study and GIA for the Project. In addition, ISD explained to Idaho Power that without revised cost estimates and a revised GIA, financing for the Project was suspended. The debt/equity investors in the Project refused to close construction financing, with "unknown" interconnection costs and schedules still outstanding. As is standard in the industry, funds to post Delay Security pursuant to paragraph 5.8 of the FESA were to be released at time of construction financing.

At the December 1, 2011 meeting, Idaho Power also estimated it might be able provide a revised Facility Study and GIA within approximately two weeks. The revised Facilities Study and GIA have yet to be provided by Idaho Power to ISD. Until such time as Idaho Power provides a revised Facility Study and a revised GIA, and ISD has time to react and revise its closing documents and re-instate financial commitments, ISD is unable to post Delay Security, as required by the FESA.

2. Basis for Claiming Force Majeure. Article XIV allows for either Party to claim a Force Majeure event for "any cause" which is "beyond the control" of either party, which "despite the exercise of due diligence" neither Party is "unable to prevent or overcome."

Both Idaho Power and ISD acted diligently and reasonably, and for more than a year, in believing that the application by Idaho Power to the BLM for installation of the Project's electrical interconnection along the Assumed Route would be processed and approved by the BLM. "But for" this notification by BLM that the Assumed Route was unacceptable, Interconnect Solar would have closed construction financing in early December, 2011, and posted Delay Security on or before December 12, 2011. Interconnect Solar has been rendered unable to perform its obligation to post Delay Security as a result of BLM's rejection of the Assumed Route, and by Idaho Power's failure to timely react to that rejection and provide a revised Facility Study and GIA, prior to December 12, 2011. As the Force Majeure event occurred prior to December 12, 2011, it suspended the obligation of ISD to post Delay Security as of that date.

3. Suspension Period. The Force Majeure suspension of FESA is to be "of no greater scope and no longer duration than required by the Force Majeure Event." Interconnect Solar believes it will need a short but reasonable time frame in which to react to the new and likely higher cost estimates to be contained in the revised Facilities Study, to finalize the GIA, to reactivate construction financing, and to proceed to close construction financing. Generally speaking, ISD expects this to take two to four weeks, after presentation of the

Donovan Walker, Attorney

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December 21, 2011

revised Facility Study to ISD by Idaho Power. Holiday schedules and available personnel, for both Parties, may also influence this suspension time frame.

Depending on the construction and study schedules estimated in the revised Facility Study, this Force Majeure Event may also require revisions to the Scheduled First Energy Date and Scheduled Operation Date contained in the FESA. Interconnect Solar reserves the right, pursuant to this letter noticing a Force Majeure Event, to also claim a Force Majeure suspension related to those two contract dates, dependent on the scheduling and estimated time frames for studies and interconnection construction contained in the revised Facility Study and GIA.

Please let me know if you would like to meet and discuss any of these issues.

Sincerely,

Ronald L. Williams

Attorney for Interconnect Solar Development, LLC

RLW/jr

Enclosures

c/c Bill Piske

Randy Hemmer