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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE COMPLAINT)	
AND PETITION OF IDAHO POWER)	CASE NO. IPC-E-12-22
COMPANY FOR A DECLARATORY)	
ORDER REGARDING THE FIRM ENERGY)	IDAHO POWER COMPANY'S
SALES AGREEMENT AND GENERATOR)	COMPLAINT AND PETITION FOR
INTERCONNECTION AGREEMENT WITH)	DECLARATORY ORDER
NOTCH BUTTE WIND PARK, LLC.)	
_____)	

COMES NOW the Petitioner/Complainant, Idaho Power Company ("Idaho Power"), by and through its attorneys, Donovan Walker and Jason Williams, and pursuant to this Commission's Rules of Procedure, including but not limited to RP 54 and RP 101, hereby files this Complaint and Petition for Declaratory Order.

Communications regarding this Complaint and Petition for Declaratory Order should be sent to:

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SUMMARY OF THE CASE

1. This is a dispute between Idaho Power and Notch Butte Wind Park, LLC (“Notch Butte”), a special purpose entity, that is intended to own and control a wind generation project to be developed by Exergy Development Group of Idaho, LLC (“Exergy”), a sophisticated developer with extensive knowledge and experience with such projects.¹ In October of 2005 Idaho Power and the special purpose entity entered into a Firm Energy Sales Agreement (“FESA”) pursuant to the Public Utility Regulatory Policies Act of 1978 (“PURPA”), which provides that the special purpose entity will design, construct, own, maintain and operate an electric wind generation facility and that Idaho Power will buy firm electric energy produced by the facility. Attachment 1.

2. The FESA requires, among other things, that the special purpose entity meet certain construction deadlines, such as placing the project in service by the Scheduled Operation Date of May 1, 2007. This Scheduled Operation Date was subsequently amended in 2008 to September 1, 2010. Attachment 2. Exergy did not

¹ See, IPUC Case Nos. IPC-E-05-06, IPC-E-05-07, IPC-E-05-09, IPC-E-05-17, IPC-E-05-18, IPC-E-05-30, IPC-E-05-31, IPC-E-05-32, IPC-E-05-33, IPC-E-09-18, IPC-E-09-19, IPC-E-09-20, all of which are large wind QF developments on Idaho Power’s system by Exergy Development.

achieve the Scheduled Operation Date of September 1, 2010, did not achieve the Operation Date by July 1, 2011, and defaulted under the FESA at that time. See, Attachment 3. Exergy has failed to diligently pursue a cure of Notch Butte's default within a commercially reasonable time, as required by the FESA, and Idaho Power is entitled to terminate the FESA. Exergy and the special purpose entity now asserts that alleged "delays" by Idaho Power excuse Exergy's obligation to meet its Scheduled Operation Date, and to cure its default in a commercially reasonable time and manner. Idaho Power disagrees that any action excuses Exergy or the special purpose entity from meeting its construction deadlines, and maintains that Exergy has not diligently pursued a cure in a commercially reasonable time period. By failing to move forward with its generator interconnection, and now being removed from the generator interconnection queue for a second time, Notch Butte can no longer maintain a claim that it is diligently pursuing a cure in a commercially reasonable manner or time.

3. The FESA provides a clear remedy for a party's failure to cure a default, and that is termination of the FESA. With this Complaint and Petition, Idaho Power is requesting the Idaho Public Utilities Commission ("Commission") to issue an order declaring that Idaho Power is authorized to apply such remedy against Exergy and the special purpose entity. More specifically, Idaho Power asks the Commission to make findings and enter a declaratory order that: (1) the Commission has jurisdiction over the interpretation and enforcement of the FESA and the GIA; (2) Exergy's claim of force majeure does not exist so as to excuse Notch Butte's failure to meet the amended Scheduled Operation Date, the Operation Date, and failure to cure its default; (3) Notch Butte failed to place its project in service by the amended Scheduled Operation Date of

September 1, 2010, has failed to achieve the Operation Date by July 1, 2011, (which is within 10 months of the amended Scheduled Operation Date), and has received Notice of its default, as of July 26, 2011; and (4) Notch Butte did not cure its default of the FESA within 60 days of receiving Notice of Default, and has not diligently pursued a cure of said default within a commercially reasonable time, and that Idaho Power may terminate the FESA.

FACTUAL ALLEGATIONS

4. Idaho Power is an Idaho public utility subject to the jurisdiction of the Commission.

5. Notch Butte Wind Park, LLC, is an Idaho limited liability company.

6. On October 14, 2005, Idaho Power and Notch Butte entered into a FESA for a 20-year term using the then-current non-levelized published avoided cost rates as established by the Commission for energy deliveries of less than 10 aMW. A true and correct copy of the FESA, dated October 14, 2005, between Idaho Power and Notch Butte is attached hereto as Attachment 1 and incorporated herein by reference. Notch Butte selected November 1, 2006, as the Scheduled First Energy Date, and May 1, 2007, as the Scheduled Operation Date. Attachment 1) at Appx. B.

7. On October 20, 2005, Idaho Power filed an Application with the Commission in Case No. IPC-E-05-32 requesting approval of the 20-year FESA between Idaho Power and Notch Butte.

8. On December 5, 2005, Exergy submitted the initial Small Generator Interconnection Request for the Notch Butte wind generating project. A true and correct copy of the initial Small Generator Interconnection Request for Notch Butte is attached

hereto as Attachment 4 and incorporated herein by reference. Idaho Power initially assigned a Generator Interconnection Queue Number ("GI #") to Notch Butte of #158. After Exergy's failure to proceed with GI #158, Notch Butte was subsequently assigned GI #349 and #359 for subsequent applications and requested configurations of the project's interconnection. See, Attachment 5 and Attachment 6 which were assigned GI #349 and #359 respectively.

9. On December 22, 2005, Idaho Power sent to Exergy a Notice of Incomplete Interconnection Application for five of Exergy's proposed wind project interconnections: Golden Valley Wind Park, Milner Dam Wind Park, Lava Beds Wind Park, Notch Butte Wind Park, and Salmon Falls Wind Park. A true and correct copy of the December 22, 2005, Notice of Incomplete Interconnection Application is attached hereto as Attachment 7 and incorporated herein by reference. This Notice informs Exergy of nine items that either needed to be clarified or provided by Exergy in order to proceed with the interconnection requests. Additionally this Notice informs that the items must be provided prior to the scoping meeting in order for the projects to retain their positions in the queue. This Notice also provided a standard Interconnection Feasibility Study Agreement for Exergy's review and execution.

10. On July 7, 2006, Idaho Power sent to Exergy a letter informing Exergy of the incomplete status of the Notch Butte interconnection request. A true and correct copy of the July 7, 2006, letter with attachments is attached hereto as Attachment 8 and incorporated herein by reference. This letter states, "Since our initial Scoping Meeting, we have NOT received your designated Point of Interconnection (POI) for this project." The letter again forwards a draft Feasibility Study Agreement for Exergy's execution and

return. The letter also advises, "We must receive your response no later than 30 Calendar [sic] after your receipt of this letter, or we will consider your request to have been withdrawn and terminated."

11. Over the next several years, from approximately January 2007 through approximately January 2011, numerous Feasibility Study Reports were conducted for the Notch Butte project's requested interconnection at different requested nameplate capacities, interconnection voltages, locations, interconnection configurations, etc.

12. Attached hereto as Attachment 9 and incorporated herein by this reference is a true and correct copy of the January 3, 2007, Final Interconnection Feasibility Study Report for Notch Butte's interconnection. This report was for Exergy's requested configuration of GI #158 located south of Shoshone, for 19.92 MW at a 34.5 kV connection, with estimated interconnection cost of \$2,114,000.

13. On January 24, 2007, Idaho Power sent a letter with an attached draft Facility Study Agreement for the study of potentially necessary Network Upgrades on the main grid transmission system. A true and correct copy of the January 24, 2007, letter is attached hereto as Attachment 10 and incorporated herein by reference. This letter explains, among other things, that these potential *transmission* related upgrades are separate from the project's required *interconnection* facilities.

14. Attached hereto as Attachment 11 and incorporated herein by this reference is a true and correct copy of the February 11, 2007, System Impact Study Agreement for GI #158 signed by James Carkulis.

15. Attached hereto as Attachment 12 and incorporated herein by this reference is a true and correct copy of the February 24, 2007 Facility Study Agreement for GI #158 signed by James Carkulis and Idaho Power.

16. Attached here as Attachment 13 and incorporated herein by this reference is a true and correct copy of the June 22, 2007 letter from Idaho Power to Exergy forwarding a Interconnection Facility Study Agreement for GI #158. This letter advises that payment must be received by July 22, 2007, or the application will be deemed withdrawn.

17. On July 1, 2008, Idaho Power and Exergy executed an amendment to the FESA that extended the Scheduled Operation Date from May 1, 2007, to September 1, 2010, for Notch Butte. On July 23, 2008, this amendment regarding the Scheduled Operation Date was filed with the Commission. A true and correct copy of the amendment between Idaho Power and Notch Butte is attached hereto as Attachment 2 and incorporated herein by reference.

18. Attached hereto as Attachment 14 and incorporated herein by this reference is a true and correct copy of a July 15, 2008, Interconnection Facilities Study Agreement, signed by James Carkulis for Exergy.

19. Attached hereto as Attachment 15 and incorporated herein by this reference is a true and correct copy of the September 2, 2008, Feasibility Study Agreement RESTUDY signed by Exergy and Idaho Power for GI #158.

20. Attached hereto as Attachment 16 and incorporated herein by this reference is a true and correct copy of the October 21, 2008, Final Interconnection Feasibility Study Report for Notch Butte's interconnection. This report was for Exergy's

requested configuration of GI #158 located near Idaho Power's Dietrich substation, for 10.5 MW at a 12.5 kV connection, with estimated interconnection cost of \$3,675,000.

21. Attached hereto as Attachment 17 and incorporated herein by this reference is a true and correct copy of a October 23, 2008, letter from Idaho Power to Exergy forwarding the October 21, 2008 Final Feasibility Study Report, as well as two copies of the Facility Study Agreement. The letter advised:

In order to proceed with this application, Idaho Power must receive your agreement to proceed with the project by executing both copies of the FSA [Facility Study Agreement] and submitting completed Attachments, along with the required deposit in order to remain in the Generator Interconnection queue. The deposit under this FSA is \$30,000 based on the estimated engineering costs. If you wish to proceed, please sign both copies and submit them with the completed Attachment, along with the deposit ... by November 25, 2008, otherwise your application will be deemed withdrawn.

22. Attached hereto as Attachment 18 and incorporated herein by this reference is a true and correct copy of the December 9, 2008, Revised Feasibility Study Agreement for GI #158, executed by Idaho Power and Exergy, requesting to study a different configuration for Notch Butte's interconnection.

23. Attached hereto as Attachment 19 and incorporated herein by this reference is a true and correct copy of the January 22, 2009, Final Interconnection Feasibility Study Report for Notch Butte's interconnection. This report was for Exergy's requested configuration of GI #158 located near Idaho Power's Dietrich substation, for 18 MW at a 138 kV connection, with a substation to transform to 34.5 kV, with estimated interconnection cost of \$4,328,000.

24. Attached hereto as Attachment 20 and incorporated herein by this reference is a true and correct copy of a March 11, 2009, Feasibility Study Agreement for GI #158, executed by Idaho Power and Exergy, requesting to study a different configuration for Notch Butte's interconnection.

25. Attached hereto as Attachment 21 and incorporated herein by this reference is a true and correct copy of the April 16, 2009, Final Interconnection Feasibility Study Report for Notch Butte's interconnection. This report was for Exergy's requested configuration of GI #158 located near Idaho Power's Dietrich substation, for 9 MW at a 12.5 kV connection, with estimated interconnection cost of \$3,500,000.

26. Attached hereto as Attachment 22 and incorporated herein by this reference is a true and correct copy of a May 14, 2009, letter from Idaho Power to Exergy forwarding the April 16, 2009, Final Feasibility Study Report, as well as two copies of the Facility Study Agreement. The letter advised:

The next step in the Generator Interconnection process is to begin design work with the Interconnection/Distribution facilities of this project. Please submit your agreement to proceed by executing both copies of the attached FSA [Facility Study Agreement], submitting completed Attachments to the FSA, along with the required FSA deposit to Idaho Power Company ... by June 16, 2009, otherwise your application will be deemed withdrawn. The deposit under the FSA is \$30,000 based on the estimated engineering costs.

27. Attached hereto as Attachment 23 and incorporated herein by this reference is a true and correct copy of a July 13, 2009, Facilities Study Agreement for GI #158, executed by Idaho Power and Exergy.

28. Attached hereto as Attachment 24 and incorporated herein by this reference is a true and correct copy of an April 27, 2010, Draft Interconnection Facility Study Report for Notch Butte's interconnection, GI #158.

29. Attached hereto as Attachment 25 and incorporated herein by this reference is a true and correct copy of a May 12, 2010, communication evidencing Exergy's failure to pay required funds, and removal of GI #158 from the generator interconnection queue.

30. Attached hereto as Attachment 5 and incorporated herein by this reference is a true and correct copy of the August 16, 2010, Small Generator Interconnection Request by Exergy for the Notch Butte project requesting the interconnection of 6.5 MW. This request was assigned GI #349.

31. Attached hereto as Attachment 26 and incorporated herein by this reference is a true and correct copy of an August 27, 2010, Interconnection Feasibility Study Agreement for GI #349, executed by Idaho Power and Exergy.

32. Attached hereto as Attachment 27 and incorporated herein by this reference is a true and correct copy of the October 15, 2010, Final Interconnection Feasibility Study Report for Notch Butte's interconnection. This report was for Exergy's requested configuration of GI #349 located near Idaho Power's Dietrich substation, for 6.5 MW at a 12.5 kV connection, with estimated interconnection cost of \$3,700,000.

33. Attached hereto as Attachment 6 and incorporated herein by this reference is a true and correct copy of the October 28, 2010, Small Generator Interconnection Request by Exergy for the Notch Butte project requesting the interconnection of 11.5 MW. This request was assigned GI #359.

34. Attached hereto as Attachment 28 and incorporated herein by this reference is a true and correct copy of a November 29, 2010, Interconnection Feasibility Study Agreement for GI #359, executed by Idaho Power and Exergy.

35. Attached hereto as Attachment 29 and incorporated herein by this reference is a true and correct copy of a December 10, 2010, Interconnection Facility Study Agreement for GI #349, executed by Idaho Power and Exergy.

36. Attached hereto as Attachment 30 and incorporated herein by this reference is a true and correct copy of the January 12, 2011, Final Interconnection Feasibility Study Report for Notch Butte's interconnection. This report was for Exergy's requested configuration of GI #359 located near Idaho Power's Dietrich substation, for 11.5 MW at a 12.5 kV connection, with estimated interconnection cost of \$14,220,000.

37. On January 28, 2011, counsel for Exergy sent a letter to Idaho Power alleging that Exergy "has received interconnection studies with inconsistent engineering configurations and seemingly high cost projections" and claiming that "Exergy has been delayed in its ability to enter into an acceptable interconnection agreement, and is now concerned that further delay will impede its ability [sic] bring the project online in a timely manner." A true and correct copy of the January 28, 2011, letter from Mr. Richardson, counsel for Exergy, to Idaho Power is attached hereto as Attachment 31 and incorporated herein by reference.

38. Attached hereto as Attachment 32 and incorporated herein by this reference is a true and correct copy of a February 17, 2011, Draft Interconnection Facility Study Report for Notch Butte's interconnection, GI #349.

39. Attached hereto as Attachment 33 and incorporated herein by this reference is a true and correct copy of a March 4, 2011, Transmission Service Request System Impact Study Report for the Notch Butte project, GI #349 and #359. The Transmission Service Request System Impact Study Report was for 18 MW with Point of Receipt (POR) of Mid-Snake and the Point of Delivery (POR) of Idaho Power (IPCo). The transmission service request is OASIS Ref. Number 74993330. The Report summarizes, "From the analysis on the West of Midpoint and Boise East transmission paths, both transmission paths have sufficient available transmission capacity to accommodate the 18 MW of Network Transmission Service Request for the Notch Butte Wind Projects."

40. On March 14, 2011, Idaho Power responded to Mr. Richardson's January 28, 2011, letter. A true and correct copy of the March 14, 2011 letter from Idaho Power to Mr. Richardson is attached hereto as Attachment 34 and incorporated herein by reference. With that letter, Idaho Power takes exception to the allegation that it was Idaho Power that had in any way delayed Exergy in bringing its project online. The letter states,

Idaho Power Company ("Idaho Power") takes exception to your inference that the failure of Exergy to bring its project on-line in a timely manner is attributable to Idaho Power. It was Exergy's choice to move forward with obligating itself to perform, pursuant to the Agreement that it signed, prior to such time that it had sufficient knowledge, information, and/or assurance regarding what would be required for the interconnection of such project, what it is estimated to cost, and how long interconnection facilities and potential transmission upgrades may take to construct.

Exergy has requested numerous feasibility studies with varying locations, interconnection voltages, and project capacities for the generation interconnection project Nos.

159, 349, and 359, all of which Exergy has referred to as their Notch Butte project. For these various projects, the following feasibility studies have been completed:

January 3, 2007 ... October 21, 2008 ... January 22, 2009
... April 16, 2009 ... October 11, 2010 ... January 12, 2011
... The varying interconnection costs found in these studies have been the result of Exergy's requests to study various project sizes in terms of requested generation capacity, various project locations, and various interconnection voltages.

The letter further explains that because some of the facilities would be for the sole purpose of Exergy's project, i.e., not used to provide service to any other customers, that Exergy would be solely responsible for their construction. The letter also references that Notch Butte lost its interconnection queue position (GI #158) because it had failed to make the required payment in order to remain, "and was removed as required of Idaho Power in its non-discriminatory administration of the interconnection queue process." Attachment 34 at 2.

41. Subsequent to the exchange of the above referenced letters, the parties met on April 11, 2011, to discuss Exergy's wishes regarding how it wanted to proceed with the interconnection of the Notch Butte project. Exergy followed this meeting with a written request to proceed with the study of a reconfigured interconnection. A true and correct copy of the April 12, 2011, letter from Exergy to Idaho Power is attached hereto as Attachment 35 and incorporated herein by reference. With this letter, Exergy confirmed that it wished to move forward under GI #359 to study its requested reconfiguration: "In response to the Draft Feasibility Study completed January 12, 2011 which studied interconnection of 18 MW for both Nos. 349 and 359, please study the following reconfiguration we discussed." With regard to GI #349, Exergy requested that

be placed on hold pending the study results from GI #359: "In response to the Draft Facility Study sent to us February 17, 2011, please hold this project without removing it from the queue while the additional study in conjunction with No. 359 is performed ..."

Id.

42. Attached hereto as Attachment 36 and incorporated herein by this reference is a true and correct copy of a May 3, 2011, Draft Interconnection Facility Study Report for Notch Butte's interconnection, GI #349.

43. Attached hereto as Attachment 37 and incorporated herein by this reference is a true and correct copy of a May 11, 2011, letter from Idaho Power to Exergy following up on an April 27, 2011 communication regarding the restudy for Notch Butte's interconnection GI #359. The letter forwards two copies of a Feasibility Study Agreement, and advised, "In order to proceed, and for your application to remain in the Generator Interconnection study queue, Idaho Power must receive the signed FeSA [Feasibility Study Agreement] and the deposit by June 2, 2011, otherwise your application will be deemed withdrawn. The deposit under this FeSA is \$1,000." (emphasis in original).

44. Attached hereto as Attachment 38 and incorporated herein by this reference is a true and correct copy of a May 17, 2011, Interconnection Feasibility Study Agreement for GI #359, executed by Idaho Power and Exergy.

45. Attached hereto as Attachment 39 and incorporated herein by this reference is a true and correct copy of the June 29, 2011, Final Interconnection Feasibility Study Report for Notch Butte's interconnection. This report was for Exergy's

requested configuration of GI #359 located near Idaho Power's Dietrich substation, for 11.5 MW at a 12.5 kV connection, with estimated interconnection cost of \$7,978,000.

46. On June 30, 2011, counsel for Exergy, Mr. Richardson, sent a letter to Idaho Power regarding Exergy's progress in meeting the Operation Date from the FESA. A true and correct copy of Mr. Richardson's June 30, 2011, letter is attached hereto as Attachment 40 and incorporated herein by reference. In this letter Exergy acknowledged the provisions of the FESA requiring the project to become operational within 10 months of its Scheduled Operation Date. The letter confirms this date to be July 1, 2011.

47. On July 26, 2011, Idaho Power sent Notch Butte Notice of Default of the FESA. A true and correct copy of the July 26, 2011, Notice of Default is attached hereto as Attachment 3 and incorporated herein by reference.

48. On August 5, 2011, Notch Butte, by letter from counsel for Exergy to Idaho Power, responded to the Notice of Default with a Request to Extend Cure Period. A true and correct copy of the August 5, 2011, Request to Extend Cure Period is attached hereto as Attachment 41 and incorporated herein by reference.

49. Attached hereto as Attachment 42 and incorporated herein by this reference is a true and correct copy of the August 18, 2011, Interconnection Facility Study Agreement for GI #359, executed by Idaho Power and Exergy.

50. On August 26, 2011, Idaho Power sent a letter to Exergy acknowledging receipt of signed Facility Study Agreement, with required deposit for GI #359 (11.5 MW). A true and correct copy of the August 26, 2011, letter is attached hereto as Attachment 43 and incorporated herein by reference.

51. On September 1, 2011, counsel for Exergy delivered a letter to Idaho Power purporting to update Idaho Power that, "progress is being made to achieve commercial operations within a reasonable time of the deadline contained in the power purchase agreements." A true and correct copy of the September 1, 2011, letter from counsel for Exergy to Idaho Power is attached hereto as Attachment 44 and incorporated herein by reference.

52. November 18, 2011, a Revised Final Feasibility Study Report for GI #359 was issued by Idaho, and sent electronically to Exergy, with formal correspondence on November 23, 2011. A true and correct copy of the November 18, 2011, Revised Final Feasibility Study Report for GI #359, along with November 18 e-mail and November 23, 2011, cover letter is attached hereto as Attachment 45 and incorporated herein by reference. The November 23 letter forwards two copies of a Facility Study Agreement, and advised, "Since no SYSTEM IMPACT STUDY is needed, enclosed is a Facility Study Agreement (FSA) for the next phase of the project. In order to proceed, and for your application to remain in the Generator Interconnection study queue, Idaho Power must receive the 2 copies of the signed FSA, the completed Attachments, and the deposit by January 9, 2012, otherwise your application will be deemed withdrawn. The deposit under this FSA is \$30,000 based on the estimated engineering costs." (Emphasis in original.)

53. Attached hereto as Attachment 46 and incorporated herein by this reference is a true and correct copy of the January 9, 2012, Interconnection Facility Study Agreement for GI #359, executed by Idaho Power and Exergy.

54. On March 6, 2012, Idaho Power issued the Draft Facility Study Report for GI #349 and #359, which begins a comment period for Exergy extending to April 6, 2012. A true and correct copy of the March 6, 2012, Draft Facility Study Report, with cover letter, is attached hereto as Attachment 47 and incorporated herein by reference.

55. During the comment period on the Draft Facility Study Report issued on March 6, 2012, Idaho Power and Exergy had a series of communications. Attached hereto as Attachment 48 is a true and correct copy of an e-mail string of communications between Idaho Power and Exergy from March 6, 2012, through April 9, 2012. In these communications, Exergy requests to include an interconnection option for a limited output interconnection to be completed by the end of 2012.

56. On April 9, 2012, Idaho Power issued the Final Facility Study Report to Exergy for GI #349 and #359. A true and correct copy of the April 9, 2012, Final Facility Study Report, with cover letter, is attached hereto as Attachment 49 and incorporated herein by reference. The April 9, 2012, letter notifies Exergy:

The estimated interconnection cost for this project is \$7,875,000 requiring approximately 34 months to complete the design, procurement, permitting, construction, and commissioning of these facilities. This includes the permitting of the transmission line across BLM land which is typically a 20-30 month process, with no guaranteed outcome.

The response to your request to interconnect with limited generation output and a shorter timeline is addressed in Appendix B. Idaho Power accommodated this irregular request. Please see Appendix B for the additional work (\$) and stipulations required of the Interconnection Customer to execute this scenario. The funding necessary to execute this project, including the work stipulated for the limited generation output, is \$7,950,000. If the Generation Interconnect Agreement (GIA) is signed and funding received by May 1, 2012, then the interconnection facilities

will be ready for up to 4.0 MW of generation by December 31, 2012.

57. On April 20, 2012, Idaho Power sent a Draft Generator Interconnection Agreement (“GIA”) to Exergy. A true and correct copy of the April 20, 2012, Draft GIA, with transmittal letter, is attached hereto as Attachment 50 and incorporated herein by reference. This communication reiterates to Exergy that its response and authorization to move forward, including payment of the estimated construction costs deposit, is required by May 1, 2012, in order to construct the limited output facilities by the end of 2012, and additionally that its response and payment is required by May 21, 2012, or the interconnection request will be deemed withdrawn.

58. On April 27, 2012, Idaho Power re-sends the Draft Generator Interconnection Agreement, and again reminds that a response and payment is required by May 1, 2012, in order to be able to meet a December 2012 online date. A true and correct copy of the communication is attached hereto as Attachment 51 and incorporated herein by reference.

59. On April 30, 2012, Exergy responds with a communication that, rather than executing the GIA and paying the required funding to proceed forward with the interconnection which included the limited output option online by year-end 2012, it wished to change the configuration. A true and correct copy of the April 30, communication from Exergy is attached hereto as Attachment 52 and incorporated herein by reference. It states, “Before we continue forward to execute and fund the GIA, we need to inform IPCo of a configuration change for the Notch Butte Project. We will be moving the POI [point of interconnection] from the project site to the Dietrich

substation and providing 34.5kV at that point. Please let us know what steps need to be taken for this modification to be in place.”

60. On May 23, 2012, Idaho Power sent a letter and new draft of the Final GIA to Exergy. A true and correct copy of May 23, 2012, communication and GIA is attached hereto as Attachment 53 and incorporated herein by reference. This letter responds to Exergy’s April 30, 2012, request to once again change the interconnection configuration rather than move forward with the studied configuration. Because the former May 1, 2012, deadline for commencing construction of the limited output facilities required for year-end operation had passed, and the May 21, 2012, deadline for moving forward with the previously communicated GIA had also now passed, Idaho Power removed the limited output option, and forwarded to Exergy a revised Final GIA for execution. The deadline for execution and payment required for Exergy to move forward with the studied configuration was communicated as June 23, 2012.

61. On June 20, 2012, Exergy responded by letter to Idaho Power, and rather than signing the GIA and paying the required funding, yet again requests another different configuration for its interconnection at 138 kV. A true and correct copy of the June 20, 2012, communication from Exergy is attached hereto as Attachment 54 and incorporated herein by reference. This letter also requests, again, that limited output facilities to be put in place by December 15, 2012.

62. On June 26, 2012, Idaho Power responds to Exergy’s June 20, 2012, letter and requests, and forwarded a revised Final GIA which, once again, included a limited output by year-end option. A true and correct copy of the June 26, 2012, communication and Final GIA is attached hereto as Attachment 55 and incorporated

herein by reference. This letter reviews the past requests and deadlines, responds to the inaccurate factual representations in Exergy's June 20, 2012 letter, and again explains that the request for interconnection at a new voltage and a new configuration (138 kV from the project site to Idaho Power's existing 138 kV) would require a new facility study. The letter, once again, accommodates Exergy's request to bring the facilities online by the end of the year, and sends a new Final GIA reincorporating the limited output by year-end option. Because Exergy's deadline for executing the GIA and funding the construction had once again passed, Idaho Power extended the time for execution of the GIA and payment of the required funds to July 9, 2012.

63. On July 2, 2012, Exergy delivery to Idaho Power a Notice of Force Majeure for both the Notch Butte and Lava Beds Wind Park projects. A true and correct copy of the July 2, 2012, Notice of Force Majeure from Exergy is attached hereto as Attachment 56 and incorporated herein by reference. In its Notice of Force Majeure, Notch Butte contends, among other things, that Idaho Power's estimated date for construction of interconnection facilities associated with the Jack Ranch projects is a Force Majeure event because the date makes it impossible for the Jack Ranch projects to meet their respective Scheduled Operation Date of June 30, 2012, and because of the "combined financing" of the projects, this also constitutes Force Majeure for Notch Butte and Lava Beds. The Notice of Force Majeure for Notch Butte and Lava Beds attaches the similar Notice of Force Majeure for the Jack Ranch projects that was sent to Idaho Power June 28, 2012.

64. On July 10, 2012, Idaho Power received a July 9, 2012, letter from Exergy that included with it a copy of the June 26, 2012 final GIA that was signed by James

Carkulis on behalf of Exergy, but with no payment. Instead, Exergy's cover letter stated:

Exergy has received and executed the final Generator Interconnection Agreement (GIA) prepared by Idaho Power and dated June 26, 2012. Exergy is pleased to submit the enclosed and executed GIA **and will submit the funds described in the enclosed GIA at such time as Idaho Power countersigns and returns a copy of the document** to our office.

(emphasis added). A true and correct copy of the July 9, 2012, letter from Exergy is attached hereto as Attachment 57 and incorporated herein by reference.

65. On July 11, 2012, Idaho Power sent a letter responding to Exergy's July 9, 2012, letter and also forwarded back to Exergy the June 26, 2012, GIA which was now signed by both Idaho Power and by Exergy. A true and correct copy of the July 11, 2012, letter from Idaho Power to Exergy, as well as a copy of the executed GIA is attached hereto as Attachment 58 and incorporated herein by reference. This letter states, "As you indicated in your letter, because Idaho Power has now returned the countersigned GIA, Idaho Power expects the required funding to be paid immediately. Idaho Power needs the required funding from Exergy in order to proceed." This letter also notifies Exergy that, "Idaho Power will exercise its rights to terminate this GIA and to remove the project from the generator interconnection queue if the required payment is not received by close of business, 5:00 p.m. Mountain Time, on Friday July 13, 2012."

66. On July 13, 2012, Exergy responded to Idaho Power by sending two letters. A true and correct copy of both of Exergy's July 13, 2012, letters to Idaho Power are attached hereto as Attachment 59 and incorporated herein by reference. Rather than paying the required funds, as Exergy said it would both in its July 9, 2012, letter,

and by its execution of the GIA requiring the same, Exergy instead sent the letter dated July 13, 2012, whereby it claimed that it was under the impression that the GIA it had signed just four days earlier provided for a different interconnection configuration and voltage (138 kV) rather than the configuration and voltage that was studied through the final Facility Study stage including the limited output by year end option (12.5 kV). Exergy's letter insists upon a revised GIA at a different voltage level (138 kV), which was previously communicated to Exergy as, at a minimum, requiring a new facility study process to be conducted.

67. On July 30, 2012, Idaho Power sent a letter to Exergy terminating the executed GIA, removing the Notch Butte project from the generator interconnection queue, and notifying Exergy of this filing with the Commission. A true and correct copy of the July 30, 2012, letter from Idaho Power to Exergy is attached hereto as Attachment 60 and incorporated herein by reference. This letter also reviews the chain of events going back through Exergy's March 2012 request to include an option for limited output that could be brought online by the end of 2012.

JURISDICTION

A. The Commission Has Jurisdiction Over Interpretation and Enforcement of the FESA and the GIA.

68. The Commission has authority to issue declaratory orders pursuant to the Idaho Uniform Declaratory Judgments Act. *Utah Power & Light Co. v. Idaho Pub. Utils. Comm'n*, 112 Idaho 10, 12, 730 P.2d 930, 932 (1987). The Idaho Uniform Declaratory Judgments Act provides for the issuance of a declaratory judgment in a contract dispute "before or after there has been a breach." *Harris v. Cassia County*, 106 Idaho 513, 516–517, 681 P.2d 988, 991 (1984).

69. The Commission has jurisdiction over the interpretation of contracts where the parties have agreed to submit a dispute involving contract interpretation to the Commission. Afton Energy, Inc. v. Idaho Power Co., 111 Idaho 925, 929, 729 P.2d 400, 404 (1986) 929, 729 P.2d at 404 (citing Bunker Hill Co. v. Wash. Water Power Co., 98 Idaho 249, 252, 561 P.2d 391, 394 (1977)).

1. **The Commission Has Jurisdiction Over Interpretation and Enforcement of the FESA.**

70. Paragraph 7.5 of the FESA between Idaho Power and Notch Butte provides for the continuing jurisdiction of the Commission over the Agreement:

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 Utility Regulatory Policies Act of 1978 and 18 CFR §292.303-308.

Attachment 1 at p.11.

71. Idaho Power and Notch Butte have also agreed to the Commission's jurisdiction regarding any and all disputes under the FESAs. Paragraph 22.1 of the FESAs further provides that all disputes relating to the Agreement will be submitted to the Commission:

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.

Attachment 1 at p. 22.

72. Notch Butte has reaffirmed its position that the Commission has jurisdiction with regard to disputes under the FESA. Paragraph 2(i) of the Exergy letter dated July 13, 2012, states as follows:

If Idaho Power disputes [the claim of Force Majeure], then pursuant to Section 22.1 of the FESA, Idaho Power is contractually obligated to submit the matter to the Commission for resolution.

Attachment 59 at p. 1-2. (July 13 Exergy letter) Idaho Power agrees that the Commission has jurisdiction to interpret and enforce the FESA pursuant to both the FESA itself and the Idaho Uniform Declaratory Judgments Act.

2. The Commission Has Jurisdiction Over Interpretation and Enforcement of the GIA.

73. FERC has stated that the relevant state authority exercises exclusive jurisdiction over interconnections in which the electric utility must purchase the entire output of the qualifying facility:

When an electric utility is obligated to interconnect under Section 292.303 of the Commission's Regulations, that is, when it must purchase the QF's total output, the relevant state authority exercises authority over the interconnection and the allocation of interconnection costs.

Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 at P 813 (2003), order on reh'g, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160, order on reh'g, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), order on reh'g, Order No. 2003-C, FERC Stats. & Regs. K 31,190 (2005), aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC, 475 F.3d 1277 (D.C. Cir. 2007)). Recently, FERC has reaffirmed the finding that it will have jurisdiction over an interconnection with a qualifying facility only if the host utility is given notice that third-party sales of the facility's output are occurring or are planned:

Therefore, consistent with our conclusions in *Niagara Mohawk*, where a host utility is not given notice that third-party sales of output are occurring or are planned (e.g., through a QF's request for wheeling service or a contract providing the QF an express right to sell output to third parties), we will assume that all sales of a QF's output are being made to the host utility and therefore that Commission jurisdiction will not attach.

Florida Power & Light Co., 133 FERC ¶ 61,121 at P 22 (2010) (citing Niagara Mohawk Power Corp., 121 FERC ¶ 61,183 (2007), order denying reh'g, 123 FERC ¶ 61,061 (2008)). Here, the FESA would obligate Idaho Power to purchase the entire output of the project. Therefore, this Commission—and not FERC—has jurisdiction over the GIA.

B. The Dispute Is a Justiciable Controversy.

74. This is an action for declaratory order brought for the purpose of determining a question of actual controversy between the parties. The dispute is as follows: Idaho Power claims that Notch Butte has failed to meet its Scheduled Operation Date of September 1, 2010, defaulted under the FESA by failing to achieve its Operation Date within 10 months of its Scheduled Operation Date, and failed to cure its default within either 60 days of the notice of default or if not within 60 days, within a commercially reasonable period time. Idaho Power further claims that it may now terminate the FESA with Notch Butte. Notch Butte disputes Idaho Power's claim that it is not bringing its project online in a commercially reasonable time after default. Additionally, Notch Butte claims Force Majeure events have occurred that excuse its required performance under the FESA. See Attachment 59 and 56. Article XVI of the FESA excuses both parties from whatever performance is affected by “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.” Idaho Power disagrees with Notch Butte that any Force Majeure event has occurred. See Attachment 58.

75. As a general rule, a declaratory judgment can only be rendered in a case where an actual or justiciable controversy exists. *Harris*, at 516, citing (internal cites omitted). A “justiciable controversy” ripe for a declaratory judgment must be one that is appropriate for judicial determination, must be definite and concrete, touching the legal relations of parties having adverse legal interests, and must be real and substantial admitting of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts. *Harris*, at 516, citing I.C. § 10–1201; Rules Civ.Proc., Rule 57.

76. Idaho Power and Notch Butte agree that the Commission has jurisdiction over the dispute at hand. The dispute is appropriate for the Commission’s determination because it requires interpretation of several provisions of the FESA, as well as Schedule 72 and the generator interconnection process for QF generators. The dispute is definite and concrete because Idaho Power claims current or impending violations of specific provisions of the FESA by Notch Butte and because Idaho Power disagrees with any application of the Force Majeure provision of the FESA. The parties to the FESA have adverse legal interests. The dispute is real and substantial, as distinguished from a request for an advisory opinion, because it (1) involves actions or inactions that have actually occurred, (2) calls for interpretation and enforcement of a valid and enforceable agreement, and (3) the Commission’s resolution of the dispute would likely involve specific relief expressly provided for in the FESA.

DECLARATORY ORDER TO TERMINATE CONTRACT

77. Idaho Power realleges and hereby incorporates by reference all of the foregoing allegations as if fully stated herein.

A. Idaho Power May Terminate the FESA Upon Failure of the Project to Achieve Its Operation Date.

78. Notch Butte has failed to meet the Scheduled Operation Date of September 1, 2010, as provided in the 2008 Amendment to the FESAs stated Scheduled Operation Date in Section B-3 in Appendix B of the FESA. Attachment 2. As provided in Section 5.3 of the FESA, Notch Butte's failure to achieve its Operation Date within 10 months of the Scheduled Operation Date is an event of default. Section 22.2.1 of the FESA provides:

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 reasonable 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.

The Idaho Uniform Declaratory Judgments Act provides for the issuance of a declaratory judgment in a contract dispute "before or after there has been a breach." *Harris* at 516–517, 991 (1984). Accordingly, Idaho Power requests an Order from the Commission declaring that Notch Butte has failed to cure its default within 60 days of the notice of default, has failed to cure its default within a commercially reasonable period of time outside of said 60 day time period, and that Idaho Power may terminate the FESA.

B. No Force Majeure Event Has Occurred and Notch Butte is Not Diligently Pursuing a Cure of Its Default Within a Commercially Reasonable Time.

79. Notch Butte claims that events have occurred that constitute Force Majeure pursuant to Section 16 of the FESA. Paragraph 16.1 states, in relevant part:

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 Operation Date, which, by the existence 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.

Attachment 1.

80. In its Notice of Force Majeure, Notch Butte contends, among other things, that Idaho Power's estimated date for construction of interconnection facilities associated with the Jack Ranch projects² is a Force Majeure event because the date makes it impossible for the Jack Ranch projects to meet their respective Scheduled Operation Date of June 30, 2012, and because of the "combined financing" of the projects, this also constitutes Force Majeure for Notch Butte. See Attachment 59 and Attachment 56.

81. Notch Butte's attempt to excuse its non-performance fails because it does not meet the FESA's definition of a Force Majeure event, and Exergy's own actions and/or inactions caused considerable delay that it now claims constitutes Force Majeure. Exergy has not, to this day, paid the required construction deposit, nor authorized Idaho Power to move forward with the required work necessary for the

² See, Case No. IPC-E-12-20.

interconnection and transmission upgrades required to connect the Projects to Idaho Power's system. Exergy has established a pattern of continually requesting changes to the requested interconnection configuration to avoid committing to any. After nearly 7 years after executing the FESA, more than 5 years after the original Scheduled Operation Date of May 1, 2007, nearly 2 years past the amended Scheduled Operation Date of September 1, 2010, numerous proposed interconnection configurations, and now 2 removals from the generator interconnection queue, Notch Butte is not diligently pursuing its Operation Date in a commercially reasonable manner, nor within a commercially reasonable period of time.

82. On July 26, 2011, Idaho Power wrote to Notch Butte providing Notice of Default for Notch Butte's failure to achieve its Operation Date within 10 months of its Scheduled Operation Date. This letter also advised Notch Butte of the FESAs requirements to cure the default, and stated that Notch Butte's failure to cure as outlined in the FESA would result in Idaho Power proceeding with the remedies allowed within the FESA, one of which is termination of the FESA.

This letter serves as Idaho Power's Notice of Default as of the date of this letter. If this default is not cured as specified within the FESA Idaho Power will exercise its rights as allowed within the agreement one of which may be termination of the FESA.

Idaho Power has received the letter from Mr. Richardson dated June 30, 2011 in which Mr. Richardson acknowledges the default commercial on line date to be July 1st, 2011. In this same letter Mr. Richardson introduces a short discussion that this default is being cured by the project making commercially reasonable efforts and goes on to state that the projects will start construction in approximately forty-five (45) days from June 30, 2011, and be online by year end 2011.

However, the letter does not identify any specific activity, actual commitment and associated evidence that would reasonable demonstrate to Idaho Power that the default can be cured within a

commercially reasonable period of time, but not within the sixty (60) day cure period, i.e., by the end of the year, and that the project is diligently pursuing such cure.

Article 22 of the FESA states that following notice of an event of default that Idaho Power may, at its option, terminate the FESA and/or pursue its legal or equitable remedies if the project fails to cure such default within sixty (60) days after service of such notice, or if the project reasonable demonstrates to Idaho Power 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.

Idaho Power appreciates the project's commitment that it will start construction and cure its default of the FESA by year end, 2011. Idaho Power will consider this year-end commitment to be the outer limit of a commercially reasonable time period with which to cure the default if it is not on-line within sixty (60) days of this Notice of Default. If the default is not cured within said sixty (60) days, then Idaho Power may exercise its rights to terminate and/or pursue its legal or equitable remedies unless the project demonstrates that it is diligently pursuing cure of the default by the commercially reasonable time period of year end, 2011. If the project is not online by year end 2011, the parties agree that the commercially reasonable period to cure this default has expired and Idaho Power will proceed with the remedies as allowed within this Firm Energy Sales Agreement one of which is termination of this Firm Energy Sales Agreement.

Attachment 3.

84. In response to the July 26, 2011, letter, counsel for Notch Butte confirmed receipt of the July 26, 2011, Notice of Default. Attachment 41. This letter also specifically disagrees that year-end 2011 would be an outer limit to a commercially reasonable period to cure Notch Butte's default, but none-the-less reaffirms, "Exergy still intends to energize each of these projects [Notch Butte and Lava Beds] by year end 2011." *Id.* at 1-2.

85. Notch Butte has failed to bring the project online by the Scheduled Operation Date of May 1, 2007. Notch Butte has failed to bring the project online by the

amended Scheduled Operation Date of September 1, 2010. Notch Butte has failed to achieve its Operation Date by July 1, 2011, within 10 months of its amended Scheduled Operation Date and defaulted under the FESA, at that time. Notch Butte failed to bring the project online by year end 2011, and it committed to at the time of default. Notch Butte has refused to pay the required construction deposit to move forward with the construction of the required transmission and interconnection facilities, and has been removed from the generator interconnection queue for now a second time, which will require a new application and possibly a new study process. The date for construction of the interconnection facilities associated with the Jack Ranch projects cannot be an event of Force Majeure under paragraph 16.1 of the FESA. Exergy, by its own actions, has refused to move the interconnection process forward or to take the steps necessary to bring the Notch Butte project online in a commercially reasonable period of time. For these reasons, Idaho Power requests an Order from the Commission declaring that no Force Majeure event has occurred to excuse default, and that Notch Butte is not diligently pursuing a cure of its default within a commercially reasonable period of time.

C. Termination of the FESA is in the Public Interest.

86. Idaho Power's ability to terminate the FESA upon default and breach of Notch Butte for failure to meet the Operation Date and failure to cure its default pursuant to Sections 5 and 22 of the FESA is in the public interest. The FESA currently provides for rates that have subsequently been found to not be in the public interest. In The Matter of the Commission's Review of PURPA QF Contract Provisions, Case No. GNR-E-11-03, Order No. 32498 at 2 (March 22, 2012), this Commission stated:

We also find, however, as stated on the record at the conclusion of the March 21, 2012, hearing, that the methodologies previously

approved by this Commission, as utilized and applied by Idaho Power, do not currently produce rates that reflect Idaho Power's avoided costs and are not just and reasonable, nor in the public interest. Effective March 21, 2012, and continuing until altered or amended by Order of the Commission at the conclusion of this case, contracts for all projects over 100 kW entered into by Idaho Power and presented to this Commission for approval will be individually evaluated with regard to all terms contained therein.

(Emphasis added.) The rates at issue in this Complaint Petition are provided in Article VII of the FESA. The FESA's rates have subsequently been determined, as described above, to not be in the public interest. If the Commission issues an order declaring that Idaho Power is authorized to terminate the FESA upon the failure of Notch Butte to meet its Operation Date and to subsequently cure its default of the FESA, rates that have been deemed not to be in the public interest will likewise be terminated. If Idaho Power and Notch Butte were to execute a new FESA, the parties must obviously comply with Order 32498, thereby establishing rates that are in the public interest pursuant to the methodology approved in Order 32498.

REQUESTED RELIEF – CONCLUSION

87. Idaho Power respectfully requests that the Commission grant the following relief:

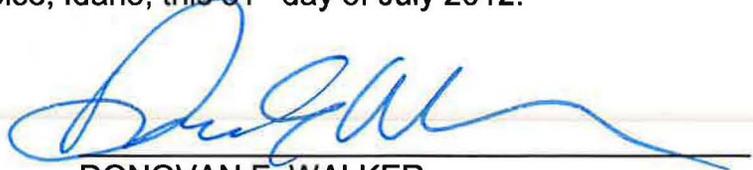
- 1) Entry of a declaratory order that the Commission has jurisdiction over the interpretation and enforcement of the FESA and the GIA; and
- 2) Entry of a declaratory order that Exergy's claim of force majeure does not exist so as to excuse Notch Butte's failure to meet the amended Scheduled Operation Date, Operation Date, and failure to cure its default; and
- 3) Entry of a declaratory order that Notch Butte has failed to place its project in service by the amended Scheduled Operation Date of September 1, 2010;

has failed to achieve the Operation Date by July 1, 2011, which is within 10 months of the amended Scheduled Operation Date; and has received Notice of its default, as of July 26, 2011; and

4) Entry of a declaratory order that Notch Butte did not cure its default of the FESA within 60 days of receiving Notice of Default, and has not diligently pursued a cure of said default within a commercially reasonable time, and that Idaho Power may terminate the FESA; and

5) Any further relief to which Idaho Power is entitled.

Respectfully submitted at Boise, Idaho, this 31st day of July 2012.



DONOVAN E. WALKER
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on this 31st day of July 2012 I served a true and correct copy of IDAHO POWER COMPANY'S COMPLAINT AND PETITION FOR DECLARATORY ORDER upon the following named parties by the method indicated below, and addressed to the following:

Exergy Development Group, LLC
Peter J. Richardson
RICHARDSON & O'LEARY, PLLC
515 North 27th Street (83702)
P.O. Box 7218
Boise, Idaho 83707

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



Danielle Clark, Paralegal

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 1

FIRM ENERGY SALES AGREEMENT
BETWEEN
IDAHO POWER COMPANY
AND
NOTCH BUTTE WIND PARK LLC
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FIRM ENERGY SALES AGREEMENT
(10 aMW or Less)

NOTCH BUTTE WIND PARK LLC

Project Number: 31615300

THIS AGREEMENT, entered into on this 14 day of Oct 2005 between NOTCH BUTTE WIND PARK, an Idaho limited liability company (Seller), and IDAHO POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as "Parties" or individually as "Party."

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 "Commission" - The Idaho Public Utilities Commission.
- 1.2 "Contract Year" - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.3 "Designated Dispatch Facility" - Idaho Power's Systems Operations Group, or any subsequent group designated by Idaho Power.
- 1.4 "Disconnection Equipment" - All equipment specified in Schedule 72 and the Generation Interconnection Process and any additional equipment specified in Appendix B.
- 1.5 "Facility" - That electric generation facility described in Appendix B of this Agreement.

- 1.6 "First Energy Date" - The day commencing at 0001 hours, Mountain Time, following the day that Seller has satisfied the requirements of Article IV and the Seller begins delivering energy to Idaho Power's system at the Point of Delivery.
- 1.7 "Generation Interconnection Process" – Idaho Power's generation interconnection application and engineering review process developed to ensure a safe and reliable generation interconnection in compliance with all applicable regulatory requirements, Prudent Electrical Practices and national safety standards.
- 1.8 "Inadvertent Energy" – Electric energy Seller does not intend to generate. Inadvertent energy is more particularly described in paragraph 7.3 of this Agreement.
- 1.9 "Interconnection Facilities" - All equipment specified in Schedule 72 and the Generation Interconnection Process and any additional equipment specified in Appendix B.
- 1.10 "Initial Capacity Determination" – The process by which Idaho Power confirms that under normal or average design conditions the Facility will generate at no more than 10 average MW per month and is therefore eligible to be paid the published rates in accordance with Commission Order No. 29632.
- 1.11 "Losses" – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility's energy is metered and the point the Facility's energy is delivered to the Idaho Power electrical system. The loss calculation formula will be as specified in Appendix B of this Agreement.
- 1.12 "Market Energy Cost" – Eighty-five percent (85%) of the weighted average of the daily on-peak and off-peak Dow Jones Mid-Columbia Index (Dow Jones Mid-C Index) prices for non-firm energy. If the Dow Jones Mid-Columbia Index price is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the Dow Jones Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and a commonly used index by the electrical industry.
- 1.13 "Material Breach" – A Default (paragraph 22.2.1) subject to paragraph 22.2.2.

- 1.14 "Maximum Capacity Amount" – The maximum capacity (MW) of the Facility will be as specified in Appendix B of this Agreement.
- 1.15 "Metering Equipment" - All equipment specified in Schedule 72, the Generation Interconnection Process, this Agreement and any additional equipment specified in Appendix B required to measure, record and telemeter power flows between the Seller's electric generation plant and Idaho Power's system.
- 1.16 "Net Energy" – All of the electric energy produced by the Facility, less Station Use, less Losses, expressed in kilowatt hours (kWh). Seller commits to deliver all Net Energy to Idaho Power at the Point of Delivery for the full term of the Agreement. Net Energy does not include Inadvertent Energy.
- 1.17 "Operation Date" – The day commencing at 0001 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.18 "Point of Delivery" – The location specified in Appendix B, where Idaho Power's and the Seller's electrical facilities are interconnected.
- 1.19 "Prudent Electrical Practices" – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.
- 1.20 "Scheduled Operation Date" – The date specified in Appendix B when Seller anticipates achieving the Operation Date.
- 1.21 "Schedule 72" – Idaho Power's Tariff No 101, Schedule 72 or its successor schedules as approved by the Commission.
- 1.22 "Season" – The three periods identified in paragraph 6.2.1 of this Agreement.
- 1.23 "Special Facilities" - Additions or alterations of transmission and/or distribution lines and transformers as described in Appendix B, Schedule 72 or the Generation Interconnection Process required to safely interconnect the Seller's Facility to the Idaho Power system.
- 1.24 "Station Use" – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility.

- 1.25 “Surplus Energy” – (1) Net Energy produced by the Seller’s Facility and delivered to the Idaho Power electrical system during the month which exceeds 110% of the monthly Net Energy Amount for the corresponding month specified in paragraph 6.2. or (2) If the Net Energy produced by the Seller’s Facility and delivered to the Idaho Power electrical system during the month is less than 90% of the monthly Net Energy Amount for the corresponding month specified in paragraph 6.2, then all Net Energy delivered by the Facility to the Idaho Power electrical system for that given month or (3) All Net Energy produced by the Seller’s Facility and delivered by the Facility to the Idaho Power electrical system prior to the Operation Date.
- 1.26 “Total Cost of the Facility” - The total cost of structures, equipment and appurtenances.

ARTICLE II: NO RELIANCE ON IDAHO POWER

- 2.1 Seller Independent Investigation - Seller warrants and represents to Idaho Power that in entering into this Agreement and the undertaking by Seller of the obligations set forth herein, Seller has investigated and determined that it is capable of performing hereunder and has not relied upon the advice, experience or expertise of Idaho Power in connection with the transactions contemplated by this Agreement.
- 2.2 Seller Independent Experts - All professionals or experts including, but not limited to, engineers, attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement have been solely those of Seller.

ARTICLE III: WARRANTIES

- 3.1 No Warranty by Idaho Power - Any review, acceptance or failure to review Seller’s design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho Power and Idaho Power makes no warranties, expressed or implied, regarding any aspect of Seller’s design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.
- 3.2 Qualifying Facility Status - Seller warrants that the Facility is a “Qualifying Facility,” as that term

is used and defined in 18 CFR §292.207. After initial qualification, Seller will take such steps as may be required to maintain the Facility's Qualifying Facility status during the term of this Agreement and Seller's failure to maintain Qualifying Facility status will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

- 4.1 Prior to the First Energy Date and as a condition of Idaho Power's acceptance of deliveries of energy from the Seller, Seller shall:
- 4.1.1 Submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.207.
- 4.1.2 Opinion of Counsel - Submit to Idaho Power an Opinion Letter signed by an attorney admitted to practice and in good standing in the State of Idaho providing an opinion that Seller's licenses, permits and approvals as set forth in paragraph 4.1.1 above are legally and validly issued, are held in the name of the Seller and, based on a reasonable independent review, counsel is of the opinion that Seller is in substantial compliance with said permits as of the date of the Opinion Letter. The Opinion Letter will be in a form acceptable to Idaho Power and will acknowledge that the attorney rendering the opinion understands that Idaho Power is relying on said opinion. Idaho Power's acceptance of the form will not be unreasonably withheld. The Opinion Letter will be governed by and shall be interpreted in accordance with the legal opinion accord of the American Bar Association Section of Business Law (1991).
- 4.1.3 Initial Capacity Determination - Submit to Idaho Power such data as Idaho Power may reasonably require to perform the Initial Capacity Determination. Such data will include but not be limited to, equipment specifications, prime mover data, resource characteristics, normal and/or average operating design conditions and Station Use data.

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

- 4.1.4 Engineer's Certifications - Submit an executed Engineer's Certification of Design & Construction Adequacy and an Engineer's Certification of Operations and Maintenance (O&M) Policy as described in Commission Order No. 21690. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.
- 4.1.5 Insurance - Submit written proof to Idaho Power of all insurance required in Article XV.
- 4.1.6 Interconnection - Provide written proof to Idaho Power that all Schedule 72 and Generation Interconnection Process requirements have been completed.
- 4.1.7 Written Acceptance - Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller's request and will not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

- 5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of twenty (20) Contract Years from the Operation Date.
- 5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the following:
 - a) Achieved the First Energy Date.
 - b) Commission approval of this Agreement in a form acceptable to Idaho Power has been received.
 - c) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner and has requested an

Operation Date in written form.

- d) Seller has requested an Operation Date from Idaho Power in a written format.
- e) Seller has received written confirmation from Idaho Power of the Operation Date.

This confirmation will not be unreasonably withheld by Idaho Power.

5.3 Seller's failure to achieve the Operation Date within ten (10) months of the Scheduled Operation Date will be an event of default.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

6.1 Delivery and Acceptance of Net Energy - Except when either Party's performance is excused as provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy to Idaho Power at the Point of Delivery. All Inadvertent Energy produced by the Facility will also be delivered by the Seller to Idaho Power at the Point of Delivery. At no time will the total amount of Net Energy and/or Inadvertent Energy produced by the Facility and delivered by the Seller to the Point of Delivery exceed the Maximum Capacity Amount.

6.2 Net Energy Amounts - Seller intends to produce and deliver Net Energy in the following monthly amounts:

6.2.1 Initial Year Monthly Net Energy Amounts:

	<u>Month</u>	<u>kWh</u>
Season 1	March	5,077,634
	April	4,358,815
	May	4,512,845
Season 2	July	3,391,624
	August	3,090,413
	November	4,811,622
	December	4,766,515
Season 3	June	4,667,598
	September	3,861,307
	October	5,017,769
	January	4,082,420
	February	5,309,837

6.2.2 Ongoing Monthly Net Energy Amounts - Seller shall initially provide Idaho Power with one year of monthly generation estimates (Initial Year Monthly Net Energy Amounts) and beginning at the end of month nine and every three months thereafter provide Idaho Power with an additional three months of forward generation estimates. This information will be provided to Idaho Power by written notice in accordance with paragraph 28.1, no later than 5:00 PM of the 5th day following the end of the previous month. If the Seller does not provide the Ongoing Monthly Net Energy amounts in a timely manner, Idaho Power will use the most recent 3 months of the Initial Year Monthly Net Energy Amounts specified in paragraph 6.2.1 for the next 3 months of monthly Net Energy amounts.

6.2.3 Seller's Adjustment of Net Energy Amount –

6.2.3.1 No later than the Operation Date, by written notice given to Idaho Power in accordance with paragraph 28.1, the Seller may revise all of the previously provided Initial Year Monthly Net Energy Amounts.

6.2.3.2 Beginning with the end of the 3rd month after the Operation Date and at the end of every third month thereafter: (1) the Seller may not revise the immediate next three months of previously provided Net Energy Amounts, (2) but by written notice given to Idaho Power in accordance with paragraph 28.1, no later than 5:00 PM of the 5th day following the end of the previous month, the Seller may revise all other previously provided Net Energy Amounts. Failure to provide timely written notice of changed amounts will be deemed to be an election of no change.

6.2.4 Idaho Power Adjustment of Net Energy Amount – If Idaho Power is excused from accepting the Seller's Net Energy as specified in paragraph 14.2.1 or if the Seller declares a Suspension of Energy Deliveries as specified in paragraph 14.3.1 and the Seller's declared Suspension of Energy Deliveries is accepted by Idaho Power, the Net Energy

Amount as specified in paragraph 6.2 for the specific month in which the reduction or suspension under paragraph 14.2.1 or 14.3.1 occurs will be reduced in accordance with the following:

Where:

NEA = Current Month's Net Energy Amount (Paragraph 6.2)

SGU = a.) If Idaho Power is excused from accepting the Seller's Net Energy as specified in paragraph 14.2.1 this value will be equal to the percentage of curtailment as specified by Idaho Power multiplied by the TGU as defined below.

b.) If the Seller declares a Suspension of Energy Deliveries as specified in paragraph 14.3.1 this value will be the sum of the individual generation units size ratings as specified in Appendix B that are impacted by the circumstances causing the Seller to declare a Suspension of Energy Deliveries.

TGU = Sum of all of the individual generator ratings of the generation units at this Facility as specified in Appendix B of this agreement.

RSH = Actual hours the Facility's Net Energy deliveries were either reduced or suspended under paragraph 14.2.1 or 14.3.1

TH = Actual total hours in the current month

Resulting formula being:

$$\text{Adjusted Net Energy Amount} = \text{NEA} - \left(\left(\frac{\text{SGU}}{\text{TGU}} \times \text{NEA} \right) \times \left(\frac{\text{RSH}}{\text{TH}} \right) \right)$$

This Adjusted Net Energy Amount will be used in applicable Surplus Energy calculations for only the specific month in which Idaho Power was excused from accepting the Seller's Net Energy or the Seller declared a Suspension of Energy.

6.3 Unless excused by an event of Force Majeure, Seller'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 Net Energy Amounts as specified in paragraph 6.2 shall constitute an event of default.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

7.1 Net Energy Purchase Price – For all Net Energy, Idaho Power will pay the non-levelized energy price in accordance with Commission Order 29646 with seasonalization factors applied:

<u>Year</u>	<u>Season 1 - (73.50 %)</u> <u>Mills/kWh</u>	<u>Season 2 - (120.00 %)</u> <u>Mills/kWh</u>	<u>Season 3 - (100.00 %)</u> <u>Mills/kWh</u>
2005	37.00	60.41	50.34
2006	37.85	61.80	51.50
2007	38.73	63.23	52.69
2008	39.62	64.68	53.90
2009	40.53	66.17	55.14
2010	41.46	67.69	56.41
2011	42.42	69.25	57.71
2012	43.39	70.85	59.04
2013	44.39	72.48	60.40
2014	45.42	74.16	61.80
2015	46.47	75.86	63.22
2016	47.54	77.62	64.68
2017	48.63	79.40	66.17
2018	49.76	81.24	67.70
2019	50.91	83.11	69.26
2020	52.07	85.02	70.85
2021	53.28	86.99	72.49
2022	54.51	88.99	74.16
2023	55.76	91.04	75.87
2024	57.05	93.14	77.62
2025	58.37	95.29	79.41
2026	59.72	97.50	81.25

7.2 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller the current month's Market Energy Cost or the Net Energy Purchase Price specified in paragraph 7.1, whichever is lower.

7.3 Inadvertent Energy –

7.3.1 Inadvertent Energy is electric energy produced by the Facility, expressed in kWh, which the Seller delivers 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.)

- 7.3.2 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
- 7.4 Payment Due Date – Energy payments to the Seller will be disbursed within 30 days of the date which Idaho Power receives and accepts the documentation of the monthly Net Energy and Inadvertent Energy actually produced by the Seller’s Facility and delivered to Idaho Power as specified in Appendix A.
- 7.5 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 Idaho Power waives any claim to ownership of Environmental Attributes. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) directly associated with the production of energy from the Seller’s Facility.

ARTICLE IX: FACILITY AND INTERCONNECTION

- 9.1 Design of Facility - Seller will design, construct, install, own, operate and maintain the Facility and any Seller-owned Interconnection Facilities so as to allow safe and reliable generation and delivery of Net Energy and Inadvertent Energy to the Idaho Power Point of Delivery for the full

term of the Agreement.

- 9.2 Interconnection Facilities - Except as specifically provided for in this Agreement, the required Interconnection Facilities will be in accordance with Schedule 72, the Generation Interconnection Process and Appendix B. The Seller is responsible for all costs associated with this equipment as specified in Schedule 72 and the Generation Interconnection Process, including but not limited to initial costs incurred by Idaho Power for equipment costs, installation costs and ongoing monthly Idaho Power operations and maintenance expenses.

ARTICLE X: DISCONNECTION EQUIPMENT

- 10.1 Except as specifically provided for in this Agreement, the required Disconnection Equipment will be in accordance with Schedule 72, the Generation Interconnection Process and Appendix B. The Seller is responsible for all costs associated with this equipment as specified in Schedule 72 and the Generation Interconnection Process, including but not limited to initial costs incurred by Idaho Power for equipment costs, installation costs and Idaho Power ongoing monthly operations and monthly maintenance expenses.

ARTICLE XI: METERING AND TELEMETRY

- 11.1 Metering and Telemetry - Idaho Power shall, for the account of Seller, provide, install, and maintain Metering Equipment to be located at a mutually agreed upon location to record and measure power flows to Idaho Power in accordance with Schedule 72, Generation Interconnection Process and Appendix B of this Agreement. The Metering Equipment will be at the location and the type required to measure, record and report the Facility's Net Energy, Station Use, Inadvertent Energy and maximum energy deliveries (kW) in a manner to provide Idaho Power adequate energy measurement data to administer this Agreement and to integrate this Facility's energy production into the Idaho Power electrical system. All Metering Equipment and installation costs shall be borne by Seller, including costs incurred by Idaho Power for inspecting and testing such equipment at reasonable intervals at Idaho Power's actual cost of providing this

Metering Equipment and services. The Metering Equipment shall be at the location described in Appendix B of this Agreement. All meters used to determine the billing hereunder shall be sealed and the seals shall be broken only by Idaho Power when the meters are to be inspected, tested or adjusted.

11.2 Meter Inspection - Idaho Power shall inspect installations annually and test meters on the applicable periodic test schedule relevant to the equipment installed as specified in Appendix B of this Agreement. If requested by Seller, Idaho Power shall make a special inspection or test of a meter and Seller shall pay the reasonable costs of such special inspection. Both Parties shall be notified of the time when any inspection or test shall take place, and each Party may have representatives present at the test or inspection. If a meter is found to be inaccurate or defective, it shall be adjusted, repaired or replaced, at Idaho Power's expense in order to provide accurate metering. If a meter fails to register, or if the measurement made by a meter during a test varies by more than two percent (2 %) from the measurement made by the standard meter used in the test, adjustment (either upward or downward) to the payments Seller has received shall be made to correct those payments affected by the inaccurate meter for the actual period during which inaccurate measurements were made. If the actual period cannot be determined, corrections to the payments will be based on the shorter of (1) a period equal to one-half the time from the date of the last previous test of the meter to the date of the test which established the inaccuracy of the meter; or (2) six (6) months.

11.3 Telemetry – Idaho Power will install, operate and maintain at Seller's expense metering, communications and telemetry equipment which will be capable of providing Idaho Power with continuous instantaneous telemetry of Seller's Net Energy and Inadvertent Energy produced and delivered to the Idaho Power Point of Delivery to Idaho Power's Designated Dispatch Facility.

ARTICLE XII - RECORDS

12.1 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 recommended by Idaho Power.

- 12.2 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 XIII - PROTECTION

- 13.1 Seller shall construct, operate and maintain the Facility and Seller-furnished Interconnection Facilities in accordance with Schedule 72, the Generation Interconnection Process, Appendix B of this Agreement, Prudent Electrical Practices, the National Electrical Code, the National Electrical Safety Code and any other applicable local, state and federal codes. Seller acknowledges receipt of the Generation Interconnection Process. 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 physically interrupt the flow of energy from the Facility as specified within Schedule 72, the Generation Interconnection Process or take such other reasonable steps as Idaho Power deems appropriate. Except in the case of an emergency, Idaho Power will attempt to notify Seller of such interruption prior to its occurrence as provided in paragraph 14.9. Seller shall provide and maintain adequate protective equipment sufficient to prevent damage to the 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.

ARTICLE XIV - OPERATIONS

- 14.1 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.

14.2 Energy Acceptance –

14.2.1 Idaho Power shall be excused from accepting and paying for Net Energy or accepting Inadvertent Energy 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, or if Idaho Power determines that curtailment, interruption or reduction of Net Energy or Inadvertent Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, electrical system operating conditions on its system or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of Force Majeure, Idaho Power requires such a curtailment, interruption or reduction of Net Energy deliveries for a period 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.

14.2.2 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 physically interrupt the flow of energy from the Facility as specified within Schedule 72 or take such other reasonable steps as Idaho Power deems appropriate.

14.2.3 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. Seller's failure to limit deliveries to the Maximum Capacity Amount will be a Material Breach of this Agreement.

14.3 Seller Declared Suspension of Energy Deliveries

14.3.1 If the Seller's Facility experiences a forced outage due to equipment failure which is not caused by an event of Force Majeure or by neglect, disrepair or lack of adequate preventative maintenance of the Seller's Facility, Seller may, after giving notice as

provided in paragraph 14.3.2 below, temporarily suspend all deliveries of Net Energy to Idaho Power from the Facility or from individual generation unit(s) within the Facility impacted by the forced outage for a period of not less than 48 hours to correct the forced outage condition ("Declared Suspension of Energy Deliveries"). The Seller's Declared Suspension of Energy Deliveries will begin at the start of the next full hour following the Seller's telephone notification as specified in paragraph 14.3.2 and will continue for the time as specified (not less than 48 hours) in the written notification provided by the Seller. In the month(s) in which the Declared Suspension of Energy occurred, the Net Energy Amount will be adjusted as specified in paragraph 6.2.4.

14.3.2 If the Seller desires to initiate a Declared Suspension of Energy Deliveries as provided in paragraph 14.3.1, the Seller will notify the Designated Dispatch Facility by telephone. The beginning hour of the Declared Suspension of Energy Deliveries will be at the earliest the next full hour after making telephone contact with Idaho Power. The Seller will, within 24 hours after the telephone contact, provide Idaho Power a written notice in accordance with Article XXVIII that will contain the beginning hour and duration of the Declared Suspension of Energy Deliveries and a description of the conditions that caused the Seller to initiate a Declared Suspension of Energy Deliveries. Idaho Power will review the documentation provided by the Seller to determine Idaho Power's acceptance of the described forced outage as qualifying for a Declared Suspension of Energy Deliveries as specified in paragraph 14.3.1. Idaho Power's acceptance of the Seller's forced outage as an acceptable forced outage will be based upon the clear documentation provided by the Seller that the forced outage is not due to an event of Force Majeure or by neglect, disrepair or lack of adequate preventative maintenance of the Seller's Facility.

14.5 Voltage Levels - Seller, in accordance with Prudent Electrical Practices shall minimize voltage fluctuations and maintain voltage levels acceptable to Idaho Power. Idaho Power may, in accordance with Prudent Electrical 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.

- 14.6 Generator Ramping - Idaho Power, in accordance with Prudent Electrical Practices, shall have the right to limit the rate that generation is changed at startup, during normal operation or following reconnection to Idaho Power's electrical system. Generation ramping may be required to permit Idaho Power's voltage regulation equipment time to respond to changes in power flow.
- 14.7 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.
- 14.8 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.
- 14.9 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller prior to exercising its rights to curtail, interrupt or reduce 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.

ARTICLE XV: INDEMNIFICATION AND INSURANCE

- 15.1 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 construction, ownership, operation or

maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement. 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 costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

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

15.2.1 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.

15.2.2 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.

15.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.5 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.

15.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by paragraph 15.2 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 XVI. FORCE MAJEURE

16.1 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 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.

ARTICLE XVII: LAND RIGHTS

17.1 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.

- 17.2 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 17.4, 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 17.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 17.2.
- 17.3 Joint Use of Facilities - Subject to Idaho Power's compliance with paragraph 17.4, 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 17.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by paragraph 17.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 17.3.
- 17.4 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 Article XVII. Therefore, the Parties agree that the exercise by Idaho Power of any of the rights enumerated in paragraphs 17.2 and 17.3 shall: (1) comply with all applicable laws, codes and Prudent Electrical 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 Article XVII.

ARTICLE XVIII: LIABILITY; DEDICATION

- 18.1 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. 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 other Party or to the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or entity.

ARTICLE XIX: SEVERAL OBLIGATIONS

- 19.1 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 XX: WAIVER

- 20.1 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 XXI: CHOICE OF LAWS AND VENUE

- 21.1 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.
- 21.2 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 XXII: DISPUTES AND DEFAULT

- 22.1 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.
- 22.2 Notice of Default -
- 22.2.1 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.
- 22.2.2 Material Breaches – The notice and cure provisions in paragraph 22.2.1 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.
- 22.3 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:
- 22.3.1 Insurance - Evidence of compliance with the provisions of paragraph 15.2. 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;
- 22.3.2 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

22.3.3 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 XXIII: GOVERNMENTAL AUTHORIZATION

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

ARTICLE XXIV: COMMISSION ORDER

24.1 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 XXV: SUCCESSORS AND ASSIGNS

25.1 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 XXVI: MODIFICATION

- 26.1 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 XXVII: TAXES

- 27.1 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 XXVIII: NOTICES

- 28.1 All written notices under this agreement shall be directed as follows and shall be considered delivered when deposited in the U. S. Mail, first-class postage prepaid, as follows:

To Seller: Notch Butte Wind Park, LLC
 Attn: James T. Carkulis
 515 N 27th Street
 P.O. Box 7218
 Boise, Idaho 83702

To Idaho Power:

Original document to:

Vice President, Power Supply
Idaho Power Company
P O Box 70
Boise, Idaho 83707

Copy of document to:

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

ARTICLE XXIX: ADDITIONAL TERMS AND CONDITIONS

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

Appendix A	-	Generation Scheduling and Reporting
Appendix B	-	Facility and Point of Delivery
Appendix C	-	Engineer's Certifications

ARTICLE XXX: SEVERABILITY

30.1 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 XXXI: COUNTERPARTS

31.1 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 XXXII: ENTIRE AGREEMENT

32.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter

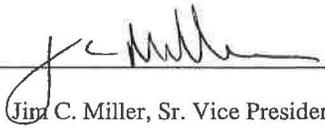
hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

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

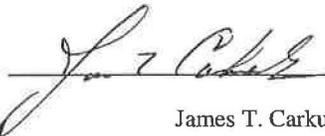
Notch Butte Wind Park L.L.C.

By



Jim C. Miller, Sr. Vice President, Power Supply

By



James T. Carkulis

Dated

10/11/05

"Idaho Power"

Dated

10/14/05

"Seller"

APPENDIX A

A -1 MONTHLY POWER PRODUCTION AND SWITCHING 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 Idaho Power Meter Equipment measuring the Facility's total energy production, Station Usage, Inadvertent Energy delivered to Idaho Power and the maximum generated energy (kW) as recorded on the Meter Equipment and/or any other required energy measurements to adequately administer this Agreement.

Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND SWITCHING REPORT

Month _____ Year _____

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

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

Breaker Opening Record

<u>Date</u>	<u>Time</u>	<u>Meter</u>

*	<u>Reason</u>

Breaker Closing Record

<u>Date</u>	<u>Time</u>	<u>Meter</u>

- * **Breaker Opening Reason Codes**
- 1 Lack of Adequate Prime Mover
 - 2 Forced Outage of Facility
 - 3 Disturbance of IPCo System
 - 4 Scheduled Maintenance
 - 5 Testing of Protection Systems
 - 6 Cause Unknown
 - 7 Other (Explain)

I hereby certify that the above meter readings are true and correct as of Midnight on the last day of the above month and that the switching record is accurate and complete as required by the Firm Energy Sales Agreement to which I am a Party.

Signature Date

A-2 ROUTINE REPORTING

Idaho Power Contact Information

Daily Energy Production Reporting

Call daily by 10 a.m., 1-800-356-4328 or 1-800-635-1093 and leave the following information:

- Project Identification - Project Name and Project Number
- Current Meter Reading
- Estimated Generation for the current day
- Estimated Generation for the next day

Planned and Unplanned Project outages

Call 1-800-345-1319 and leave the following information:

- Project Identification - Project Name and Project Number
- Approximate time outage occurred
- Estimated day and time of project coming back online

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 NO. 31615300

NOTCH BUTTE WIND PARK

B-1 DESCRIPTION OF FACILITY

The Facility will consist of 12 Wind turbines; model 77 GE SLE with individual generator ratings of 1.5 MW for each unit, for a total Facility generator rating of 18.0 MW.

B-2 LOCATION OF FACILITY

Near:

Sections: 36 Township: R06S Range: R16E County: Jerome Idaho.

Sections: 3,4,5,6,8,9 Township: T07S Range: R17E County: Jerome Idaho

Sections: 3,4,5,8,9 Township: T07S Range: R17E County: Lincoln Idaho

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected November 1, 2006 as the estimated Scheduled First Energy Date.

Seller has selected May 1, 2007 as the estimated 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. Idaho Power, based on the information supplied by the Seller, will schedule its construction in accordance with Schedule 72 and the Generation Interconnection Process.

B-4 MAXIMUM CAPACITY AMOUNT: This value will be 19.2 MW which is consistent with the value provided by the Seller to Idaho Power in the Generation Interconnection process. 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

“Point of Delivery” means, unless otherwise agreed by both Parties, the point of where the Sellers Facility’s energy is delivered to the Idaho Power electrical system. The Idaho Power Generation Interconnection process will determine the specific Point of Delivery for this Facility. Upon completion of the Generation Interconnection process the Point of Delivery identified by this process will become an integral part of this Agreement.

B-6 LOSSES

If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by 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 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% 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 anytime 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.

B-7 METERING AND TELEMETRY

The Idaho Power Generation Interconnection process will determine the specific metering and telemetry requirements for this Facility. At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries to the Point of Delivery and any other energy measurements required to administer this Agreement. These specifications will include but not be limited to equipment specifications, equipment location, Idaho Power provided equipment, Seller provided equipment, and all costs associated with the equipment, design and installation of the Idaho Power provided equipment. The entire Generation Interconnection process, including but not limited to the equipment specifications and requirements will become an integral part of this Agreement. Seller will arrange for and make available at Seller's cost communication circuit(s) compatible to Idaho Power's communications equipment and dedicated to Idaho Power's use terminating at the Idaho Power facilities capable of providing Idaho Power with continuous instantaneous information on the Facilities energy production. Idaho Power provided equipment will be owned and maintained by Idaho Power, with total cost of purchase, installation, operation, and maintenance, including administrative cost to be reimbursed to Idaho Power by the Seller. Payment of these costs will be in accordance with Schedule 72 and the total metering cost will be included in the calculation of the Monthly Operation and Maintenance Charges specified in Schedule 72.

B-7 SPECIAL FACILITIES

The Idaho Power Generation Interconnection process will determine the Special Facility requirements for this Facility. These specifications will include but not be limited to equipment specifications, equipment location, Idaho Power provided equipment, Seller provided equipment, and all costs associated with the equipment, design and installation of the Idaho Power provided equipment. The entire Generation Interconnection process, including but not limited to the equipment specifications and requirements will become an integral part of this Agreement. Idaho Power owned equipment will be maintained by Idaho Power, with total cost of purchase, installation, operation, and maintenance, including administrative cost to be reimbursed to Idaho

Power by the Seller. Payment of these costs will be in accordance with Schedule 72 and the total Special Facility cost will be included in the calculation of the Monthly Operation and Maintenance Charges specified in Schedule 72.

B-8 REACTIVE POWER

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

B-9 DISCONNECTION EQUIPMENT

Disconnection Equipment is required to insure that the Seller's Facility will be disconnected from Idaho Power's system in the event of (1) the Seller's delivery of energy exceeds the Maximum Capacity Amount or (2) Idaho Power or the Seller require interruption or curtailment of energy deliveries to Idaho Power or (3) a disturbance on either Idaho Power's system or the Seller's Facility. The Idaho Power Generation Interconnection process will determine the Disconnection Equipment specifications and requirements for this Facility, this equipment is for protection of

the Idaho Power system and equipment only. These specifications will include but not be limited to equipment specifications, equipment location, Idaho Power provided equipment, Seller provided equipment, and all costs associated with the equipment, design and installation of the Idaho Power provided equipment. Seller will install all Seller provided equipment, control wire and conduit necessary for the operation of the Disconnection Equipment. Through the Generation Interconnection process, Idaho Power will supply details for the disconnection panel and will test the equipment prior to any operations of the Facility, Seller will provide drawings of their interconnection wiring for engineering approval prior to installation. The entire Generation Interconnection process, including but not limited to the equipment specifications and requirements will become an integral part of this Agreement. Idaho Power owned equipment will be maintained by Idaho Power, with total cost of purchase, installation, operation, and maintenance, including administrative cost to be reimbursed to Idaho Power by the Seller. Payment of these costs will be in accordance with Schedule 72 and the total Disconnection Equipment cost will be included in the calculation of the Monthly Operation and Maintenance Charges specified in Schedule 72.

B-10 COSTS

The Idaho Power Generation Interconnection process and this Agreement will identify all cost for this Facility to interconnect to the Idaho Power system, including but not limited to the cost of Metering equipment, Telemetry equipment, Special Facilities, Reactive Power, Disconnection equipment, Protection equipment and Interconnection Equipment. As specified in the Generation Interconnection process and in accordance with Schedule 72 and this Agreement the Seller will reimburse Idaho Power for all costs associated with this equipment. In addition to the equipment, installation and construction charges as specified above, during the term of this Agreement, Seller will pay Idaho Power the monthly operation and maintenance charge specified in Schedule 72 or its successor schedules(s). The monthly operations and maintenance charge will begin on the first day of the month following the date which Idaho Power has completed installation of the

Idaho Power provided equipment and the interconnection equipment is available for use by the Facility. The monthly operations and maintenance charge will be based upon the initial cost paid by the Seller in accordance with Schedule 72. Upon reconciliation of the actual costs, in accordance with Schedule 72 the monthly operations and maintenance charge will be adjusted to reflect the actual cost incurred by Idaho Power and previously charged monthly operation and maintenance expense will be revised to reflect the actual cost incurred by Idaho Power. Idaho Power will refund or Seller will remit any underpayment of the adjusted monthly operations and maintenance charge within sixty (60) days of the determination of this amount.

B-11 SALVAGE

No later than sixty (60) days after the termination or expiration of this Agreement, Idaho Power will prepare and forward to Seller an estimate of the remaining value of those Idaho Power furnished Interconnection Facilities as required under Schedule 72, the Generation Interconnection Process 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.

APPENDIX C
ENGINEER'S CERTIFICATION
OF
OPERATIONS & MAINTENANCE POLICY

The undersigned _____, on behalf of himself 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 _____, 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 twenty (20) 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 twenty (20) 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 knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself 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 at _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a twenty (20) 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 knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY

The undersigned _____, on behalf of himself 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 knowledge and therefore sets his hand and seal below.

By _____
(P.E. Stamp)

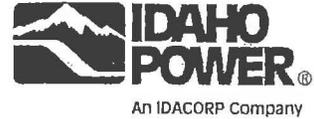
Date _____

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 2



RECEIVED
2008 JUL 23 AM 8:08
IDAHO POWER
UTILITIES COMMISSION

June 4, 2008

Randy C. Allphin
Senior Planning Administrator
Tel: (208) 388-2614
rallphin@idahopower.com

Exergy Development Group of Idaho, LLC
Attn: James T. Carkulis
802 W. Bannock, Suite 1200
Boise, ID 83702

Via Certified Mail, Return Receipt Requested

Re: Operation Dates

Dear James:

As you have requested, the Scheduled Operation Date for the projects listed below will be established as September 1, 2010. If the projects do not achieve this revised Scheduled Operation Date as specified in each of the Firm Energy Sales Agreements, Idaho Power may ~~terminate~~ the Agreement(s) and seek legal and/or equitable recourse.

*PURSUE REMEDIES PROVIDED FOR
FICMS.*

Project Name

- | | | | |
|---|-----------------------|----|---------------|
| 1 | Burley Butte | 6 | Golden Valley |
| 2 | Oregon Trails | 7 | Lava Beds |
| 3 | Pilgrim Stage Station | 8 | Milner Dam |
| 4 | Thousand Springs | 9 | Notch Butte |
| 5 | Tuana Gulch | 10 | Salmon Falls |

By your signature below you acknowledge that the Scheduled Operation Date as set forth in Appendix B of each Firm Energy Sales Agreement for the above mentioned projects is hereby amended and changed to September 1, 2010. All other terms, conditions, and provisions of those Firm Energy Sales Agreements remain in full force and effect.

Idaho Power is providing three copies of this documentation. Please sign each copy and return all three copies to me no later than Friday, June 20, 2008, Idaho Power reserves the right to modify this document if the signed documents are not received back by this date.

JTC

US Mail:

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

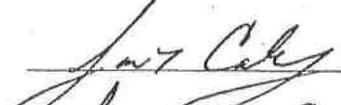
Overnight Mailing Address:

Idaho Power Company
Attn: Randy Allphin
1221 W Idaho
Boise, ID 83702

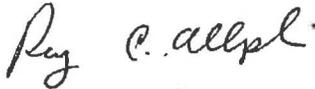
Upon receipt of the three signed copies I will arrange for and present this documentation to Idaho Power Company management for their signatures.

After Idaho Power Company signs these documents, I will return one complete signed original to you for your records, prepare and file one original with the Idaho Public Utilities Commission (IPUC) requesting their acceptance of this documentation and keep the third original for our records.

UNDERSTOOD, AGREED AND ACCEPTED:

		<u>Idaho Power Company</u>
Signature		
Name	JAMES T. CANKOVA	M. MARK STOKES
Title	MEMBER	MANAGER, POWER SUPPLY PLANNING
Date	JUN 10 TH , 2008	7/1/2008

Sincerely,


Randy C. Allphin

cc: Bart Kline (IPCo)
Donovan Walker (IPCo)
Karl Bokenkamp (IPCo)
Mark Stokes (IPCo)

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 3

July 26, 2011

Randy C. Allphin
Senior Energy Contracts Coordinator

Notch Butte Wind Park, LLC
Attn: James T. Carkulis
802 W. Bannock, Suite 1200
Boise, Idaho 83702

Via Certified Mail, Return Receipt Requested

E-mail Copy: James Carkulis jcarkulis@exergydevelopment.com
Peter Richardson peter@richardsonandoleary.com

Re: Notch Butte Wind Park LLC - Project number: 31615300
Firm Energy Sales Agreement

Mr. Carkulis,

The Firm Energy Sales Agreement (“FESA”) between Idaho Power Company and Notch Butte Wind Park LLC dated October 14th, 2005 specifies in Appendix B, item B3 that the Scheduled Operation Date for this project shall be May 1, 2007. A subsequent letter agreement dated June 4, 2008 revised the Scheduled Operation Date to be September 1, 2010.

Paragraph 5.3 of this same FESA states; “Seller’s failure to achieve the Operation Date within ten (10) months of the Scheduled Operation Date will be an event of Default”. Ten months from the Scheduled Operation Date calculates to be July 1, 2011 (10 months past September 1, 2010).

This letter serves as Idaho Power’s Notice of Default as of the date of this letter. If this default is not cured as specified within the FESA Idaho Power will exercise its rights as allowed within the agreement one of which may be termination of this FESA.

Idaho Power has received the letter from Mr. Richardson dated June 30, 2011 in which Mr. Richardson acknowledges the default commercial on line date to be July 1st, 2011”. In this same letter Mr. Richardson introduces a short discussion that this default is being cured by the project making commercially reasonable efforts and goes on to state that the projects will start construction in approximately forty-five (45) days from June 30, 2011, and be online by year end 2011.

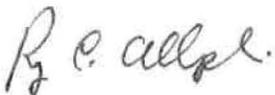
However, the letter does not identify any specific activity, actual commitment and associated evidence that would reasonably demonstrate to Idaho Power that the default can be cured within a commercially reasonable period of time, but not within the sixty (60) day cure period, i.e., by the end of the year, and that the project is diligently pursuing such cure.

Article 22 of the FESA states that following notice of an event of default that Idaho Power may, at its option, terminate the FESA and/or pursue its legal or equitable remedies if the project fails to cure such default within sixty (60) days after service of such notice, or if the project reasonably demonstrates to Idaho Power 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.

Idaho Power appreciates the project's commitment that it will start construction and cure its default of the FESA by year end, 2011. Idaho Power will consider this year-end commitment to be the outer limit of a commercially reasonable time period with which to cure the default if it is not on-line within sixty (60) days of this Notice of Default. If the default is not cured within said sixty (60) days, then Idaho Power may exercise its rights to terminate and/or pursue its legal or equitable remedies unless the project demonstrates that it is diligently pursuing cure of the default by the commercially reasonable time period of year end, 2011. If the project is not online by year end 2011, the parties agree that the commercially reasonable period to cure this default has expired and Idaho Power will proceed with the remedies as allowed within this Firm Energy Sales Agreement one of which is termination of this Firm Energy Sales Agreement.

If there are any other questions that you have, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Randy C. Allphin".

Randy C Allphin
Idaho Power Company

Cc: Donovan Walker (IPCo)

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 4

RECEIVED
12/15/05

**SMALL GENERATOR INTERCONNECTION REQUEST
(Application Form)**

Transmission Provider: IDAHO POWER COMPANY

Designated Contact Person: Rowena Bishop
Address: 1221 W. Idaho Street, Boise ID 83702
Telephone Number: 208-388-2658
Fax: 208-388-6647
E-Mail Address: rbishop@idahopower.com

An Interconnection Request is considered complete when it provides all applicable and correct information required below.

Preamble and Instructions

An Interconnection Customers who request interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Processing Fee or Deposit:

If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is \$500.

If the Interconnection Request is submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, the Interconnection Customer shall submit to the Transmission Provider a deposit not to exceed \$1,000 towards the cost of the feasibility study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: Notch Butte Wind Park, LLC

Contact Person: James T. Carkulis

Mailing Address: 1424 Dodge Ave.

City: Helena

State: MT

Zip: 59601

Facility Location (if different from above): Section 36, Township R06S, Range R16E, and ,Section 3,4,5,6,8,9, Township T07S, Range R17E, Jerome County, Idaho, Section 30.31.32, Township T06S, Range 17 E and Section 3,4,5,8,9, Township T07S, Range R17E, Lincoln County, Idaho

Telephone (Day): 406.459.3013 _____ Telephone (Evening): 406.459.3013 _____

Fax: 406.449.0294 _____ E-Mail Address: mtli@in-tch.com _____

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Application is for: New Small Generating Facility
 Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes ___ No
To Supply Power to the Interconnection Customer? Yes No ___
To Supply Power to Others? Yes No ___

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

_____ (Local Electric Service Provider*)
_____ (Existing Account Number*)
[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Requested Point of Interconnection: As per facility address

Interconnection Customer's Requested In-Service Date: May 2007

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: Solar Wind Hydro Hydro Type (e.g. Run-of-River): _____
Diesel Natural Gas Fuel Oil Other (state type) _____

Prime Mover: Fuel Cell Recip Engine Gas Turb Steam Turb
 Microturbine PV Other

Type of Generator: Synchronous Induction Inverter

Generator Nameplate Rating: 1500 kW (Typical) Generator Nameplate kVAR: 493 delivered

Interconnection Customer or Customer-Site Load: <2 _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: 19920 _____ kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. GE 1.5 MW turbine	
2. ABB pad mount transformer	
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? Yes No

Generator (or solar collector)

Manufacturer, Model Name & Number: GE 1500 kW sle model wind turbine generator

Version Number: _____

Nameplate Output Power Rating in kW: (Summer) 3,391,624 (Winter) 4,082,420 _____

Nameplate Output Power Rating in kVA: (Summer) ~493 x 12 (Winter) ~493 x 12 _____

Individual Generator Power Factor

Rated Power Factor: Leading: 0.90 _____ Lagging: 0.95 _____

Total Number of Generators in wind farm to be interconnected pursuant to this

Interconnection Request: 12 _____ Elevation: hub hgt. 245' Single phase Three phase

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous ___ or RMS? ___

Harmonics Characteristics: _____

Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____

(*) Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, X_d : _____ P.U.

Direct Axis Transient Reactance, X'_d : _____ P.U.

Direct Axis Subtransient Reactance, X''_d : _____ P.U.

Negative Sequence Reactance, X_2 : _____ P.U.

Zero Sequence Reactance, X_0 : _____ P.U.

KVA Base: _____

Field Volts: _____

Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____

I_2^2t or K (Heating Time Constant): _____

Rotor Resistance, R_r : _____

Stator Resistance, R_s : _____

Stator Reactance, X_s : _____

Rotor Reactance, X_r : _____

Magnetizing Reactance, X_m : _____

Short Circuit Reactance, X_d'' : _____

Exciting Current: _____

Temperature Rise: _____

Frame Size: _____

Design Letter: _____

Reactive Power Required In Vars (No Load): _____

Reactive Power Required In Vars (Full Load): _____

Total Rotating Inertia, H: _____ Per Unit on kVA Base

Note: Please contact the Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling? Yes No

Will the transformer be provided by the Interconnection Customer? Yes No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: single phase three phase? Size: 1750 _____ kVA
Transformer Impedance: _____ % on _____ kVA Base

If Three Phase:

Transformer Primary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded

Transformer Secondary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded

Transformer Tertiary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: TBP¹ _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: TBP _____ Type: _____
Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function	Minimum	Maximum
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____

¹ TBP = To be provided

6. _____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Potential Transformer Data (If Applicable):

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? Yes No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) to be determined as to IPCo connection point _____

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? Yes No TBP

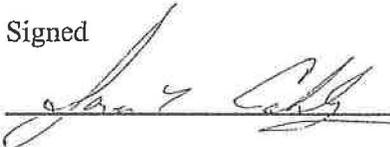
Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).
Are Schematic Drawings Enclosed? Yes No TBP

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer:

Signed

 Date: 12/05/2005

Printed

JAMES T CARLUCCI

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 5

349

RECEIVED
8/16/10
RB

**SMALL GENERATOR INTERCONNECTION REQUEST
(Application Form)**

Transmission Provider: IDAHO POWER COMPANY

Designated Contact Person: Rowena Bishop
Address: 1221 W. Idaho Street, Boise ID 83702
Telephone Number: 208-388-2658
Fax: 208-388-5504
E-Mail Address: rbishop@idahopower.com

An Interconnection Request is considered complete when it provides all applicable and correct information required below.

Preamble and Instructions

An Interconnection Customers who request interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Processing Fee or Deposit:

If the Interconnection Request passes ALL screens of SGIP Section 2.2.1, the application may be submitted under the Fast Track Process, and the non-refundable processing fee is \$500. Please contact Idaho Power if you have any questions.

All Interconnection Requests submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, shall submit to the Transmission Provider a deposit not to exceed \$1,000 towards the cost of the feasibility study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: EXERGY DEVELOPMENT GROUP OF IDAHO, LLC

Contact Person: COLLIN RUDEEN

Mailing Address: 802 W BANNOCK, STE 1200

City: BOISE State: ID Zip: 83702

Facility Location (if different from above): N42° 53.12948', W114° 0.57400'

Telephone (Day): (208) 336-9793 Telephone (Evening): (208) 336-9793

Fax: (208) 331-1431 E-Mail Address: CRUDEEN@EXERGYDEVELOPMENT.COM

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Application is for: New Small Generating Facility
 Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____

Will the Small Generating Facility be used for any of the following?

To Supply Power to the Interconnection Customer? Yes ___ No
To Supply Power to Others? Yes No ___

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider*) (Existing Account Number*)
[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Requested Point of Interconnection: N 42° 53.12940', W 114° 10.57400'

Interconnection Customer's Requested In-Service Date: _____

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: Solar Wind Hydro Hydro Type (e.g. Run-of-River): _____
 Diesel Natural Gas Fuel Oil Other (state type) _____

Prime Mover: Fuel Cell Recip Engine Gas Turb Steam Turb
 Microturbine PV Other _____

Type of Generator: Synchronous Induction Inverter

Generator Nameplate Rating: 2,050 kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: ~~20,000~~ kW

0.5 MW R/B 8/27/10 RA

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? Yes No

Generator (or solar collector)

Manufacturer, Model Name & Number: _____

Version Number: _____

Nameplate Output Power Rating in kW: (Summer) 20,000 (Winter) 20,000

Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor

Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this

Interconnection Request: 3 Elevation: 4,121 Single phase Three phase

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous ___ or RMS? ___

Harmonics Characteristics: _____

Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____

(*) Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, X_d : _____ P.U.

Direct Axis Transient Reactance, X'_d : _____ P.U.

Direct Axis Subtransient Reactance, X''_d : _____ P.U.

Negative Sequence Reactance, X_2 : _____ P.U.

Zero Sequence Reactance, X_0 : _____ P.U.

KVA Base: _____

Field Volts: _____

Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____

$I_2^2 t$ or K (Heating Time Constant): _____

Rotor Resistance, R_r : _____

Stator Resistance, R_s : _____

Stator Reactance, X_s : _____

Rotor Reactance, X_r : _____

Magnetizing Reactance, X_m : _____

Short Circuit Reactance, X_d'' : _____

Exciting Current: _____

Temperature Rise: _____

Frame Size: _____

Design Letter: _____

Reactive Power Required In Vars (No Load): _____

Reactive Power Required In Vars (Full Load): _____

Total Rotating Inertia, H: _____ Per Unit on kVA Base

Note: Please contact the Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling? Yes No

Will the transformer be provided by the Interconnection Customer? Yes No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: single phase three phase? Size: _____ kVA
Transformer Impedance: _____ % on _____ kVA Base

If Three Phase:

Transformer Primary: _____ Volts Delta Wye Wye Grounded
Transformer Secondary: _____ Volts Delta Wye Wye Grounded
Transformer Tertiary: _____ Volts Delta Wye Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____
Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function	Minimum	Maximum
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____
Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Potential Transformer Data (If Applicable):

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? Yes No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) _____

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ___ Yes ___ No

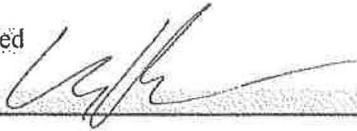
Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).
Are Schematic Drawings Enclosed? ___ Yes ___ No

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer:

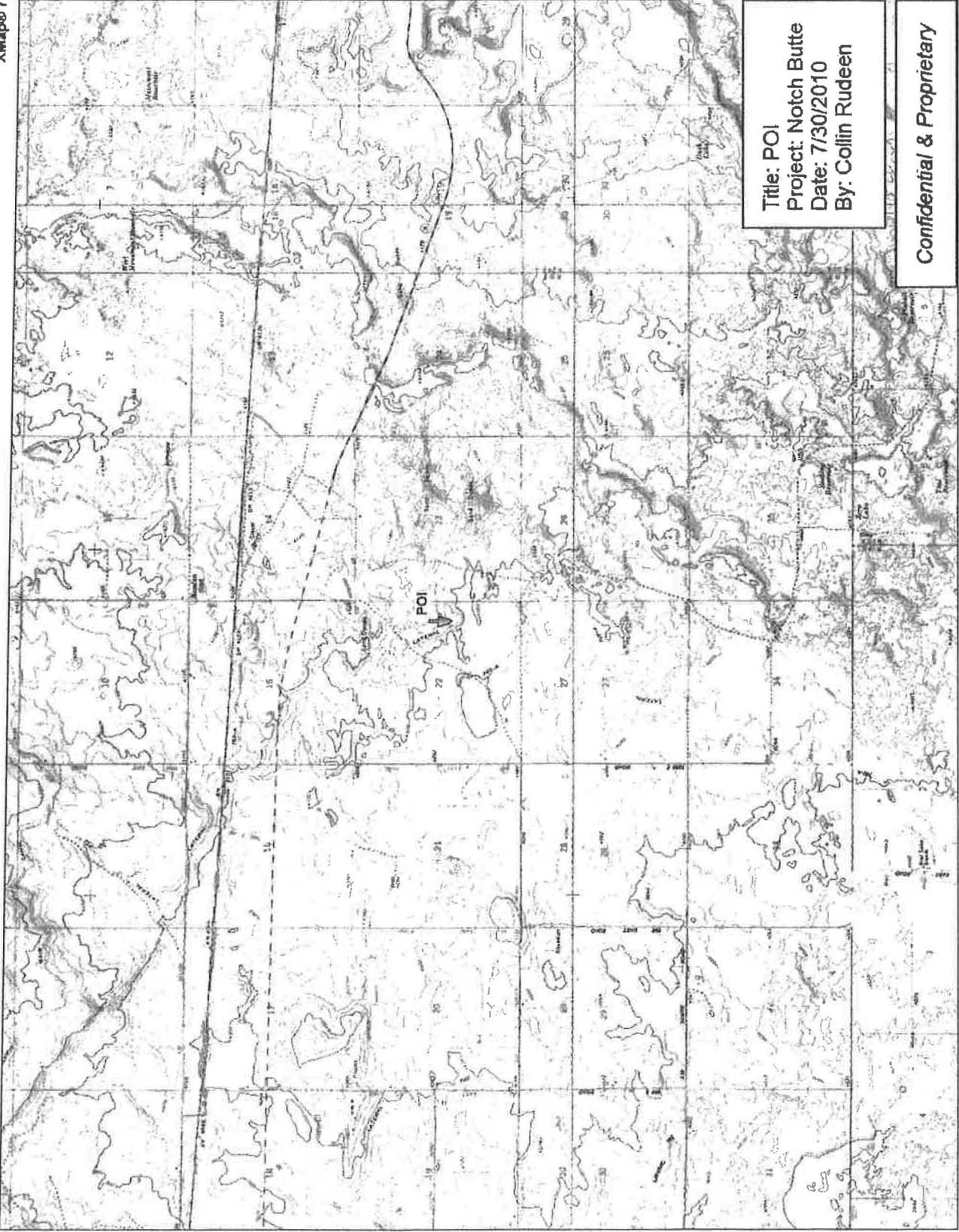
Signed



Date: 7/30/2010

Printed

COLLIN RUDEEN



Title: POI
Project: Notch Butte
Date: 7/30/2010
By: Collin Rudeen

Confidential & Proprietary



MN (13.5° E)

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 6

11/9/10 RB
11/19/10 complete

SMALL GENERATOR INTERCONNECTION REQUEST (Application Form)

Transmission Provider: IDAHO POWER COMPANY

Designated Contact Person: Rowena Bishop
Address: 1221 W. Idaho Street, Boise ID 83702
Telephone Number: 208-388-2658
Fax: 208-388-5504
E-Mail Address: rbishop@idahopower.com

An Interconnection Request is considered complete when it provides all applicable and correct information required below.

Preamble and Instructions

An Interconnection Customers who request interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

Processing Fee or Deposit:

If the Interconnection Request passes ALL screens of SGIP Section 2.2.1, the application may be submitted under the Fast Track Process, and the non-refundable processing fee is \$500. Please contact Idaho Power if you have any questions.

All Interconnection Requests submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, shall submit to the Transmission Provider a deposit not to exceed \$1,000 towards the cost of the feasibility study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: ENERGY DEVELOPMENT GROUP OF IDAHO, LLC

Contact Person: COLLIN RUDEEN T 105 R 19 E

Mailing Address: 402 W BANNOCK, STE 1200

City: BOISE State: ID Zip: 83702

Facility Location (if different from above): N 42° 53.12748', W 114° 10.57400'

Telephone (Day): (208) 336-9793 Telephone (Evening): (208) 336-9773

Fax: (208) 336-9431 E-Mail Address: CRUDEEN@ENERGYDEVELOPMENT.COM

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Application is for: New Small Generating Facility
 Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____

Will the Small Generating Facility be used for any of the following?

To Supply Power to the Interconnection Customer? Yes ___ No *PURP RB*
To Supply Power to Others? Yes No ___

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Local Electric Service Provider*)

(Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Requested Point of Interconnection: *N 42° 53.12946', W 114° 10.57400'*

Interconnection Customer's Requested In-Service Date: *9/1/11 RB*

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: Solar Wind Hydro Hydro Type (e.g. Run-of-River): _____
 Diesel Natural Gas Fuel Oil Other (state type) _____

Prime Mover: Fuel Cell Recip Engine Gas Turb Steam Turb
 Microturbine PV Other

Type of Generator: Synchronous Induction Inverter

Generator Nameplate Rating: 2050 kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: 11,500 kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? Yes No

Generator (or solar collector)
Manufacturer, Model Name & Number: _____
Version Number: _____

Nameplate Output Power Rating in kW: (Summer) 11,500 (Winter) 11,500
Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor
Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this
Interconnection Request: 6 Elevation: 4,121 Single phase Three phase

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous ___ or RMS? ___

Harmonics Characteristics: _____

Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____

(*) Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, X_d : _____ P.U.

Direct Axis Transient Reactance, X'_d : _____ P.U.

Direct Axis Subtransient Reactance, X''_d : _____ P.U.

Negative Sequence Reactance, X_2 : _____ P.U.

Zero Sequence Reactance, X_0 : _____ P.U.

KVA Base: _____

Field Volts: _____

Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____

I_2^2t or K (Heating Time Constant): _____

Rotor Resistance, R_r : _____

Stator Resistance, R_s : _____

Stator Reactance, X_s : _____

Rotor Reactance, X_r : _____

Magnetizing Reactance, X_m : _____

Short Circuit Reactance, X_d'' : _____

Exciting Current: _____

Temperature Rise: _____

Frame Size: _____

Design Letter: _____

Reactive Power Required In Vars (No Load): _____

Reactive Power Required In Vars (Full Load): _____

Total Rotating Inertia, H: _____ Per Unit on kVA Base

Note: Please contact the Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling? Yes No

Will the transformer be provided by the Interconnection Customer? Yes No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: single phase three phase? Size: _____ kVA
Transformer Impedance: _____ % on _____ kVA Base

If Three Phase:

Transformer Primary: _____ Volts Delta Wye Wye Grounded
Transformer Secondary: _____ Volts Delta Wye Wye Grounded
Transformer Tertiary: _____ Volts Delta Wye Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____
Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function	Minimum	Maximum
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Potential Transformer Data (If Applicable):

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? ___ Yes No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) _____

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ___ Yes ___ No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).
Are Schematic Drawings Enclosed? ___ Yes ___ No

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer:

Signed



Date: 10/28/2010

Printed

COLLIN RUPEBN

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 7



IDAHO POWER COMPANY
1221 W. IDAHO STREET
BOISE, ID 83702

December 22, 2005

James Carkulis
1424 Dodge Avenue
Helena MT 59601
Ph 406-459-3013

Dear Mr. Carkulis:

Re: Notice of Incomplete Interconnection Application

<i>Date Application Received</i>	<i>Project Name</i>	<i>Proposed Location</i>	<i>Amount (MW)</i>
12/19/05	Golden Valley Wind Park	Cassia County, ID	TBP
12/19/05	Milner Dam Wind Park	Cassia County, ID	TBP
12/19/05	Lava Beds Wind Park	Bingham County, ID	TBP
12/19/05	Notch Butte Wind Park	Lincoln County, ID	TBP
12/19/05	Salmon Falls Wind Park	Twin Falls County, ID	TBP

Thank you for your Generator Interconnection Applications noted above (copies attached). I have forwarded these applications to our Distribution Planning Leader, Dave Angell, who is evaluating your request.

In order for an Interconnection Request to be considered valid, all Generation Interconnection Applications must include certain items before we can proceed. Please clarify or provide the following for each of the above applications:

1. The required deposit for each application over 2 MW is a total of \$1000. Please provide the additional amount for each application.
2. Page 2, Will you be supplying power to others?
3. Page 3, Verify this is a wind facility, not hydro.
4. Page 3, Maximum Physical Export Capability & Nameplate output does not match number of units.
5. Page 3, Please provide a completed Power Systems Load Flow data sheet.
6. Page 4, Please provide all data under the INDUCTION section.
7. Page 5, Please provide Transformer Impedance and Three Phase primary, Secondary & Tertiary information.
8. Page 6, Please provide Current Transformer Data information.
9. Page 7, ALL items need to be provided on this page.

These items must be provided to us on or before the Scoping Meeting in order for you to retain your position in the Application queue. Dave will be in touch with you to coordinate the Scoping meeting.

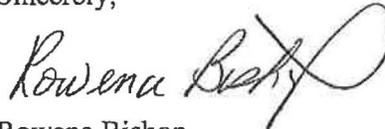
For your reference, enclosed is a copy of Idaho Power Company's Requirements for Generation Interconnection. This and more information about the Interconnection process can be found on the Idaho Power website at:

<http://www.idahopower.com/aboutus/business/generationInterconnect/>

Please refer to the website periodically for a list of current projects. At this time, Idaho Power Company is unable to establish a specific timeline for work on your project, but it has been placed on the project list and will be worked on appropriately.

For your review, I am attaching a copy of your applications, along with the standard Interconnection Feasibility Study Agreement that needs to be executed during or soon following our Scoping Meeting. Please feel free to contact Dave at 208-388-2701, or me at 208-388-2658 with your questions anytime.

Sincerely,

A handwritten signature in black ink that reads "Rowena Bishop". The signature is fluid and cursive, with a large loop at the end of the last name.

Rowena Bishop
Operations Analyst
Grid Operations & Planning
(208) 388-2658
rbishop@idahopower.com

Attachments

Interconnection Applications submitted 12/19/05
Idaho Power Company's Requirements for Generation Interconnection
Standard Interconnection Feasibility Study Agreement

Cc: Dave Angell/IPC

Feasibility Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____ 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Idaho Power Company a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.
- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;

- 6.3 Initial review of grounding requirements and electric system protection; and
- 6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Interconnection Customer:

Idaho Power Company – Delivery

Signed _____ Signed _____

Name (Printed): _____ Name (Printed): _____

Title _____ Title _____

Date _____ Date _____

Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on _____:

- 1) Designation of Point of Interconnection and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 8



July 7, 2006

via email and Certified Mail

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

Dear Mr. Carkulis

RE:

<i>Project name</i>	<i>Amount (MW)</i>	<i>Requested in-service date</i>
Notch Butte Wind Park	19.92	May 2007

This letter is to inform you of the progress of your generation interconnection request referenced above. Since our initial Scoping Meeting, we have NOT received your designated Point of Interconnection (POI) for this project.

Attached please find a draft Feasibility Study Agreement for your Generation Interconnection request. The Feasibility Study is a preliminary evaluation of the feasibility of the proposed interconnection to Idaho Power Company's electrical system. The estimated cost for the Feasibility Study to be performed is covered by your application fee.

If this Agreement is acceptable to you, please sign and return a copy to us. We must receive your response no later than 30 Calendar after your receipt of this letter, or we will consider your request to have been withdrawn and terminated.

We will continue to keep you apprised as we go through the study process to insure continued agreement and understanding. Please contact me as soon as possible if you have any questions.

Sincerely,

David M. Angell
Planning Leader

Attachments

Feasibility Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____ 2006 by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Idaho Power Company, a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on December 19, 2005; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without

Feasibility Study Agreement
Notch Butte Wind Park Project

interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Interconnection Customer:

Idaho Power Company – Delivery

Signed _____

Signed _____

Name (Printed):

Name (Printed):

Title _____

Title _____

Attachment A

Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on March 23, 2006:

- 1) Designation of Point of Interconnection and configuration to be studied.

The proposed location of the project as defined in an email dated April 24, 2006 differs 11 miles from the original location. Exergy must supply a specific POI to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

In the scoping meeting IPC agreed that it would provide:

1. How much generation capacity can be installed at each site without re-conductoring or significant upgrades
2. What upgrades are needed to meet our requested capacity
3. Recommended interconnection location for each site (and voltage level)

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 9

**GENERATOR INTERCONNECTION
FEASIBILITY STUDY**

for integration of the proposed

NOTCH BUTTE WIND PARK PROJECT

in

JEROME AND/OR LINCOLN COUNTIES, IDAHO

to the

IDAHO POWER COMPANY ELECTRICAL SYSTEM

for

EXERGY DEVELOPMENT GROUP, LLC

the

INTERCONNECTION CUSTOMER

FINAL REPORT

January 3, 2007

1.0 Introduction

Exergy Development Group, LLC has contracted with Idaho Power Company (IPC) to perform a Generator Interconnection Feasibility Study for the integration of his new 19.92 MW Notch Butte Wind Park Project (project #158). The proposed location of the project is in Idaho Power's southern Idaho service territory in section 36 of T6S, R16E and sections 30,31,32 of T6S, R17E of Lincoln County as well as sections 3,4,5,6,8,9 of T7S, R17E of Jerome County. This location starts approximately 1 mile north or west of Idaho Power's existing Notch Butte substation.

This report documents the basis for and the results of this Feasibility Study for the Notch Butte Wind Park. It describes the proposed project, the study cases used, the impact of associated projects, and results of all work in the areas of concern.

2.0 Summary

The proposed project is a 19.92 MW wind park consisting of twelve 1.5 MW wind turbines. This wind farm will interconnect with the IPC system at about 900 N. and 200 E. in Jerome County, Idaho.

The transmission line serving this area is Idaho Power's Twin Falls – Hydra - Midpoint 138 kV line. With the consideration of other proposed generation projects in the queue ahead of this project there is adequate capacity available on this line to serve this project. However, this study has identified limitations in the 138 kV transmission system to the west of this area. This study demonstrates that there is no available transmission capacity when considering the projects in the generation queue. Therefore, a System Impact Study will be required to determine the transmission upgrades needed to serve this project.

The substation serving this area is Idaho Power's Notch Butte (NHBT) substation. With the consideration of the size of the proposed project there is not adequate capacity in this substation to serve this project. A second substation transformer will be required.

The distribution feeder serving this area is the Notch Butte 011 (NHBT-011) 12.5 kV feeder. With the consideration of the size of the proposed project there is not adequate capacity on this feeder to serve this project. A new 34.5 kV feeder will be required to serve this project. About 4 miles of the existing feeder will be rebuilt as a double circuit line, with the top circuit being a 34.5 kV feeder for the wind park.

Since the wind park could be located along with other Idaho Power customers, a generation interconnection package will be required at the point of interconnection.

The estimated cost of all required upgrades is \$2,114,000. Lead time is about 72 weeks.

The existing feeder can accept up to 3.82 MVA of generation at the point of interconnection before feeder reconductoring is required.

3.0 Scope of Interconnection Feasibility Study

The Interconnection Feasibility Study was done and prepared in accordance with Idaho Power Company Standard Generator Interconnection Procedures, to provide a preliminary evaluation of the feasibility of the interconnection of the proposed generating project to the Idaho Power system. All other proposed Generation projects prior to this project in the Generator Interconnect queue were considered in this study. A current list of these projects can be found on the Idaho Power web site as follows:

Small Generator (<20 MW):

<http://www.idahopower.com/aboutus/business/generationInterconnect/generationInterconnect.cfm>

Large Generator (\geq 20 MW):

<http://www.oatiosis.com/ipco/index.html>.

Because of the nature of these projects, this study was performed using the best-known information available as of this date.

4.0 Description of Proposed Generating Project

The Notch Butte Wind Park proposes to connect to the Idaho Power distribution system for an injection of 19.92 MW (maximum project output) using twelve GE 1500 kW sle model wind turbines.

5.0 Description of Existing Transmission Facilities

The transmission line serving this area is Idaho Power's Twin Falls – Hydra - Midpoint 138 kV line. This line is a 22.85 mile 138 kV line with both 715 and 795 ACSR conductors, which has a continuous thermal operating rating of 206.9 MVA. With the consideration of other proposed generation projects in the queue ahead of this project there is adequate capacity available on this particular line to serve this project. However, the study has identified limitations in the Midpoint West transmission system to the west of this area. This study demonstrates that there is no available transmission capacity when considering other proposed generation projects ahead of this one in the queue. Because of these limitations, a Transmission System Impact Study will be required to determine the next upgrades required to add this project. An existing study is attached as Appendix C. This study details the existing system limitations and describes the improvements necessary to increase the capacity of this system another 305 MW. However, this proposed capacity is already committed to other proposed generation projects currently ahead of this one in the queue. The proposed study will determine the additional work necessary to integrate this project into the Idaho Power system.

6.0 Description of Existing Substation Facilities

The substation serving this area is Idaho Power's Notch Butte (NHBT) substation, which is located at 700 N. and 400 E. in Jerome County. The existing substation transformer is a

138:12.5 kV transformer rated for 14.0 MVA. With the consideration of the size of the proposed project there is not adequate capacity in this substation to serve this project. Alternatives for increasing substation capacity to handle this project are listed in section 8.

The feeder breakers at NHBT are each Pacific Electric (manufactured by Federal Pacific Electric) type "JCE 22" breakers designed for 600 amps continuous load current and each have a maximum fault current interrupting rating of 11,000 amps. These breakers are operating on 12.5 kV feeders. Because of the size of the proposed project these breakers will not handle the load current requirement. A new 34.5 kV feeder with a new breaker is proposed. Initial studies indicate that there is adequate load and short circuit interrupting capability on all other affected breakers.

7.0 Description of Existing Distribution Facilities

The point of interconnection is defined for this study as the intersection of 900 N. and 200 E. in Jerome County, Idaho. This location is on the border between Jerome and Lincoln counties about 3 miles west of Highway 75. The distribution feeder serving this area is the Notch Butte 11 (NHBT-011) 12.5 kV feeder. This is a grounded wye feeder operating at 12.5 kV. The conductors on the affected portion of the system are 4/0 ACSR, which has a continuous thermal operating rating of 8.77 MVA, 336 Al, which has a continuous thermal operating rating of 11.58 MVA and 6A Copperweld, which has a continuous thermal operating rating of 3.82 MVA. With the consideration of the size of the proposed project there is not adequate capacity on this feeder to serve this project. A new 34.5 kV feeder will be built double circuit along an existing distribution line route. Upgrades for increasing feeder capacity to handle this project are listed in section 8.

The point of interconnection will be to the proposed 34.5 kV grounded wye feeder. Refer to Appendix A section 3 for additional grounding requirements.

8.0 Description and Cost Estimate of Required Facility Upgrades

In order to add this project, the capacity of the substation needs to be increased. Because of the size of the proposed wind park the best way to add this capacity is to install a second substation transformer for a 34.5 kV feeder to serve the wind park. A 25 MVA 138:34.5 kV transformer and a new 34.5 kV feeder bay will be installed into the existing NHBT substation. Lead time for the new transformer is about 72 weeks.

In addition to the work at the substation a new 34.5 kV feeder will be required. About 4 miles of existing distribution line will be rebuilt as a double circuit distribution line, with the top circuit being a 34.5 kV feeder with 336 Al conductor for the wind park and the bottom circuit remaining a 12.5 kV feeder to serve the existing load. This new line is from the substation west one mile along 700 N. to 300 E., then north 2 miles to 900 N., then west 1 mile to the point of interconnection. This rebuild is highlighted in yellow on the map attached in Appendix B.

Since the wind generation farm could be located along with other Idaho Power customers, a generation interconnection package will be required at the point of interconnection.

The following table details the generation integration directly assignable costs for the upgrades needed to accommodate the proposed project.

Table 1. Estimated Costs for Required Upgrades

Description	Cost
Substation upgrade	\$1,317,000
4 miles of double circuit distribution (34.5 kV 336 Al on top, existing 12.5 kV on the bottom)	\$632,000
Generator Interconnection Package	\$165,000
Total Estimated Cost	\$2,114,000

These cost estimates include direct equipment and installation labor costs, indirect labor costs and overheads. (Tax Gross Up has not been included presuming construction of interconnection facilities will not qualify under IRS rules as a taxable event. Allowance for funds used during construction (AFUDC) has not been included in the cost estimates since it is assumed that IPC will be provided up-front funding by the Project). These are cost estimates only and final charges to the customer will be based on the actual construction costs incurred.

9.0 Description of Operating Requirements

In addition to these upgrades, there are also several operating requirements that must be met. The project will be controlled to operate at unity power factor or meet the voltage schedule provided by Idaho Power. If this requirement can not be met, further voltage studies will be necessary. Voltage flicker at startup and during operation will 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*.

10.0 Conclusions

The requested interconnection of the Notch Butte Wind Park to Idaho Power's system was studied. The results of this study work confirm that the existing Idaho Power system can be upgraded to handle this project. The known required upgrades for the existing substation and distribution systems are listed. The constraints of the transmission system, caused by projects ahead of this project in the generation queue, determine that a Transmission System Impact Study will be required for this project.

APPENDIX A

A-1.0 Method of Study

The Feasibility Study plan inserts the Project up to the maximum requested injection into the selected Western Electric Coordinating Council (WECC) power flow case and then, using GE's Positive Sequence Load Flow (PSLF) analysis tools or Power World Simulator, examines the impacts of the new resource on Idaho Power's system (lines, transformers, etc.) within the study area under various operating/outage scenarios. The WECC and Idaho Power reliability criteria and Idaho Power operating procedures were used to determine the acceptability of the configurations considered. The WECC case is a recent case modified to simulate stressed but reasonable pre-contingency energy transfers utilizing the IPC system. For distribution feeder analysis, Idaho Power utilizes Advantica's SynerGEE software.

A-2.0 Acceptability Criteria

The following acceptability criteria were used in the power flow analysis to determine under which system configuration modifications may be required:

The continuous rating of equipment is assumed to be the normal thermal rating of the equipment. This rating will be as determined by the manufacturer of the equipment or as determined by Idaho Power. Less than or equal to 100% of continuous rating is acceptable.

Idaho Power's Voltage Operating Guidelines were used to determine voltage requirements on the system. This states, in part, that distribution voltages, under normal operating conditions, are to be maintained within plus or minus 5% (0.05 per unit) of nominal everywhere on the feeder. Therefore, voltages greater than or equal to 0.95 pu voltage and less than or equal to 1.05 pu voltage are acceptable.

Voltage flicker during starting or stopping the generator is limited to 5% as measured at the point of interconnection, per Idaho Power's T&D Advisory Information Manual.

Idaho Power's Reliability Criteria for System Planning was used to determine proper transmission system operation.

All customer generation must meet IEEE 519 and ANSI C84.1 Standards.

All other applicable national and Idaho Power standards and prudent utility practices were used to determine the acceptability of the configurations considered.

The stable operation of the system requires an adequate supply of volt-amperes reactive (VARs) to maintain a stable voltage profile under both steady-state and dynamic system conditions. An inadequate supply of VARs will result in voltage decay or even collapse under the worst conditions.

Equipment/line/path ratings used will be those that are in use at the time of the study or that are represented by IPC upgrade projects that are either currently under construction or whose budgets have been approved for construction in the near future. All other potential future ratings are outside the scope of this study. Future transmission changes may, however, affect current facility ratings used in the study.

A-3.0 Grounding Guidance

Idaho Power Company (IPC) requires interconnected transformers to limit their ground fault current to 20 amps at the point of interconnection.

A-4.0 Electrical System Protection Guidance

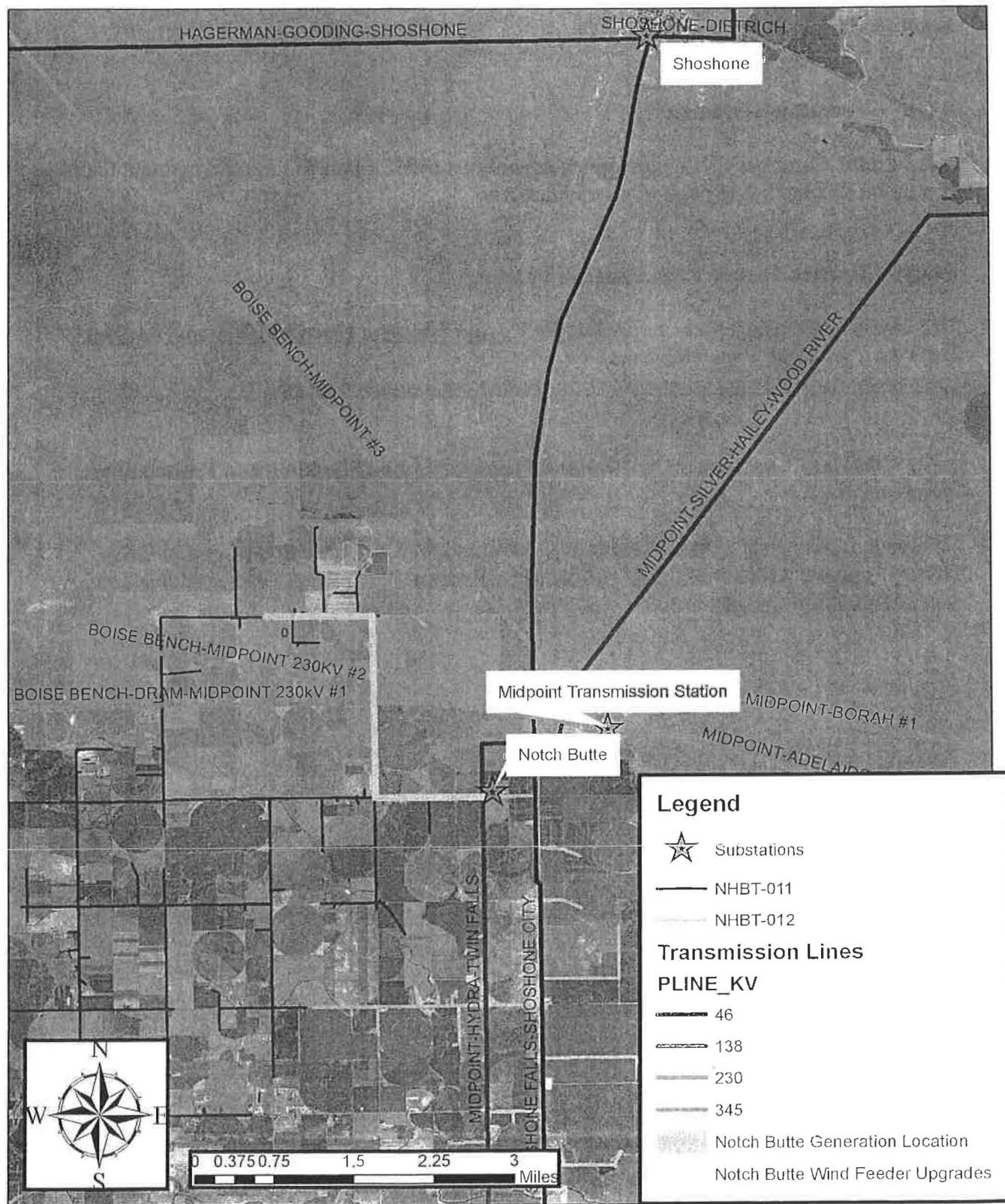
IPC requires electrical system protection per Requirements for Generation Interconnections found on the Idaho Power Web site,
<http://www.idahopower.com/aboutus/business/generationInterconnect/>.

A-5.0 WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Requirements

IPC requires frequency operational limits to adhere to WECC Under-frequency and Over-frequency Limits per the WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Requirements available upon request.

APPENDIX B

Notch Butte Wind Park



APPENDIX C

**GENERATOR INTERCONNECTION
SYSTEM IMPACT STUDY REPORT**

for

**Up to 305 MW of New Generation
On the 138 kV Transmission System
In the Twin Falls Area**

to

**IDAHO POWER COMPANY, Transmission Provider
TRANSMISSION SYSTEM**

**FINAL REPORT
June 8, 2006**

1.0 Introduction

Multiple new generation projects have contacted Idaho Power Company (IPC) to perform Generator Interconnection System Impact Studies for Network Resource Interconnection Service at 138 kV for the integration of new generation projects in the Twin Falls area

This report documents the basis for and the results of this System Impact Study. It describes the backbone transmission system improvements required for Network Resource Interconnection Service of the new generation proposed, the study cases used, outage scenarios assumed and results of all work in the areas of concern.

2.0 Summary

The performance of the backbone transmission system was evaluated to integrate up to 200 MW of new generation on the 138 kV transmission system in the Twin Falls area. Four phases of transmission system improvements are required to provide 200 MW of new generation Network Resource Interconnection Service.

- Phase #1: Install a 19 ohm 138 kV Series Reactor on the Upper Salmon-Mountain Home Junction 138 kV transmission line. Without this improvement, the outage of the Midpoint-Rattlesnake #2 230 kV transmission line results in an overload of the Upper Salmon-Mountain Home Junction 138 kV line with no new generation in the Twin Falls area. This improvement is necessitated by the transmission improvements associated with Generation Project 88 , and as a result should be funded by Idaho Power Company – Delivery. This phase of improvements is estimated at approximately \$290,000.
- Phase #2: Install a 10.5 ohm 138 kV Series Reactor on the Lower Malad-Mountain Home Junction 138 kV transmission line. Without this improvement, the outage of the Midpoint-Rattlesnake #2 230 kV transmission line results in an overload of the Lower Malad-Mountain Home Junction 138 kV line with new generation levels greater than 7 MW in the Twin Falls area. This phase of improvements is estimated at approximately \$290,000.
- Phase #3: Fold the Midpoint-DRAM #1 230 kV transmission line into the King Substation and install a 230/138 kV 300 MVA transformer. Without this improvement, the outage of the Midpoint-Rattlesnake #2 230 kV transmission line results in an overload of the Upper Salmon-Mountain Home Junction 138 kV line with new generation levels greater than 60 MW in the Twin Falls area. This phase of improvements is estimated at \$10,320,000.
- Phase #4: Reconductor/rebuild the King-DRAM #1 230 kV transmission line with a two conductor bundle of 795 MCM ACSR “Tern” conductor. This rebuilt line also

must be folded into the Rattlesnake Substation north of Mountain Home. In addition, transmission modifications are required at the DRAM end of the line. Without this improvement, the outage of the Midpoint-Rattlesnake #2 230 kV transmission line results in an overload of the Upper Salmon-Mountain Home Junction 138 kV line with new generation levels greater than 135 MW in the Twin Falls area. This phase of improvements is estimated at \$47,525,000.

These cost estimates include direct equipment and installation labor costs, indirect labor costs and overheads, and allowance for funds used during construction (AFUDC). The proposed cost allocation is subject to change, as more information is known. These are cost estimates only and final charges to the customer will be based on the actual construction costs incurred.

3.0 Summary of Interconnection Requests

Requests were made to Idaho Power Co. by multiple generation projects in the Twin Falls area to study the interconnection of the proposed generation projects to Idaho Power's transmission system at the 138 kV level for Network Resource Interconnection Service.

4.0 Scope of Interconnection System Impact Study

The Interconnection System Impact Study was done and prepared in accordance with the FERC Order 2003-A, Standard Large Generator Interconnection Procedures, to provide a preliminary evaluation of the System Impact of the interconnection of the proposed large generating project to the Idaho Power transmission system. This study will only be concerned with the capabilities of the Idaho Power system to manage this new resource within the study area of the proposed interconnection.

5.0 Description of Existing Transmission Facilities

As shown in Figure 1 of Section 7.0, Midpoint Substation, north of Twin Falls, has three 230 kV lines that carry bulk power westward to the Boise area. Midpoint-DRAM #1 line utilizes single 715.5 MCM conductor and has a continuous rating of 339 MVA. The Midpoint-Rattlesnake-Boise Bench #2 line utilizes a 2 conductor bundle of 715.5 MCM. This line has a continuous rating of 677 MVA. The Midpoint-Boise Bench #3 line has similar conductors and the same rating as the Rattlesnake-Boise Bench #2 line. In the Mountain Home area, an additional 230 kV line is planned to carry bulk power westward. The Rattlesnake-Bennett Mountain-Danskin-Mora line utilizes single 1272 MCM conductors(478 MVA) from Rattlesnake-Bennet Mountain, single 1590 MCM conductors(550 MVA) from Bennet Mountain-Danskin, and a two conductor bundle of 795 MCM(700 MVA) from Danskin-Mora. The Bennett Mountain-Danskin-Mora transmission lines are required for the interconnection of Generation Project 88 ; scheduled to be in-service Spring of 2008.

In addition to the Midpoint to the Boise area 230 kV lines previously mentioned, there are two 138 kV circuits which can carry power from the Twin Falls area to the Mountain Home area. They are:

- King-Lower Malad-Mountain Home Junction 138 kV Line
- King-Upper Salmon-Mountain Home Junction 138 kV Line

Generators located in the Twin Falls area which are intended to serve load growth in the Treasure Valley area, will be adding new incremental flows on top of existing committed east-to-west transactions across the Midpoint West transmission cutplane. This System Impact study will model approximately 1100 MW of transfers across the Midpoint West cutplane, prior to this proposed generator addition. For these studies, the flow level of the Midpoint west cutplane is defined as the sum of the flows on the following lines:

- Midpoint-DRAM #1 230 kV line
- Midpoint-Rattlesnake #2 230 kV Line
- Midpoint-Boise Bench #3 230 kV Line
- Lower Malad-Mountain Home Junction 138 kV Line
- Upper Salmon-Mountain Home Junction 138 kV Line

6.0 Description of Configurations Studied

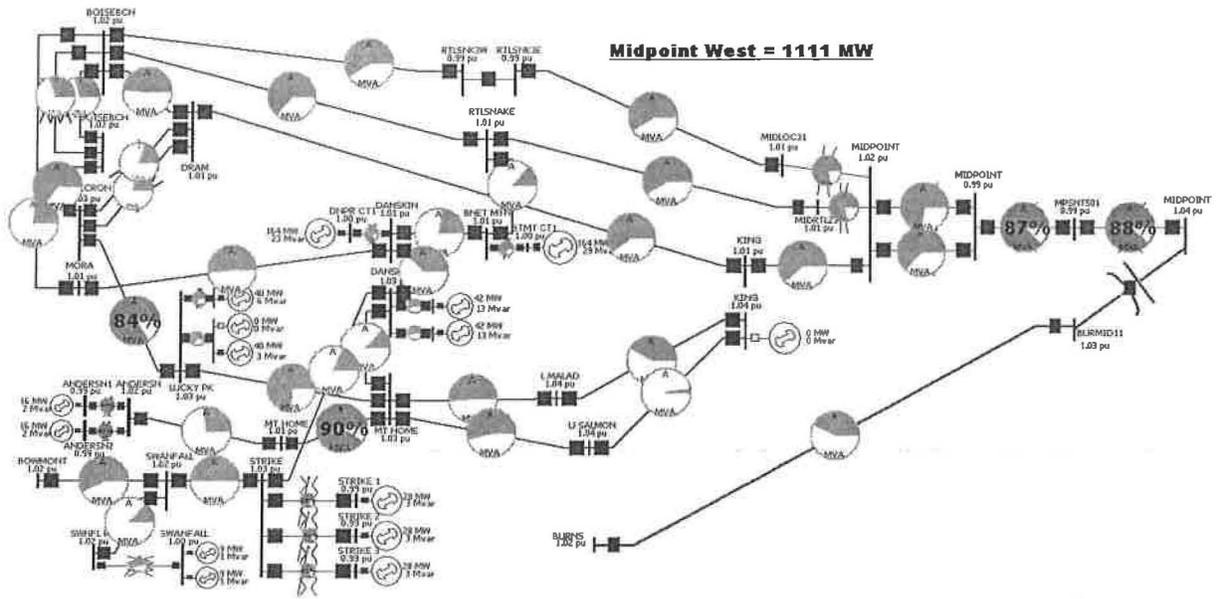
Since the most limiting operating conditions are expected during heavy production on the upper and middle Snake and Boise River hydro plants, with heavy east-west transfers across the Idaho Power transmission system, the injection of the new generation at King 138 kV bus was inserted into a power flow case that would simulate committed (approximately 1100 MW) pre-contingency flows on the Midpoint West transmission path.

7.0 Post-transient Study Results

This Interconnection System Impact Study Report is for Network Resource Interconnection Service at 138 kV, for numerous proposed generation additions in the Twin Falls area. System transfers across the Midpoint West cutplane are modeled at approximately 1100 MW prior to the proposed transmission improvements or the proposed generators producing any power. Hydro generation production for the Boise & Snake plants, were modeled at heavy, but realistic levels. Output levels for the existing peakers at Danskin and Bennett Mountain were varied over their operating ranges as appropriate. N-0 and N-1 outage performance for the existing system are recorded. Generation levels at King 138 kV bus are increased until system thermal limits are reached during N-1 outages. The most effective and cost-efficient transmission system improvements are then added to the model and King generation is then increased until system thermal limits are reached during N-1 outages.

Existing System

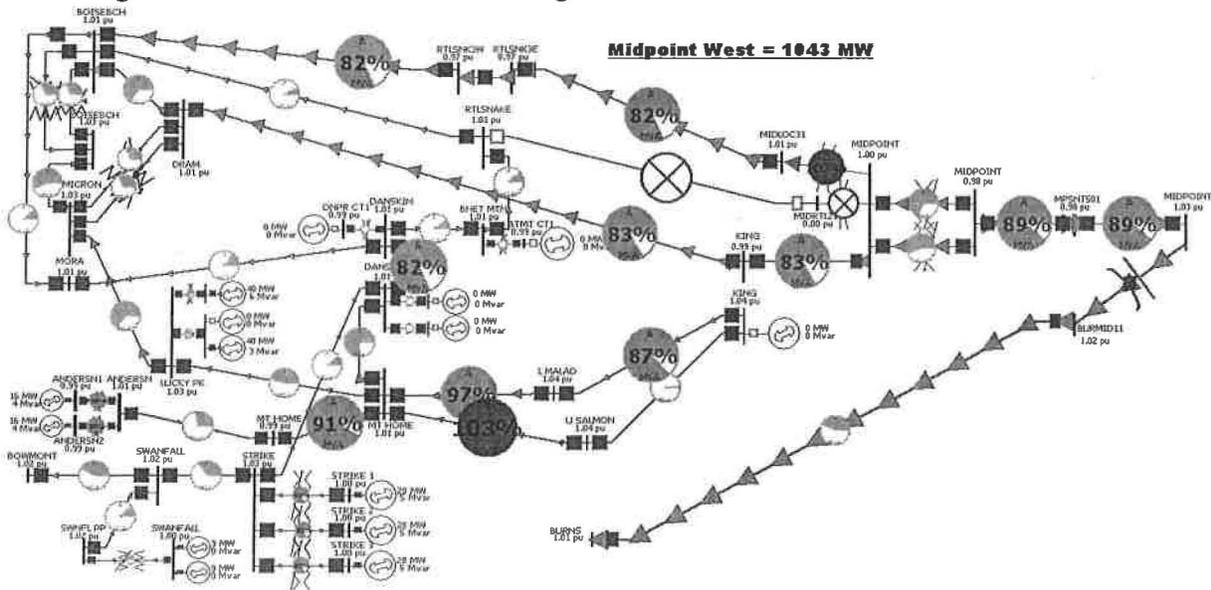
The following one line diagram depicts the existing system with no outages.



Existing System – No Outages
Figure 1

Existing System N-1 Outages

The following one line diagram depicts the existing system with no new generation in the Twin Falls area, and the only N-1 outage between Midpoint and the Mountain Home area that results in loadings above continuous thermal ratings.

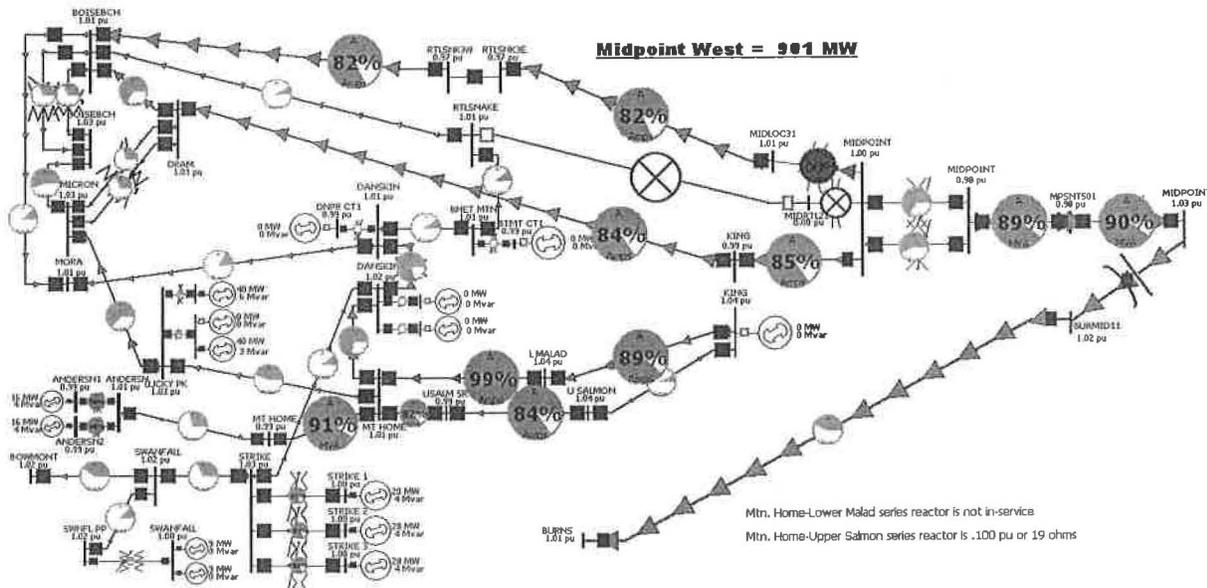


Existing System – Midpoint-Rattlesnake #2 Outage
Figure 2

Phase #1 Transmission Improvements

The Midpoint Series Capacitor banks are capable of 110% of thermal rating on a continuous basis. As a result, only the Upper Salmon-Mountain Home Junction 103% overload is problematic. The most effective and cost-efficient transmission improvement to alleviate this overload is the installation of a series reactor on the Upper Salmon-Mountain Home Junction 138 kV line to better balance flows on the transmission network. The optimum size of the series reactor was determined to be 19 ohms for the ultimate build-out of the transmission grid. Since this N-1 overload condition pre-exists the addition of any new generation in the Twin Falls area, Idaho Power Company would take responsibility to fund this series reactor installation.

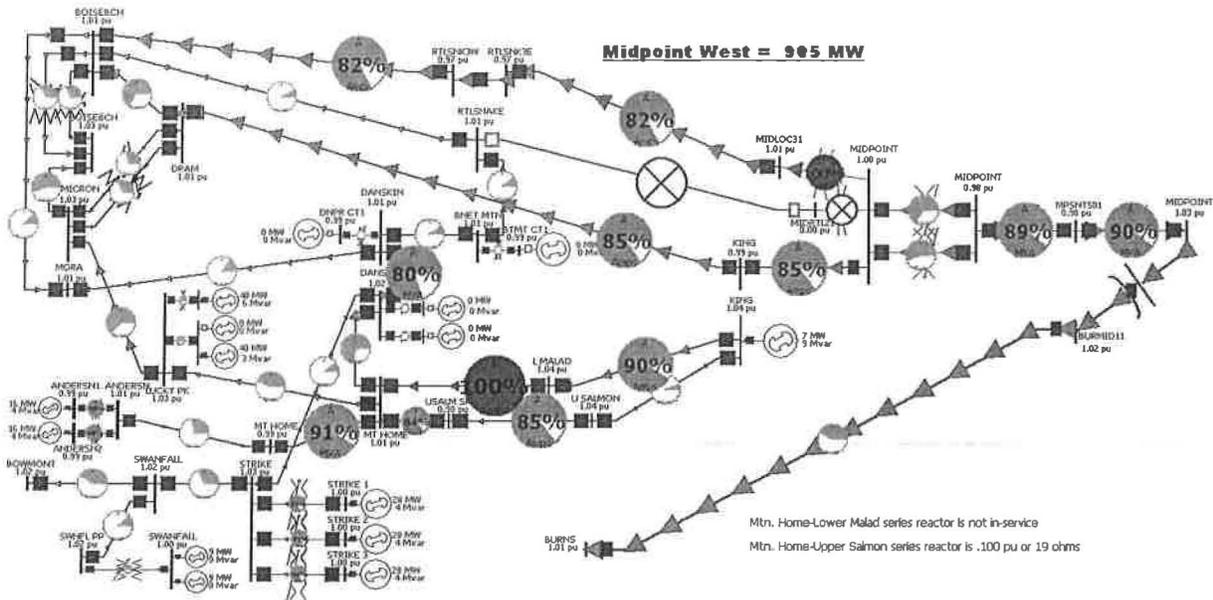
The following one line diagram depicts the system with Phase #1 improvements added, no new generation in the Twin Falls area, and the same N-1 as Figure 2.



**Phase #1 Transmission Improvements – Midpoint-Rattlesnake #2 Outage
No New Generation
Figure 3**

Phase #2 Transmission Improvements

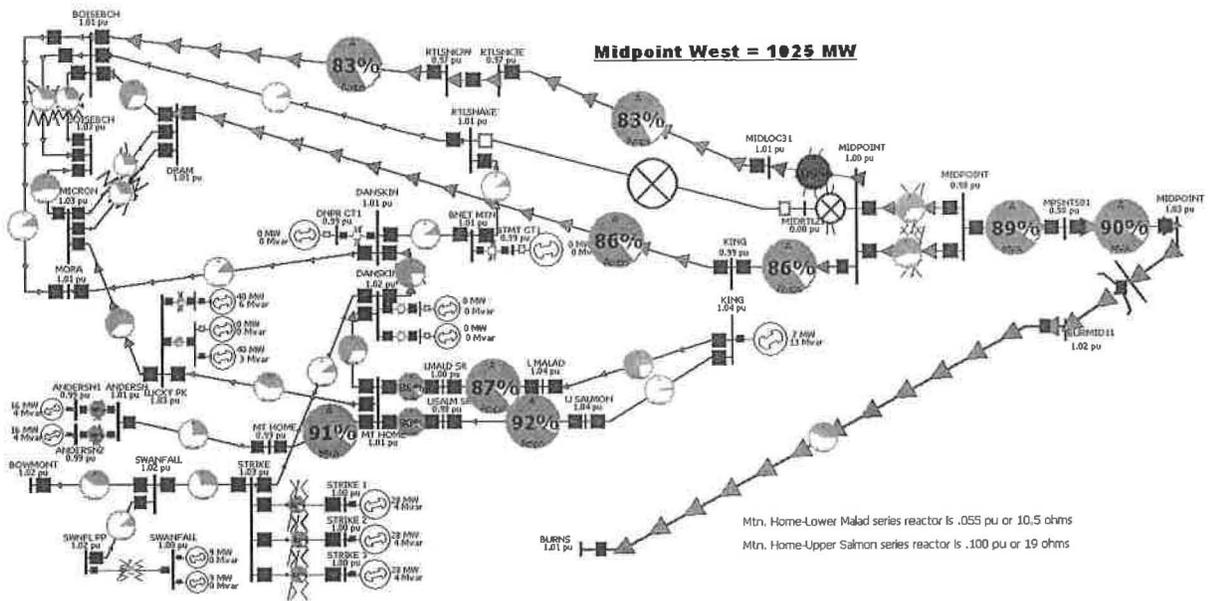
The following one line diagram depicts Phase #1 transmission improvements and 7 MW of new generation in the Twin Falls area, and the only N-1 outage between Midpoint and the Mountain Home area that results in loadings above continuous thermal ratings.



**Phase #1 Transmission Improvements – Midpoint-Rattlesnake #2 Outage
7 MW of New Generation
Figure 4**

The most effective and cost-efficient transmission improvement to alleviate this overload is the installation of a series reactor on the Lower Malad-Mountain Home Junction 138 kV line to better balance flows on the transmission network. The optimum size of the series reactor was determined to be 10.5 ohms for the ultimate build-out of the transmission grid. This overload is the result of the addition of new generation in the Twin Falls area, and as a result the costs of this improvement will be allocated to new generation interconnections.

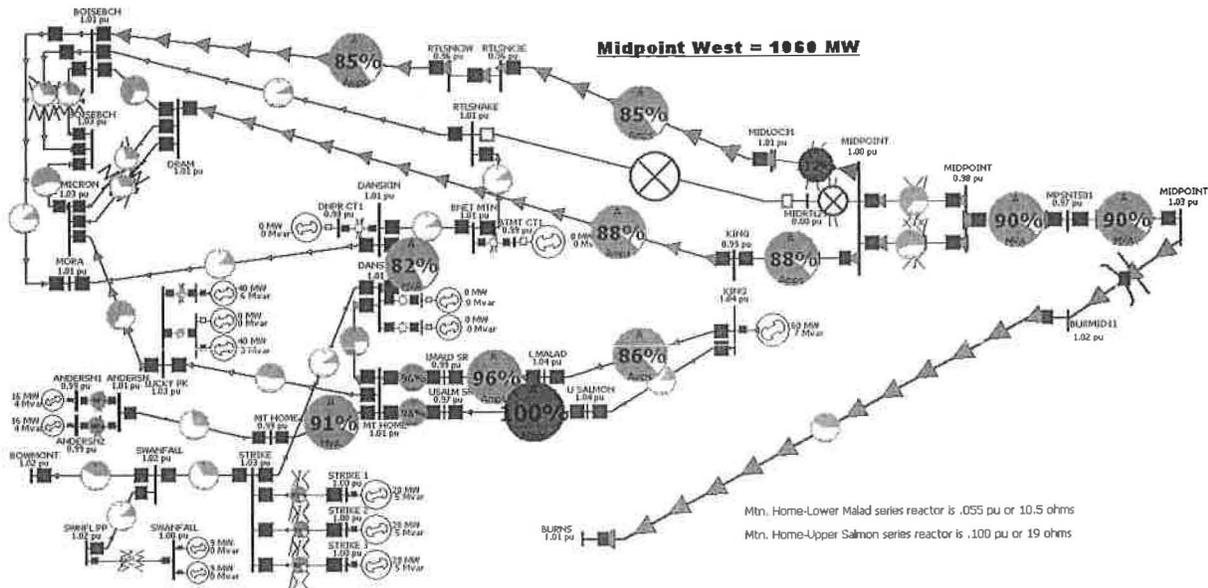
The following one line diagram depicts the system with Phase #2 improvements added, 7 MW of new generation in the Twin Falls area, and the same N-1 as Figure 4.



**Phase #2 Transmission Improvements – Midpoint-Rattlesnake #2 Outage
7 MW of New Generation
Figure 5**

Phase #3 Transmission Improvements

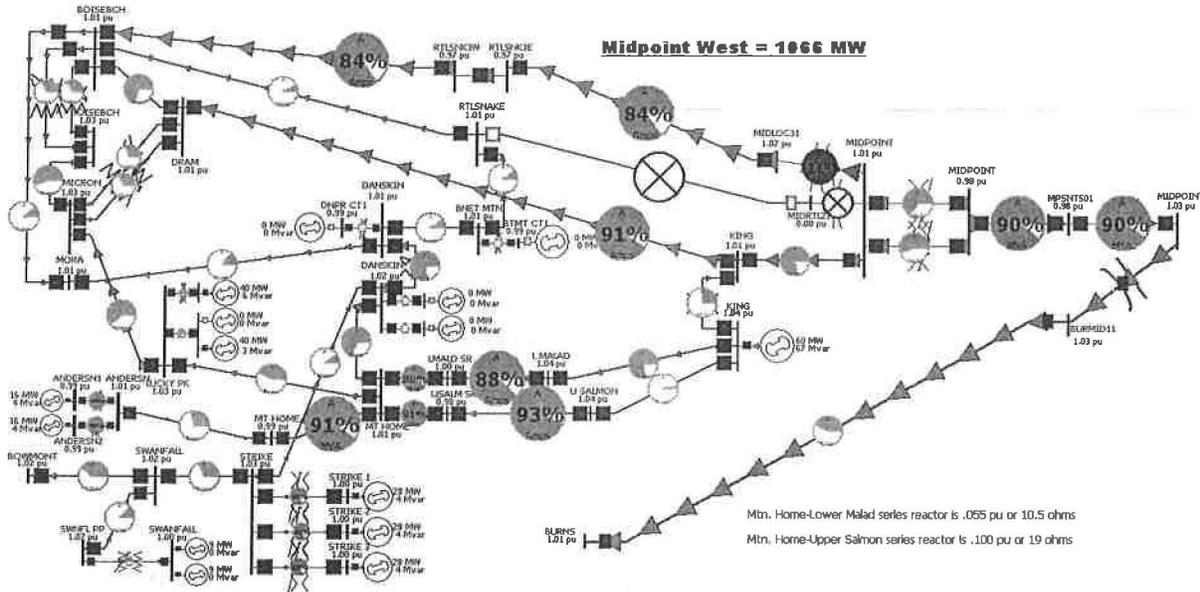
The following one line diagram depicts Phase #2 transmission improvements and 60 MW of new generation in the Twin Falls area, and the only N-1 outage between Midpoint and the Mountain Home area that results in loadings above continuous thermal ratings.



**Phase #2 Transmission Improvements – Midpoint-Rattlesnake #2 Outage
60 MW of New Generation
Figure 6**

To interconnect generation quantities greater than 60 MW will require additional transmission system improvements. The required system improvements are referred to as “Phase #3” and include folding the Midpoint-DRAM #1 230 kV transmission line into and back out of the King Substation and installing a 230/138 kV 300 MVA transformer. This overload is the result of the addition of new generation in the Twin Falls area, and as a result the costs of this improvement will be allocated to new generation interconnections.

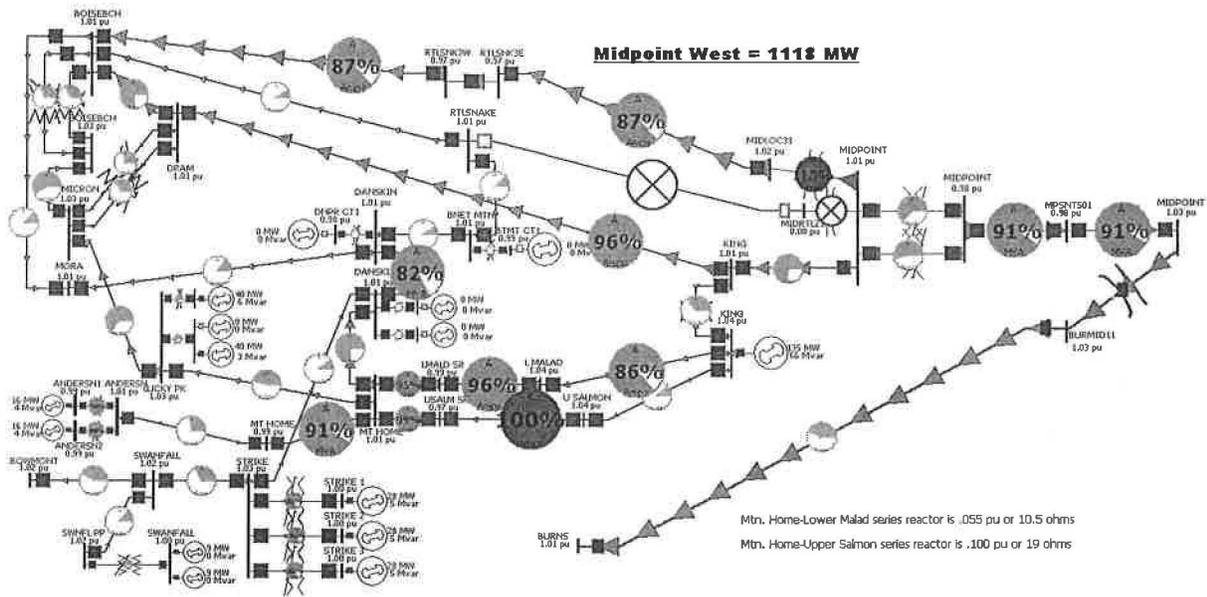
The following one line diagram depicts the system with Phase #3 improvements added, 60 MW of new generation in the Twin Falls area, and the same N-1 as Figure 6.



**Phase #3 Transmission Improvements – Midpoint-Rattlesnake #2 Outage
60 MW of New Generation
Figure 7**

Phase #4 Transmission Improvements

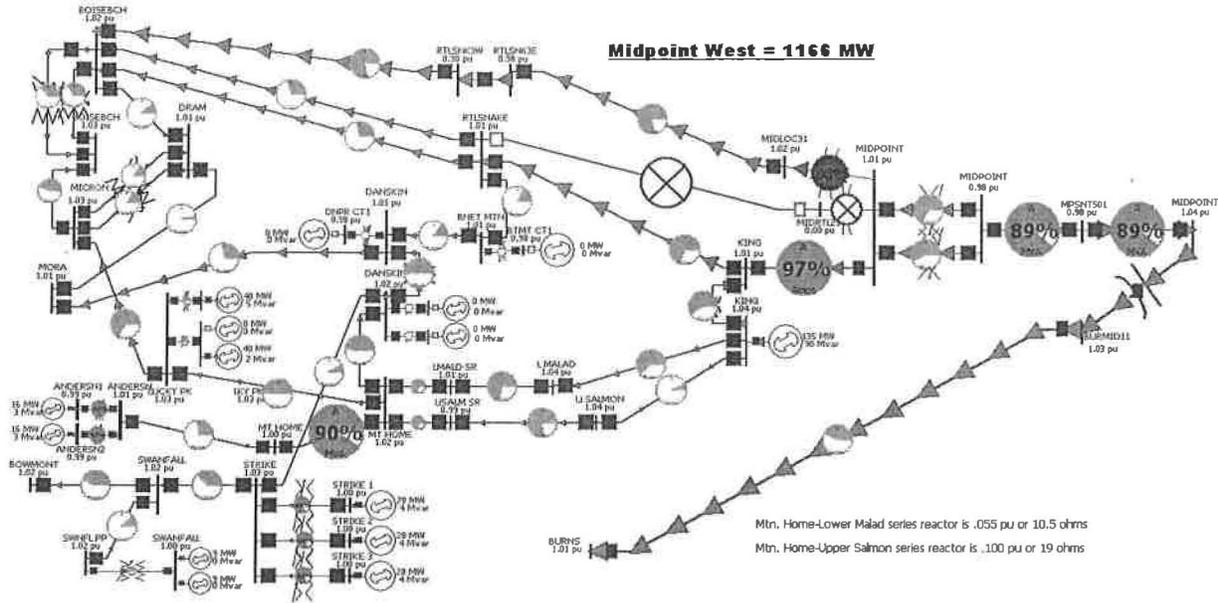
The following one line diagram depicts Phase #3 transmission improvements and 135 MW of new generation in the Twin Falls area, and the only N-1 outage between Midpoint and the Mountain Home area that results in loadings above continuous thermal ratings.



**Phase #3 Transmission Improvements – Midpoint-Rattlesnake #2 Outage
135 MW of New Generation
Figure 8**

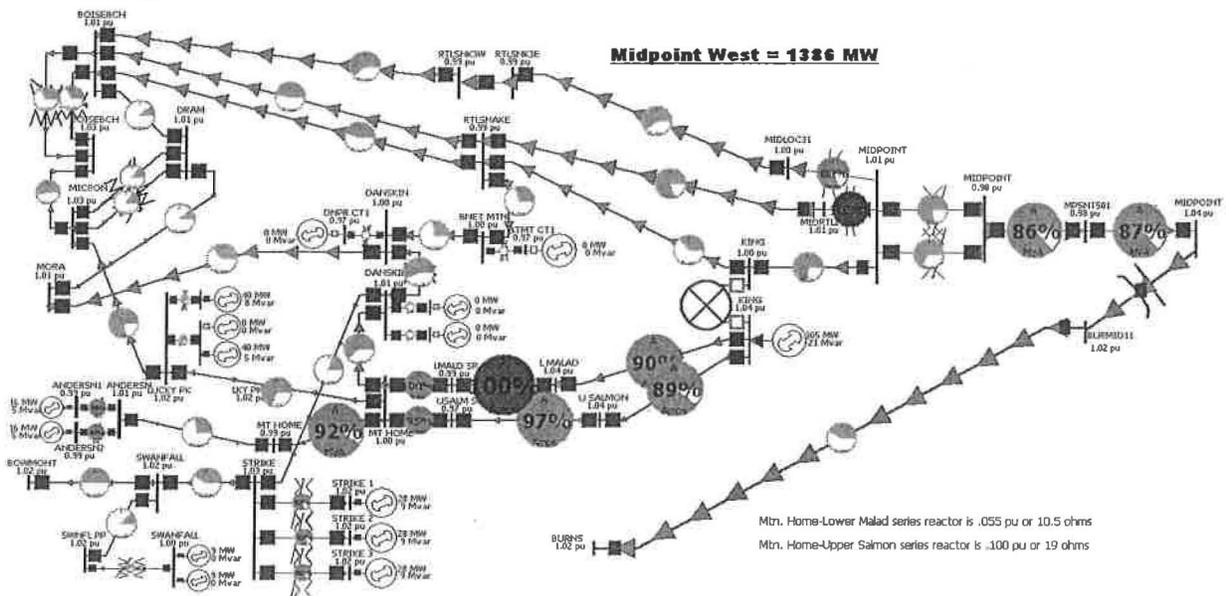
To interconnect generation quantities greater than 135 MW will require additional transmission system improvements. The required system improvements are referred to a “Phase #4” and include reconductoring/rebuilding the King-DRAM #1 230 kV transmission line with a two conductor bundle of 795 MCM ACSR “Tern” conductor. This rebuilt line also must be folded into and back out of the Rattlesnake Substation north of Mountain Home. In addition, transmission modifications are required at the DRAM end of the line. This overload is the result of the addition of new generation in the Twin Falls area, and as a result the costs of this improvement will be allocated to new generation interconnections.

The following one line diagram depicts the system with Phase #4 improvements added, 135 MW of new generation in the Twin Falls area, and the same N-1 as Figure 8.



**Phase #4 Transmission Improvements – Midpoint-Rattlesnake #2 Outage
135 MW of New Generation
Figure 9**

Phase #4 transmission improvements are capable of accomodating approximately 305 MW of new generation in the Twin Falls area. The following one line diagram depicts the system with Phase #4 improvements added, 305 MW of new generation in the Twin Falls area, and the loss of the King 230/138 kV Xfmr.



**Phase #4 Transmission Improvements – King 230/138 kV Xfmr Outage
305 MW of New Generation
Figure 10**

For generator interconnections in excess of 305 MW, the addition of a second 230/138 kV transformer at King is required.

8.0 Fault Study Results

Since this System Impact Study lumps all the proposed generation additions at King 138 kV bus, this Draft Report makes no attempt to address fault study concerns. Each proposed generation project will have to be evaluated individually based on its specific location.

9.0 Transient Stability Study Results

The Midpoint West Transmission System is not transient stability limited. Therefore, no transient stability studies were performed.

10.0 Conclusions

The System Impact of interconnecting up to 200 MW of new generation in the Twin Falls area to Idaho Power's 138 kV transmission system was studied. Four phases of transmission system improvements are required to provide Network Resource Interconnection Service to 200 MW of new generation. Phase #1 is the installation of a 19 ohm 138 kV Series Reactor on the Upper Salmon-Mountain Home Junction 138 kV transmission line. This improvement corrects a N-1 overload that exists before any new generation is added in the Twin Falls area. As a result, the estimated \$290,000 cost of this improvement will be borne by Idaho Power Company. After approximately 7 MW of new generation is added, Phase #1 improvements are no longer sufficient. Phase #2 improvements require the installation of a 10.5 ohm 138 kV Series Reactor on the Lower Malad-Mountain Home Junction 138 kV transmission line. The estimated \$290,000 cost of this improvement should be allocated to new generator interconnections. Following the addition of approximately 60 MW of new generation, Phase #3 transmission improvements are required. Phase #3 involves folding the Midpoint-DRAM #1 230 kV transmission line into and back out of the King Substation and installing a 230/138 kV 300 MVA transformer. The estimated \$10,320,000 cost of this improvement should be allocated to new generator interconnections. Following the addition of approximately 135 MW of new generation, Phase #4 transmission improvements are required. Phase #4 involves reconductoring/rebuilding the King-DRAM #1 230 kV transmission line with a two conductor bundle of 795 MCM ACSR "Tern" conductor. This rebuilt line also must be folded into and back out of the Rattlesnake Substation north of Mountain Home. In addition, transmission modifications are required at the DRAM end of the line. The estimated \$47,525,000 cost of this improvement should be allocated to new generator interconnections. Phase #4 transmission improvements are adequate to interconnect approximately 305 MW of new generation in the Twin Falls area before additional improvements are required.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 10



24 January 2007

Mr. James Carkulis
Exergy Development Group, LLC
1424 Dodge Avenue
Helena, MT 59601
Ph 406-459-3013

RE: Generator Interconnection Status and Facility Study Offer –
Notch Butte Wind Park Project #158

Dear Mr. Carkulis:

Attached is a draft Facility Study Agreement for the above referenced project. This Agreement provides for the study of potentially necessary Network Upgrades on the main grid transmission system. You may already have signed a separate Interconnection Facility Study for the distribution and transmission portions of the project providing for Generation Interconnection.

On Tuesday August 15, 2006 Idaho Power Company held a meeting to discuss the June 8, 2006 Generator Interconnection System Impact Study Report¹ and examine possible options to proceed given the identified Network Upgrades required to integrate generation as Network Resources in the Twin Falls geographic area.

Since the August 15 meeting, Idaho Power Company has been in discussions with a number of entities. At least one has indicated willingness to fund the Network Upgrades for all projects subject to refund provisions similar to those discussed at the meeting. Any such proposal would need agreement and required approvals by all Parties and the Idaho Public Utilities Commission ("IPUC"). Additionally, there is a pending Complaint with the IPUC (Case No. IPC-E-06-21) seeking determination for cost responsibility of Network Upgrades for PURPA QFs. Some projects in the Generator Interconnection Queue are not subject to this IPUC proceeding but may nevertheless be impacted by its outcome. Even so, a number of projects in the Queue have expressed a desire to move forward with construction prior to the conclusion of that proceeding.

Please note that this Facility Study Agreement does not obligate you to proceed with construction of any Network Upgrades. It will provide the necessary funding and authority to allow the detailed engineering and design work to proceed so that refined cost estimates and construction timelines can be determined.

Once this Facility Study is completed, Idaho Power will offer a draft Interconnection Agreement to each project that will establish obligations and commitment to participate in funding of the Network Upgrades for transmission facilities. That Interconnection Agreement will provide an option to each generator to select a designation either as a firm resource – also known as a Network Resource (NR), or a non-firm resource – known as an Energy Resource (ER).

Selection of an NR designation requires the availability of firm transmission capacity to transfer the total generation output and will require the construction of the necessary Network Upgrades. Additionally, should your NR Project request commercial operation prior to the completion of the required Network

¹ "for Up to 305 MW of New Generation On the 138 kV Transmission System in the Twin Falls Area".

Upgrades, design and construction of a control system to dispatch/curtail the Project output may be required and become part of the scope of this Facility Study, allowing non-firm operation (described below) until the Network Upgrades are completed.

If you decide to designate your project as an ER you will avoid construction obligation of Network Upgrades. However, this non-firm ER designation will require generation curtailment during periods when actual or scheduled use of transmission paths (affected by your Project) exceed path operating capacity. Selection as an ER will require the design and construction of a control system to dispatch/curtail the Project output, and will become part of the scope of this Facility Study.

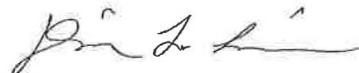
The ER approach may require modifications to Power Purchase Agreements to recognize the interruptibility of the Project. Cost responsibility of any control system to enable dispatch control/curtailment will be the responsibility of the Interconnection Customer.

Any determination of direct cost responsibility of Network Upgrades for PURPA generation projects will be in accordance with orders of the IPUC, the IPUC's approval of a settlement offer, or other IPUC-approved mutual agreement between the Parties. Any remaining FERC jurisdictional projects would remain subject to FERC rules and procedures already in effect as provided for in Idaho Power's Open Access Transmission Tariff ("OATT").

In conjunction with Idaho Power Company's Generator Interconnection procedures, we now consider the System Impact Study phase completed. Lisa Loomis will be the Project Leader who is responsible for carrying this project through the Design & Construction phase. If you have questions she can be reached at 208-388-6337.

If you wish to proceed with this project, we must receive written notice from you and the required deposit, \$10,588.00 for the Facility Study within 30 Calendar Days of this letter. If not, your Generator Interconnection application will be deemed withdrawn in its entirety. Please contact me if you have any questions.

Sincerely,



"Kip" David L. Sikes, P.E.
Commercial Transmission Development Manager
Ph 208-388-2459
dsikes@idahopower.com

Attachments

Draft Facility Study Agreement

Cc: Rowena Bishop/ IPC
Lisa Loomis/ IPC

INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 2007 by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Idaho Power Company a Corporation existing under the laws of the State of Idaho, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop the Notch Butte Wind Park Generation Project, located in Lincoln County, Idaho hereafter referred to as "Generating Facility", consistent with the Interconnection Request submitted by Interconnection Customer dated 12/19/2005; and

WHEREAS, Interconnection Customer desires to interconnect the Generating Facility with Transmission Provider's Transmission System (the "Transmission System");

WHEREAS, the Transmission Provider has proposed to group Network Facilities required for more than one Interconnection Customer in order to minimize facilities costs for Network Upgrades on the main-grid transmission system through grouped participation, and has given the affected parties the choice to bring their proposed facility online with some capacity limitations until Network Facility Studies can be completed; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform an Interconnection Facilities Study for the Network Upgrades on the main-grid transmission system to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study dated, June 8, 2006 in accordance with Good Utility Practice to physically and electrically connect the Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 Definitions. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved Standard Large Generator Interconnection Procedures ("LGIP") Attachment J, Idaho Power Company, FERC Electric Tariff, First Revised Volume No. 5.
- 2.0 Agreement. Interconnection Customer elects and Transmission Provider agrees to perform an Interconnection Facilities Study consistent with Section 8.0 of the LGIP in accordance with the Tariff.
- 3.0 Scope. The scope of the Interconnection Facilities Study shall be based upon the data provided in Attachment A to this Agreement.
- 4.0 Study timeline. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report to Interconnection Customer within One hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.
- 5.0 Interconnection Facilities Study Report. The Interconnection Facilities Study report (i) shall provide a description, the estimated cost, and a schedule for required facilities to interconnect the Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.
- 6.0 Deposit. Interconnection Customer shall provide a deposit of \$10,588.00 for the performance of the Interconnection Facilities Study.

Transmission Provider shall, on a monthly basis, submit an invoice to the Interconnection Customer which shall reflect the amount due for the work conducted by the Transmission Provider on the Interconnection Facilities Study during the invoice month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.
- 7.0 Effective Date, Duration and Termination. This Agreement becomes effective upon execution by all Parties and shall continue until the work required by the Agreement is completed; provided, however, the Interconnection Customer may terminate this Agreement at any time after providing written notice. Any unspent funds will be returned with interest under the provisions of the LGIP. The remaining parties agree to an appropriate reallocation of study funds based on projects remaining in the queue. In addition, if Interconnecting Customer withdraws its application for interconnection, this Agreement shall terminate effective with the date the application for interconnection is withdrawn.

- 8.0 No Obligation to Complete Generating Facility. Nothing in this Agreement obligates Interconnection Customer to continue or complete development of the Generating Facility or enter into a Generator Interconnection Agreement (“GIA”). A binding agreement and commitment with respect to interconnecting the Generating Facility to the Transmission System will only occur upon the execution of a GIA by Transmission Provider and Interconnection Customer.
- 9.0 Relationship of the Parties. This Agreement is intended to create an independent contractor relationship between the Parties. It is not to be construed as constituting the Parties as partners, as creating a joint venture, or as creating any other form of legal association or arrangement which would impose liability upon a Party for the act or omission of the other Party.
- 10.0 Remedies. In no event will Transmission Provider or its respective agents, employees, officers, directors, affiliates or representatives be liable for incidental, special, punitive or consequential damages including but not limited to lost profits, even if the Parties have been advised of the possibility of such damages. Interconnecting Customer agrees that Transmission Provider’s liability arising out of this Agreement and the services provided under this Agreement, whether under theories of contract, negligence, tort, strict liability, warranty or equity will not exceed the amounts payable by Interconnecting Customer to Transmission Provider for the services that are the basis of such claim.
- 11.0 Governing Law. The validity, interpretation and performance of this Agreement shall be governed by the laws of the State of Idaho, without regard to its conflict of law principles; and in addition, shall be subject to all applicable federal laws, regulations and judicial or administrative orders of the Federal Energy Regulatory Commission. Venue for any action to enforce the terms and conditions of this Agreement shall be in Boise, Idaho.
- 12.0 Amendment. This Agreement may not be modified except by mutual agreement by a signed document duly executed by both Parties.
- 13.0 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 14.0 Severability and Savings Clause. If any provision of this Agreement is held to be void, voidable, contrary to public policy, or unenforceable, that provision will be deemed severable from the Agreement as to the smallest part so held, and the remainder of the Agreement will continue in full effect as if the severed provision had not been included, in which case the Agreement will be construed and interpreted to implement the objectives of the Parties as stated in this Agreement.

The Parties agree that neither Party will be deemed the drafter of any term that may subsequently be found to be ambiguous or vague.

- 15.0 Survival. This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, to permit the determination and enforcement of liability obligations arising from acts or events that occurred while this Agreement was in effect.
- 16.0 Assignment and Subcontracts. This Agreement may not be transferred or assigned by either Party hereto without the prior written consent of the other Party, which such consent will not be unreasonably withheld. Transmission Provider may subcontract any portion of the work required by this Agreement without the permission of the Interconnecting Customer.
- 17.0 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Nothing in this Agreement shall be deemed to confer upon any other person any rights, remedies, obligations or liabilities under or by reason of this Agreement.
- 18.0 Notices. Any notice required by this Agreement is properly given if submitted in writing and delivered to the individual set forth below in person, delivered to a nationally recognized overnight courier service properly addressed and with delivery charges prepaid, delivered to the United States Postal Service properly addressed and with proper postage prepaid, transmitted by facsimile with confirmation of successful transmission, or transmitted by email. Either Party may change at any time the individual authorized to receive notice, an address, telephone number or email address by providing notice to the other Party.

If to Interconnecting Customer, to:

If to the Transmission Provider, to:

Idaho Power Company
Delivery Business Unit
1221 West Idaho Street
Boise, ID 83702
Attn: David "Kip" Sikes
ph 208.388.2459
fax 208.388.5504
Email: DSikes@idahopower.com

- 19.0 Entire Agreement. This Agreement and its Attachments constitutes the complete agreement between the Parties concerning its subject matter and supersedes all previous communications, negotiation, and agreements, whether oral or written, with respect to this Agreement. None of the terms or obligations under this Agreement may be changed or waived in any manner whatsoever by an action or inaction of either Party unless in a writing duly executed by the Parties. Any

provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions in any jurisdiction, and shall not invalidate or render unenforceable such provision in any other jurisdiction.

20.0 Dispute Resolution. Any dispute between Transmission Provider and Interconnection Customer involving the provisions of this Agreement shall be referred to a senior representative of Transmission Provider and a senior representative of Interconnection Customer for resolution on an informal basis as promptly as practicable.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Interconnection Customer:

Idaho Power Company – Delivery

By: _____

By: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER
WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

If not already provided:

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.
2. One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:
3. On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)
4. On the one line diagram indicate the location of auxiliary power. (Minimum load on CT/PT) Amps
5. Will an alternate source of auxiliary power be available during CT/PT maintenance?
 Yes No
6. Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes No (Please indicate on one line diagram).
7. What type of control system or PLC will be located at Interconnection Customer's Large Generating Facility?

8. What protocol does the control system or PLC use?

9. Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.
10. Physical dimensions of the proposed interconnection station:

11. Bus length from generation to interconnection station:

12. Line length from interconnection station to Transmission Provider's transmission line.

13. Tower number observed in the field. (Painted on tower leg)* _____

14. Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

15. Is the Large Generating Facility in the Transmission Provider's service area?
____ Yes ____ No Local provider: _____

16. **Please update proposed schedule dates:**

Begin Construction Date: _____

Generator step-up transformer receives back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 11

System Impact Study Agreement

THIS AGREEMENT is made and entered into this ___ day of _____ 2007 by and between Exxon Development Corp. of Texas, a limited liability Co organized and existing under the laws of the State of Texas, ("Interconnection Customer,") and Idaho Power Company a Corporation existing under the laws of the State of Idaho, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on 12/19/05 and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a Feasibility Study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a System Impact Study(s) to assess the impact of interconnecting the Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed a System Impact Study(s) consistent with the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of a System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 A System Impact Study will be based upon the results of the Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the System Impact Study. If the Interconnection Customer modifies its designated Point of Interconnection,

Interconnection Request, or the technical information provided therein is modified, the time to complete the System Impact Study may be extended.

- 5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.
- 6.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.
- 7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the Transmission Provider has 20 additional Business Days to complete a system impact study requiring review by Affected Systems.
- 8.0 If the Transmission Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –
 - 8.1 Are directly interconnected with the Transmission Provider's electric system; or
 - 8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
 - 8.3 Have a pending higher queued Interconnection Request to interconnect with the Transmission Provider's electric system.
- 9.0 A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties, or in accordance with the Transmission Provider's queuing procedures.

- 10.0 A \$10,000.00 deposit (the equivalent of the good faith estimated cost of a transmission system impact study) will be required from the Interconnection Customer.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Provider:

Interconnection Customer:

Idaho Power Company - Delivery

Energy Development Group on Energy, LLC

Signed _____

Signed [Signature]

Name (Printed): _____

Name (Printed): Frank T. Canine

Title _____

Title Manager

Date _____

Date February 11th, 2007

Attachment A

Assumptions Used in Conducting the System Impact Study

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

PROJECT SCOPE:

- 1) Designation of Point of Interconnection and configuration to be studied.
- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 12

INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this 24th day of February, 2007 by and between Energy Development Group, a limited liability company organized and existing under the laws of the State of Idaho, ("Interconnection Customer,") and Idaho Power Company a Corporation existing under the laws of the State of Idaho, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop the Notch Butte Wind Park Generation Project, located in Lincoln County, Idaho hereafter referred to as "Generating Facility", consistent with the Interconnection Request submitted by Interconnection Customer dated 12/19/2005; and

WHEREAS, Interconnection Customer desires to interconnect the Generating Facility with Transmission Provider's Transmission System (the "Transmission System");

WHEREAS, the Transmission Provider has proposed to group Network Facilities required for more than one Interconnection Customer in order to minimize facilities costs for Network Upgrades on the main-grid transmission system through grouped participation, and has given the affected parties the choice to bring their proposed facility online with some capacity limitations until Network Facility Studies can be completed; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform an Interconnection Facilities Study for the Network Upgrades on the main-grid transmission system to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study dated, June 8, 2006 in accordance with Good Utility Practice to physically and electrically connect the Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 Definitions. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved Standard Large Generator Interconnection Procedures ("LGIP") Attachment J, Idaho Power Company, FERC Electric Tariff, First Revised Volume No. 5.
- 2.0 Agreement. Interconnection Customer elects and Transmission Provider agrees to perform an Interconnection Facilities Study consistent with Section 8.0 of the LGIP in accordance with the Tariff.
- 3.0 Scope. The scope of the Interconnection Facilities Study shall be based upon the data provided in Attachment A to this Agreement.
- 4.0 Study timeline. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report to Interconnection Customer within One hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.
- 5.0 Interconnection Facilities Study Report. The Interconnection Facilities Study report (i) shall provide a description, the estimated cost, and a schedule for required facilities to interconnect the Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.
- 6.0 Deposit. Interconnection Customer shall provide a deposit of \$10,588.00 for the performance of the Interconnection Facilities Study.

Transmission Provider shall, on a monthly basis, submit an invoice to the Interconnection Customer which shall reflect the amount due for the work conducted by the Transmission Provider on the Interconnection Facilities Study during the invoice month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

- 7.0 Effective Date, Duration and Termination. This Agreement becomes effective upon execution by all Parties and shall continue until the work required by the Agreement is completed; provided, however, the Interconnection Customer may terminate this Agreement at any time after providing written notice. Any unspent funds will be returned with interest under the provisions of the LGIP. The remaining parties agree to an appropriate reallocation of study funds based on projects remaining in the queue. In addition, if Interconnecting Customer withdraws its application for interconnection, this Agreement shall terminate effective with the date the application for interconnection is withdrawn.

- 8.0 No Obligation to Complete Generating Facility. Nothing in this Agreement obligates Interconnection Customer to continue or complete development of the Generating Facility or enter into a Generator Interconnection Agreement (“GIA”). A binding agreement and commitment with respect to interconnecting the Generating Facility to the Transmission System will only occur upon the execution of a GIA by Transmission Provider and Interconnection Customer.
- 9.0 Relationship of the Parties. This Agreement is intended to create an independent contractor relationship between the Parties. It is not to be construed as constituting the Parties as partners, as creating a joint venture, or as creating any other form of legal association or arrangement which would impose liability upon a Party for the act or omission of the other Party.
- 10.0 Remedies. In no event will Transmission Provider or its respective agents, employees, officers, directors, affiliates or representatives be liable for incidental, special, punitive or consequential damages including but not limited to lost profits, even if the Parties have been advised of the possibility of such damages. Interconnecting Customer agrees that Transmission Provider’s liability arising out of this Agreement and the services provided under this Agreement, whether under theories of contract, negligence, tort, strict liability, warranty or equity will not exceed the amounts payable by Interconnecting Customer to Transmission Provider for the services that are the basis of such claim.
- 11.0 Governing Law. The validity, interpretation and performance of this Agreement shall be governed by the laws of the State of Idaho, without regard to its conflict of law principles; and in addition, shall be subject to all applicable federal laws, regulations and judicial or administrative orders of the Federal Energy Regulatory Commission. Venue for any action to enforce the terms and conditions of this Agreement shall be in Boise, Idaho.
- 12.0 Amendment. This Agreement may not be modified except by mutual agreement by a signed document duly executed by both Parties.
- 13.0 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 14.0 Severability and Savings Clause. If any provision of this Agreement is held to be void, voidable, contrary to public policy, or unenforceable, that provision will be deemed severable from the Agreement as to the smallest part so held, and the remainder of the Agreement will continue in full effect as if the severed provision had not been included, in which case the Agreement will be construed and interpreted to implement the objectives of the Parties as stated in this Agreement.

The Parties agree that neither Party will be deemed the drafter of any term that may subsequently be found to be ambiguous or vague.

- 15.0 Survival. This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, to permit the determination and enforcement of liability obligations arising from acts or events that occurred while this Agreement was in effect.
- 16.0 Assignment and Subcontracts. This Agreement may not be transferred or assigned by either Party hereto without the prior written consent of the other Party, which such consent will not be unreasonably withheld. Transmission Provider may subcontract any portion of the work required by this Agreement without the permission of the Interconnecting Customer.
- 17.0 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Nothing in this Agreement shall be deemed to confer upon any other person any rights, remedies, obligations or liabilities under or by reason of this Agreement.
- 18.0 Notices. Any notice required by this Agreement is properly given if submitted in writing and delivered to the individual set forth below in person, delivered to a nationally recognized overnight courier service properly addressed and with delivery charges prepaid, delivered to the United States Postal Service properly addressed and with proper postage prepaid, transmitted by facsimile with confirmation of successful transmission, or transmitted by email. Either Party may change at any time the individual authorized to receive notice, an address, telephone number or email address by providing notice to the other Party.

If to Interconnecting Customer, to:

Energy Development Group
OF Idaho, LLC
Mr. James Carkulis
802 W. BANNOCK
SUITE 1200
BOISE, ID 83702

If to the Transmission Provider, to:

Idaho Power Company
Delivery Business Unit
1221 West Idaho Street
Boise, ID 83702
Attn: David "Kip" Sikes
ph 208.388.2459
fax 208.388.5504
Email: DSikes@idahopower.com

- 19.0 Entire Agreement. This Agreement and its Attachments constitutes the complete agreement between the Parties concerning its subject matter and supersedes all previous communications, negotiation, and agreements, whether oral or written, with respect to this Agreement. None of the terms or obligations under this Agreement may be changed or waived in any manner whatsoever by an action or inaction of either Party unless in a writing duly executed by the Parties. Any

provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions in any jurisdiction, and shall not invalidate or render unenforceable such provision in any other jurisdiction.

20.0 Dispute Resolution. Any dispute between Transmission Provider and Interconnection Customer involving the provisions of this Agreement shall be referred to a senior representative of Transmission Provider and a senior representative of Interconnection Customer for resolution on an informal basis as promptly as practicable.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Idaho Power Company – Delivery

By: Lisa Loomis

Printed: Lisa Loomis

Title: Project Leader

Date: 3/27/07

Interconnection Customer:

Energy Development Group or Energy, LLC

By: [Signature]

Printed: James T. Cravens

Title: MANAGER

Date: February 24th, 2007

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 13



June 22, 2007

James Carkulis
Exergy Development Group, LLC
1424 Dodge Avenue
Helena MT 59601
Ph 406-459-3013

Dear Mr. Carkulis:

Re: Notch Butte Wind Park Project # 158
Milner Dam Wind Park Project # 157
Golden Valley Wind Park Project # 155

Attached are the Interconnection Facility Study Agreements (FSAs) for the above-referenced projects. These Agreements are only for the distribution and transmission portions of the projects which will provide for generation interconnection. A separate Facility Study has already been executed for the pending network improvements for each of these projects as indicated in the 305 MW System Impact Study previously provided to you.

I have forwarded your application to our Project Leader, Lisa Loomis, who is responsible for carrying these projects through the Design & Construction phase. If you have questions, she can be reached at 208-388-6337.

In order to proceed with this application, we must receive notice and the required deposit for the Interconnection Facility Study from you by July 22, 2007, otherwise your application(s) will be deemed withdrawn. Please contact me if you have questions.

Sincerely,

A handwritten signature in cursive script that reads "David M. Angell".

David M. Angell
Planning Manager
Ph 208-388-2701
daveangell@idahopower.com

Attachments: Interconnection Facility Study Agreements

Cc: Rowena Bishop/IPC
Lisa Loomis/IPC

Interconnection Facilities Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____ 2007 by and between _____, a _____ organized and existing under the laws of the State of _____ ("Interconnection Customer,") and Idaho Power Company, a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on 12/19/05, and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a Feasibility Study and determined that a System Impact Study is not necessary; and

WHEREAS, the Transmission Provider has proposed to group Network Facilities required for more than one Interconnection Customer in order to minimize facilities costs through grouped participation, and to allow the Interconnection Customer to bring their proposed facility online with some capacity limitations until Network Facility Studies can be completed; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.

- 3.0 The Transmission Provider will proceed with Interconnection Facility Studies, with the understanding that Network Upgrades associated with this Generator Interconnection application identified in Idaho Power Company's June 29, 2006 Midpoint West System Impact Study Report will be necessary, along with the uncertainty of whether or not other Interconnection Customers proceed with each of their applications for Generator Interconnection.
- 4.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 5.0 The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) what capacity limitations or operational issues may exist in the interim until the Transmission Provider completes a Network Facility Study in the future for the identified study group of Interconnection Customers, and (4) an estimate of the time required to complete the construction and installation of such facilities.
- 6.0 Any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility independent of the identified study group if it is willing to pay all of the costs associated with those facilities.
- 7.0 A deposit of the good faith estimated facilities study costs of \$100,000 will be required from the Interconnection Customer.
- 8.0 The Interconnection Facilities Study will be completed within 90 Calendar Days, or sooner, upon execution of this Agreement. Once the Interconnection Facilities Study is completed, an Interconnection Facilities Study report shall be prepared and transmitted to the Interconnection Customer within 10 Business Days.
- 9.0 Any Interconnection Facility Study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 10.0 The Interconnection Customer must pay any Interconnection Facility Study costs that exceed the deposit without interest within 30 Calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 Calendar days of the invoice without interest.

- 11.0 **Effective Date, Duration and Termination.** This Agreement becomes effective upon execution by all Parties and shall continue until the work required by the Agreement is completed; provided, however, the Interconnection Customer may terminate this Agreement at any time after providing written notice. In addition, if Interconnecting Customer withdraws its application for interconnection, this Agreement shall terminate effective with the date the application for interconnection is withdrawn.
- 12.0 **No Obligation to Complete Generating Facility.** Nothing in this Agreement obligates Interconnection Customer to continue or complete development of the Small Generating Facility or enter into a Small Generator Interconnection Agreement ("SGIA"). A binding agreement and commitment with respect to interconnecting the Small Generating Facility to the Transmission System will only occur upon the execution of an SGIA by Transmission Provider and Interconnection Customer.
- 13.0 **Relationship of the Parties.** This Agreement is intended to create an independent contractor relationship between the Parties. It is not to be construed as constituting the Parties as partners, as creating a joint venture, or as creating any other form of legal association or arrangement which would impose liability upon a Party for the act or omission of the other Party.
- 14.0 **Remedies.** In no event will Transmission Provider or its respective agents, employees, officers, directors, affiliates or representatives be liable for incidental, special, punitive or consequential damages including but not limited to lost profits, even if the Parties have been advised of the possibility of such damages. Interconnecting Customer agrees that Transmission Provider's liability arising out of this Agreement and the services provided under this Agreement, whether under theories of contract, negligence, tort, strict liability, warranty or equity will not exceed the amounts payable by Interconnecting Customer to Transmission Provider for the services that are the basis of such claim.
- 15.0 **Governing Law.** The validity, interpretation and performance of this Agreement shall be governed by the laws of the State of Idaho, without regard to its conflict of law principles; and in addition, shall be subject to all applicable federal laws, regulations and judicial or administrative orders of the Federal Energy Regulatory Commission. Venue for any action to enforce the terms and conditions of this Agreement shall be in Boise, Idaho.
- 16.0 **Amendment.** This Agreement may not be modified except by mutual agreement by a signed document duly executed by both Parties.
- 17.0 **Waiver.** The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 18.0 **Severability and Savings Clause.** If any provision of this Agreement is held to be void, voidable, contrary to public policy, or unenforceable, that provision will be deemed severable from the Agreement as to the smallest part so held, and the remainder of the Agreement will

continue in full effect as if the severed provision had not been included, in which case the Agreement will be construed and interpreted to implement the objectives of the Parties as stated in this Agreement. The Parties agree that neither Party will be deemed the drafter of any term that may subsequently be found to be ambiguous or vague.

- 19.0 Survival. This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, to permit the determination and enforcement of liability obligations arising from acts or events that occurred while this Agreement was in effect.
- 20.0 Assignment and Subcontracts. This Agreement may not be transferred or assigned by either Party hereto without the prior written consent of the other Party, which such consent will not be unreasonably withheld. Transmission Provider may subcontract any portion of the work required by this Agreement without the permission of the Interconnecting Customer.
- 21.0 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Nothing in this Agreement shall be deemed to confer upon any other person any rights, remedies, obligations or liabilities under or by reason of this Agreement.
- 22.0 Notices. Any notice required by this Agreement is properly given if submitted in writing and delivered to the individual set forth below in person, delivered to a nationally recognized overnight courier service properly addressed and with delivery charges prepaid, delivered to the United States Postal Service properly addressed and with proper postage prepaid, transmitted by facsimile with confirmation of successful transmission, or transmitted by email. Either Party may change at any time the individual authorized to receive notice, an address, telephone number or email address by providing notice to the other Party.

If to Interconnecting Customer, to:	If to the Transmission Provider, to:
_____	Idaho Power Company
_____	Delivery Business Unit
_____	1221 West Idaho Street
_____	Boise, ID 83702
_____	Attn: David M. Angell
_____	ph 208.388.2701
_____	fax 208.388.6647
_____	Email: daveangell@idahopower.com

- 23.0 Entire Agreement. This Agreement and its Attachments constitutes the complete agreement between the Parties concerning its subject matter and supersedes all previous communications, negotiation, and agreements, whether oral or written, with respect to this Agreement. None of the terms or obligations under this Agreement may be changed or

waived in any manner whatsoever by an action or inaction of either Party unless in a writing duly executed by the Parties. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions in any jurisdiction, and shall not invalidate or render unenforceable such provision in any other jurisdiction.

24.0 Dispute Resolution. Any dispute between Transmission Provider and Interconnection Customer involving the provisions of this Agreement shall be referred to a senior representative of Transmission Provider and a senior representative of Interconnection Customer for resolution on an informal basis as promptly as practicable.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Interconnection Customer:

Idaho Power Company - Delivery

Signed _____

Signed _____

Print _____

Print _____

Title _____

Title _____

Date _____

Date _____

Attachment A
Data to Be Provided by the Interconnection Customer
with the Facilities Study Agreement

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

2. One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections: _____

3. Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes _____ No _____

4. Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____
(Please indicate on the one-line diagram).

5. What type of control system or PLC will be located at the Small Generating Facility?

6. What protocol does the control system or PLC use?

7. Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

8. Physical dimensions of the proposed interconnection station:

9. Bus length from generation to interconnection station:

10. Line length from interconnection station to Transmission Provider's Transmission System.

11. Tower number observed in the field. (Painted on tower leg)*:

12. Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

13. Is the Small Generating Facility located in Transmission Provider's service area?

Yes _____ No _____ If No, please provide name of local provider:

14. Please provide the following proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformers
receive back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 14

Interconnection Facilities Study Agreement

THIS AGREEMENT is made and entered into this 15th day of July 2007^{SLC} by and between Energy Development Group & Feas, a LLC organized and existing under the laws of the State of Idaho, ("Interconnection Customer,") and Idaho Power Company, a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on 12/19/05, and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a Feasibility Study and determined that a System Impact Study is not necessary; and

WHEREAS, the Transmission Provider has proposed to group Network Facilities required for more than one Interconnection Customer in order to minimize facilities costs through grouped participation, and to allow the Interconnection Customer to bring their proposed facility online with some capacity limitations until Network Facility Studies can be completed; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.

- 3.0 The Transmission Provider will proceed with Interconnection Facility Studies, with the understanding that Network Upgrades associated with this Generator Interconnection application identified in Idaho Power Company's June 29, 2006 Midpoint West System Impact Study Report will be necessary, along with the uncertainty of whether or not other Interconnection Customers proceed with each of their applications for Generator Interconnection.
- 4.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 5.0 The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) what capacity limitations or operational issues may exist in the interim until the Transmission Provider completes a Network Facility Study in the future for the identified study group of Interconnection Customers, and (4) an estimate of the time required to complete the construction and installation of such facilities.
- 6.0 Any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility independent of the identified study group if it is willing to pay all of the costs associated with those facilities.
- 7.0 A deposit of the good faith estimated facilities study costs of \$100,000 will be required from the Interconnection Customer.
- 8.0 The Interconnection Facilities Study will be completed within 90 Calendar Days, or sooner, upon execution of this Agreement. Once the Interconnection Facilities Study is completed, an Interconnection Facilities Study report shall be prepared and transmitted to the Interconnection Customer within 10 Business Days.
- 9.0 Any Interconnection Facility Study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 10.0 The Interconnection Customer must pay any Interconnection Facility Study costs that exceed the deposit without interest within 30 Calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 Calendar days of the invoice without interest.

- 11.0 Effective Date, Duration and Termination. This Agreement becomes effective upon execution by all Parties and shall continue until the work required by the Agreement is completed; provided, however, the Interconnection Customer may terminate this Agreement at any time after providing written notice. In addition, if Interconnecting Customer withdraws its application for interconnection, this Agreement shall terminate effective with the date the application for interconnection is withdrawn.
- 12.0 No Obligation to Complete Generating Facility. Nothing in this Agreement obligates Interconnection Customer to continue or complete development of the Small Generating Facility or enter into a Small Generator Interconnection Agreement ("SGIA"). A binding agreement and commitment with respect to interconnecting the Small Generating Facility to the Transmission System will only occur upon the execution of an SGIA by Transmission Provider and Interconnection Customer.
- 13.0 Relationship of the Parties. This Agreement is intended to create an independent contractor relationship between the Parties. It is not to be construed as constituting the Parties as partners, as creating a joint venture, or as creating any other form of legal association or arrangement which would impose liability upon a Party for the act or omission of the other Party.
- 14.0 Remedies. In no event will Transmission Provider or its respective agents, employees, officers, directors, affiliates or representatives be liable for incidental, special, punitive or consequential damages including but not limited to lost profits, even if the Parties have been advised of the possibility of such damages. Interconnecting Customer agrees that Transmission Provider's liability arising out of this Agreement and the services provided under this Agreement, whether under theories of contract, negligence, tort, strict liability, warranty or equity will not exceed the amounts payable by Interconnecting Customer to Transmission Provider for the services that are the basis of such claim.
- 15.0 Governing Law. The validity, interpretation and performance of this Agreement shall be governed by the laws of the State of Idaho, without regard to its conflict of law principles; and in addition, shall be subject to all applicable federal laws, regulations and judicial or administrative orders of the Federal Energy Regulatory Commission. Venue for any action to enforce the terms and conditions of this Agreement shall be in Boise, Idaho.
- 16.0 Amendment. This Agreement may not be modified except by mutual agreement by a signed document duly executed by both Parties.
- 17.0 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 18.0 Severability and Savings Clause. If any provision of this Agreement is held to be void, voidable, contrary to public policy, or unenforceable, that provision will be deemed severable from the Agreement as to the smallest part so held, and the remainder of the Agreement will

continue in full effect as if the severed provision had not been included, in which case the Agreement will be construed and interpreted to implement the objectives of the Parties as stated in this Agreement. The Parties agree that neither Party will be deemed the drafter of any term that may subsequently be found to be ambiguous or vague.

- 19.0 Survival. This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, to permit the determination and enforcement of liability obligations arising from acts or events that occurred while this Agreement was in effect.
- 20.0 Assignment and Subcontracts. This Agreement may not be transferred or assigned by either Party hereto without the prior written consent of the other Party, which such consent will not be unreasonably withheld. Transmission Provider may subcontract any portion of the work required by this Agreement without the permission of the Interconnecting Customer.
- 21.0 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Nothing in this Agreement shall be deemed to confer upon any other person any rights, remedies, obligations or liabilities under or by reason of this Agreement.
- 22.0 Notices. Any notice required by this Agreement is properly given if submitted in writing and delivered to the individual set forth below in person, delivered to a nationally recognized overnight courier service properly addressed and with delivery charges prepaid, delivered to the United States Postal Service properly addressed and with proper postage prepaid, transmitted by facsimile with confirmation of successful transmission, or transmitted by email. Either Party may change at any time the individual authorized to receive notice, an address, telephone number or email address by providing notice to the other Party.

If to Interconnecting Customer, to:

LARRY LEIB
982 W. BARRONICK, SUITE 1200
BOISE, ID 83702
208.336.9795
208.336.9931

If to the Transmission Provider, to:

Idaho Power Company
Delivery Business Unit
1221 West Idaho Street
Boise, ID 83702
Attn: David M. Angell
ph 208.388.2701
fax 208.388.6647
Email: daveangell@idahopower.com

- 23.0 Entire Agreement. This Agreement and its Attachments constitutes the complete agreement between the Parties concerning its subject matter and supersedes all previous communications, negotiation, and agreements, whether oral or written, with respect to this Agreement. None of the terms or obligations under this Agreement may be changed or

waived in any manner whatsoever by an action or inaction of either Party unless in a writing duly executed by the Parties. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions in any jurisdiction, and shall not invalidate or render unenforceable such provision in any other jurisdiction.

24.0 Dispute Resolution. Any dispute between Transmission Provider and Interconnection Customer involving the provisions of this Agreement shall be referred to a senior representative of Transmission Provider and a senior representative of Interconnection Customer for resolution on an informal basis as promptly as practicable.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Interconnection Customer:

Idaho Power Company - Delivery

Energy Development Group Oklahoma

Signed _____

Signed [Signature]

Print _____

Print JAMES T. CARVER

Title _____

Title MANAGING MEMBER

Date _____

Date JULY 15TH, 2008

Attachment A
Data to Be Provided by the Interconnection Customer
with the Facilities Study Agreement

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

2. One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections: _____

3. Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes _____ No _____

4. Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____
(Please indicate on the one-line diagram).

5. What type of control system or PLC will be located at the Small Generating Facility?

6. What protocol does the control system or PLC use?

7. Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

8. Physical dimensions of the proposed interconnection station:

9. Bus length from generation to interconnection station:

10. Line length from interconnection station to Transmission Provider's Transmission System.

11. Tower number observed in the field. (Painted on tower leg)*:

12. Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

13. Is the Small Generating Facility located in Transmission Provider's service area?

Yes _____ No _____ If No, please provide name of local provider:

14. Please provide the following proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformers
receive back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 15

Feasibility Study Agreement- RESTUDY

THIS AGREEMENT is made and entered into this ____ day of _____ 2008, by and between _____ Exergy Development Group of Idaho _____, a Limited Liability Company organized and existing under the laws of the State of _____ Idaho _____, ("Interconnection Customer,") and Idaho Power Company a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on December 19, 2005 also known as Project # 158, and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility RESTUDY to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in Attachment B. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

Small Gen Feasibility Study Agreement
Notch Butte Wind Project # 158

- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
- 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A deposit of \$1,000.00 is required to be paid by the Interconnection customer upon executing this Interconnection Feasibility Study Agreement.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study. Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

Small Gen Feasibility Study Agreement
Notch Butte Wind Project # 158

- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 business days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Idaho Power Company – Delivery

Signed Marc Patterson
Printed Marc Patterson
Title Leader, T&D Planning
Date 8-11-2008

Interconnection Customer:

Signed James T. Cankow
Printed James T. Cankow
Title MANAGING MEMBER
Date 02-SEP-2008

Attachment A to Feasibility Study Agreement

Assumptions Used in Conducting the Feasibility RESTUDY

The feasibility re-study will be based upon the information set forth in the Interconnection Request and agreed upon August 8, 2008:

- 1) Designation of Point of Interconnection and configuration to be studied:

The Point of Interconnection will be on Idaho Power Company's Dietrich 011 12.5 kV feeder at approx T06SR19E22, Lincoln County, Idaho. The project will be studied for 10.5 MW.

Attachment B

Generating Facility Information

Interconnection Customer's Requested In-Service Date: _____

Type of Generator: Synchronous Induction Inverter

Generator Nameplate Rating: 1,500 kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: 10,500 kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? Yes No

Generator Manufacturer, Model Name & Number: _____

Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____

Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor

Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected: _____ Elevation: _____

Single phase Three phase

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous ___ or RMS? ___

Harmonics Characteristics: _____

Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____

(*) Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, X_d : _____ P.U.

Direct Axis Transient Reactance, X'_d : _____ P.U.

Direct Axis Subtransient Reactance, X''_d : _____ P.U.

Negative Sequence Reactance, X_2 : _____ P.U.

Zero Sequence Reactance, X_0 : _____ P.U.

KVA Base: _____

Field Volts: _____

Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____

$I_2^2 t$ or K (Heating Time Constant): _____

Rotor Resistance, R_r : _____

Stator Resistance, R_s : _____

Stator Reactance, X_s : _____

Rotor Reactance, X_r : _____

Magnetizing Reactance, X_m : _____

Short Circuit Reactance, X_d'' : _____

Exciting Current: _____

Temperature Rise: _____

Frame Size: _____

Design Letter: _____

Reactive Power Required In Vars (No Load): _____

Reactive Power Required In Vars (Full Load): _____

Total Rotating Inertia, H: _____ Per Unit on kVA Base

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the point of common coupling? ___ Yes
___ No

Will the transformer be provided by the Interconnection Customer? ___ Yes ___ No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: ___ single phase ___ three phase? Size: _____ kVA

Transformer Impedance: _____ % on _____ kVA Base

If Three Phase:

Transformer Primary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded

Transformer Secondary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded

Transformer Tertiary: _____ Volts _____ Delta _____ Wye _____ Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____

Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function	Minimum	Maximum
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: _____
Type: _____ Accuracy Class: _ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: _ Proposed Ratio Connection: _____

Potential Transformer Data (If Applicable):

Manufacturer: _____
Type: _____ Accuracy Class: _ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: _ Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed?
___ Yes ___ No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) _____

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? ___ Yes ___ No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).
Are Schematic Drawings Enclosed? ___ Yes ___ No

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 16

**GENERATOR INTERCONNECTION
FEASIBILITY STUDY**

for integration of the proposed

NOTCH BUTTE WIND PARK PROJECT

PROJECT #158

in

LINCOLN COUNTY, IDAHO

to the

IDAHO POWER COMPANY ELECTRICAL SYSTEM

for

EXERGY DEVELOPMENT GROUP OF IDAHO, LLC

the

INTERCONNECTION CUSTOMER

FINAL REPORT

October 21, 2008

1.0 Introduction

Exergy Development Group of Idaho, LLC has contracted with Idaho Power Company (IPCO) to perform a Generator Interconnection Feasibility Study for the integration of the proposed 10.5 MW Notch Butte Wind Park Project (project #158). The location of the project is in Idaho Power's Southern Idaho service territory in section 22 of T06S, R19E Lincoln County, Idaho. This location is approximately 4 miles east of Idaho Power Company's Dietrich (DTRC) substation.

This report documents the basis for and the results of this Feasibility Study for the Notch Butte Wind Park. It describes the proposed project, the study cases used, the impact of associated projects, and results of all work in the areas of concern.

2.0 Summary

The proposed project is a 10.5 MW wind farm consisting of seven 1.5 MW GE wind turbines. The proposed Point of Interconnection (POI) for the generating facility with the IPCO system is in the southwest corner of section 22. This is located at the corner of 370 S and 1050 E in Lincoln County.

The substation feeding this area is DTRC. A new four mile feeder will have to be constructed with new conductor and poles. This feeder will directly connect the facility to the substation and will not be connected to any customer loads. A generation interconnection and protection package will also be required at the POI which will be located at the end of the new four mile feeder.

This area is served from Shoshone by way of a radial 46 kV transmission tap. Four miles of conductor will need to be upgraded from DTRC Tap to DTRC substation. A second transformer at the substation will also be added for capacity and reactive power reasons.

Voltage on the 46 kV bus at DTRC substation attains a level that is too high by IPCO standards. In order for that voltage to be brought down to within those standards the generation facility will have to maintain a 95% lagging power factor (consuming VARs) during periods of light loading.

There are limitations in the Midpoint West transmission system to the west of this project. This study demonstrates that there is no available transmission capacity when considering other proposed generation projects ahead of this one in the queue. A System Impact Study has been conducted to determine the transmission upgrades needed to serve this project (Appendix C).

The estimated cost for all required upgrades of IPCO owned facilities to serve the full project is **\$3,675,000.**

3.0 Scope of Interconnection Feasibility Study

The Interconnection Feasibility Study was done and prepared in accordance with Idaho Power Company Standard Generator Interconnection Procedures, to provide a preliminary evaluation of the feasibility of the interconnection of the proposed generating project to the Idaho Power system. As listed in the Interconnection Feasibility Study agreement, the Interconnection Feasibility Study report provides the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
- preliminary description and non-binding estimated cost of facilities required to interconnect the Small Generating Facility to the Distribution System and to address the identified short circuit and power flow issues.

All other proposed Generation projects prior to this project in the Generator Interconnect queue were considered in this study. A current list of these projects can be found on the Idaho Power web site as follows:

<http://www.oatioasis.com/ipco/index.html>.

4.0 Description of Proposed Generating Project

The Notch Butte Wind Park proposes to connect to the Idaho Power distribution system for an injection of 10.5 MW (maximum project output) using seven General Electric 1.5 MW wind turbines.

5.0 Description of Existing Transmission Facilities

The transmission line that serves this area is a 46 kV radial tap that runs from Shoshone substation to DTRC substation. This tap serves DTRC, as well as a 5.3 MVA hydro generation facility known as DTRC Drop. Voltage problems occur under light loading conditions on the 46 kV system. Before the addition of the project voltage on the 46 kV bus at the substation is at 1.037 p.u. With the addition of the project the voltage is 1.11 p.u. This voltage must be brought down to below 1.05 p.u. For this to happen the project will have to run at a 95% lagging power factor (absorbing 3.36 MVAR).

The conductors on this transmission line are 246.9 MCM AAAC and #2 ACSR, which have continuous thermal operating ratings of 30.9 MVA and 15.2 MVA, respectively. With the addition of this project the transmission line total load could reach 15.8 when running at a unity power factor. However, at minimum load DTRC is at approximately 450 kVA. This brings the total loading on the transmission line to 15.35 MVA. There is not enough capacity from DTRC Tap to DTRC (#2 ACSR) to serve this project during periods of light loading and high

generation. This problem will become even more pronounced with the project running at a 95% power factor, as mentioned above.

There are limitations in the Midpoint West transmission system to the west of this project. This study demonstrates that there is no available transmission capacity when considering other proposed generation projects ahead of this one in the queue. A System Impact Study has been conducted to determine the transmission upgrades needed to serve this project (Appendix C).

6.0 Description of Existing Substation Facilities

The substation serving this area is IPCO's DTRC Substation, which is located in section 23 of T06S, R18E in Lincoln County. The existing substation transformer is a 46:12.5 kV transformer rated for 9.375 MVA. As mentioned in section 5.0, during periods of light loading DTRC substation has a load near 450 kVA. With the consideration of the size of the proposed project (10.5 MW) there is not adequate capacity on this transformer to serve this project. Also, with the large amount of reactive power consumption that the wind park will be required to have, it is better to keep the generation separate from customer loads.

A new transformer will need to be installed at the substation. This transformer will be a 12.5 MVA 46:12.5 kV transformer and will only be connected to the dedicated feeder that the generating facility will be on.

The feeder breakers on the DTRC-011 and DTRC-012 feeders are Cooper type "VWVE38X" breakers which are designed for 560 amps continuous load current and have a maximum fault current interrupting rating of 12,000 amps. These feeder breakers will not be connected to the generating facility, but this type of breaker would be acceptable for addition on the new dedicated feeder.

7.0 Description of Existing Distribution Facilities

The distribution feeder serving this area is DTRC-011. This is a grounded wye feeder operating at 12.5 kV. The conductor from the point of interconnection to DTRC substation is 2/0 ACSR and #4 ACSR which have continuous thermal operating ratings of 6.75 MVA and 3.3 MVA, respectively. There is not adequate capacity on either of these wires to serve this project. Also, the wind park should not be connected directly to customer loads due to the high amount of reactive power that will need to flow to the generating facility.

These two reasons point to the reason why a dedicated distribution feeder is needed from DTRC substation to the generating facility. This feeder will need to be at 12.5 kV and constructed with 795 AAC conductor. This conductor consumes enough VARs during light loading at DTRC and heavy generation that the transmission system sees over 5.5 MVAR with the wind park at a 95 % power factor. This VAR output is enough to bring down the voltage on the 46 kV system to below 1.05 p.u.

The point of interconnection will be to the new 12.5 kV grounded wye feeder near the southwest corner of section 22. Refer to Appendix A section 3 for additional grounding requirements.

8.0 Description and Cost Estimate of Required Facility Upgrades

At the transmission level four miles of #2 ACSR conductor needs to be replaced with 397 ACSR for capacity reasons. Also, due to capacity constraints, a new 46:12.5 kV transformer is needed at the substation along with a transformer bay and feeder breaker. A new 12.5 kV 795 AAC distribution feeder will have to be installed from the substation to the wind park, and at the POI, a Generation Interconnection and Protection package will be required.

Description	Estimated Cost
New 12.5 MVA 46:12.5 kV transformer, bay and feeder breaker.	\$1,500,000
4 miles of new distribution line at 795 AAC.	\$875,000
Generation Interconnection Protection Package (Includes 12.47 kV recloser, controls, CTs, PTs, and communications.	\$225,000
4 miles of transmission line upgraded to 397.5 ACSR.	\$1,075,000
Total Estimated Cost	\$3,675,000

Table 1: Estimated Costs for Required Upgrades

These cost estimates include direct equipment and installation labor costs, indirect labor costs and overheads. (Tax Gross Up has not been included presuming construction of interconnection facilities will not qualify under IRS rules as a taxable event. Allowance for funds used during construction (AFUDC) has not been included in the cost estimates since it is assumed that IPC will be provided up-front funding by the Project). These are cost estimates only and final charges to the customer will be based on the actual construction costs incurred.

9.0 Description of Operating Requirements

In addition to these upgrades, there are also several operating requirements that must be met. The project will be controlled to operate at a lagging 95% power factor during periods of light loading. That is, the wind park must consume 3.36 MVAR at full output. The project will also have to meet the voltage schedule provided by Idaho Power. If these requirements can not be met, further voltage studies will be necessary. Voltage flicker at startup and during operation will be limited to less than 5% as measured at the POI. For this to occur, the starting inrush current can not exceed 484 Amps at the 12.5 kV voltage level. 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*.

11.0 Conclusions

The requested interconnection of the Notch Butte Wind Park to Idaho Power's system was studied. The results of this study work confirm that the existing Idaho Power system can be upgraded to handle this project. The known required upgrades for the existing distribution system are listed. An IPCO Transmission System Impact Study has been conducted to determine the transmission upgrades needed to serve this project.

APPENDIX A

A-1.0 Method of Study

The Feasibility Study plan inserts the Project up to the maximum requested injection into the selected Western Electric Coordinating Council (WECC) power flow case and then, using Power World Simulator Version 12, examines the impacts of the new resource on Idaho Power's transmission system (lines, transformers, etc.) within the study area under various operating/outage scenarios. The WECC and Idaho Power reliability criteria and Idaho Power operating procedures were used to determine the acceptability of the configurations considered. The WECC case is a recent case modified to simulate stressed but reasonable pre-contingency energy transfers utilizing the IPC system. For distribution feeder analysis, Idaho Power utilizes Advantica's SynerGEE Software.

A-2.0 Acceptability Criteria

The following acceptability criteria were used in the power flow analysis to determine under which system configuration modifications may be required:

The continuous rating of equipment is assumed to be the normal thermal rating of the equipment. This rating will be as determined by the manufacturer of the equipment or as determined by Idaho Power. Less than or equal to 100% of continuous rating is acceptable.

Idaho Power's Voltage Operating Guidelines were used to determine voltage requirements on the system. This states, in part, that distribution voltages, under normal operating conditions, are to be maintained within plus or minus 5% (0.05 per unit) of nominal everywhere on the feeder. Therefore, voltages greater than or equal to 0.95 pu voltage and less than or equal to 1.05 pu voltage are acceptable.

Voltage flicker during starting or stopping the generator is limited to 5% as measured at the point of interconnection, per Idaho Power's T&D Advisory Information Manual.

Idaho Power's Reliability Criteria for System Planning was used to determine proper transmission system operation.

All customer generation must meet IEEE 519 and ANSI C84.1 Standards.

All other applicable national and Idaho Power standards and prudent utility practices were used to determine the acceptability of the configurations considered.

The stable operation of the system requires an adequate supply of volt-amperes reactive (VARs) to maintain a stable voltage profile under both steady-state and dynamic system

conditions. An inadequate supply of VARs will result in voltage decay or even collapse under the worst conditions.

Equipment/line/path ratings used will be those that are in use at the time of the study or that are represented by IPC upgrade projects that are either currently under construction or whose budgets have been approved for construction in the near future. All other potential future ratings are outside the scope of this study. Future transmission changes may, however, affect current facility ratings used in the study.

A-3.0 Grounding Guidance

Idaho Power Company (IPC) requires interconnected transformers to limit their ground fault current to 20 amps at the point of interconnection.

A-4.0 Electrical System Protection Guidance

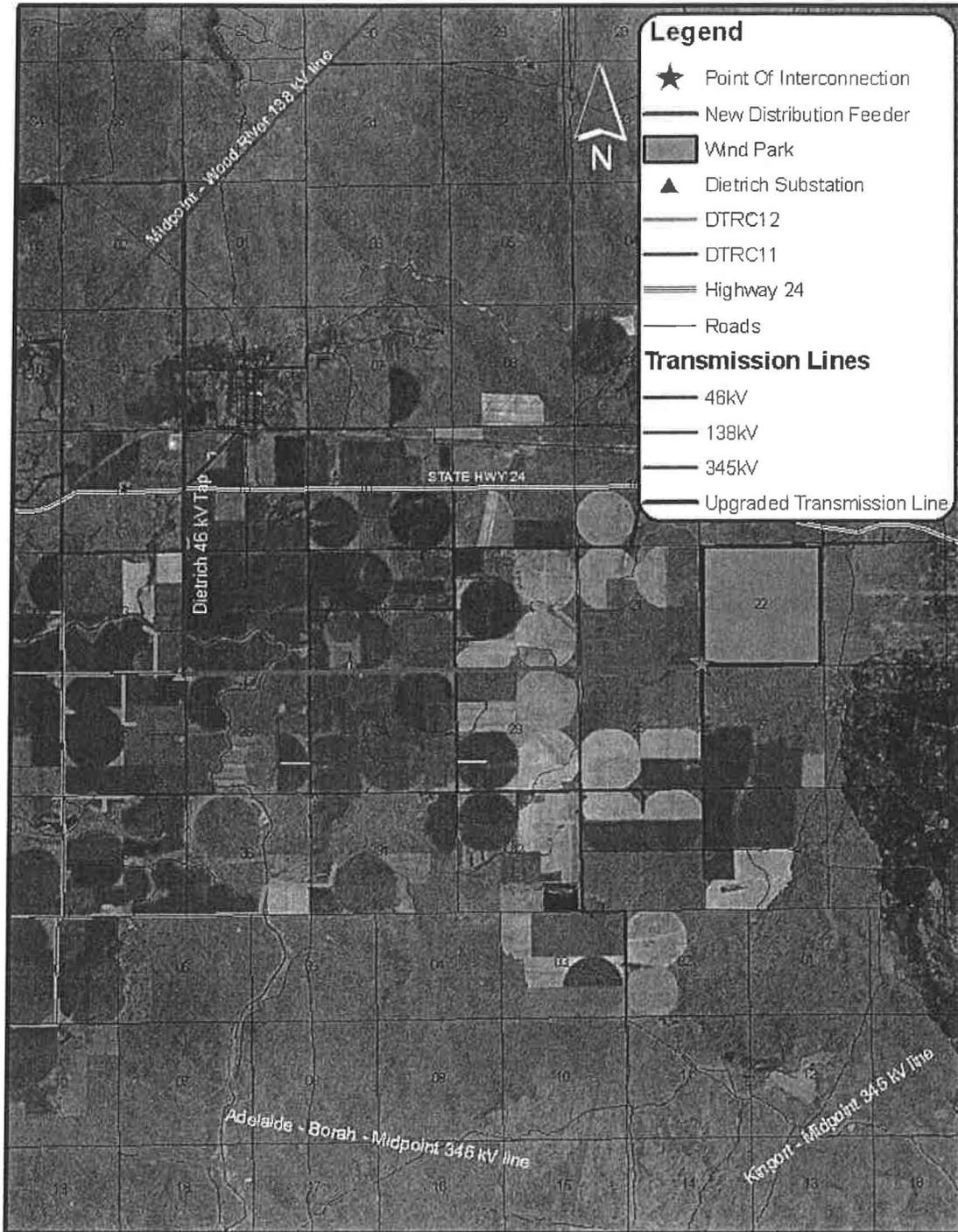
IPC requires electrical system protection per Requirements for Generation Interconnections found on the Idaho Power Web site, <http://www.idahopower.com/aboutus/business/generationInterconnect/>.

A-5.0 WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Requirements

IPC requires frequency operational limits to adhere to WECC Under-frequency and Over-frequency Limits per the WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Requirements available upon request.

APPENDIX B

Project #158 Notch Butte



APPENDIX C

**GENERATOR INTERCONNECTION
SYSTEM IMPACT STUDY REPORT**

for

**Up to 330 MW of New Generation
On the 138 kV Transmission System
In the Twin Falls Area**

to

**IDAHO POWER COMPANY, Transmission Provider
TRANSMISSION SYSTEM**

FINAL REPORT

June 29, 2007

1.0 Introduction

Multiple new generation projects have contacted Idaho Power Company (IPC) to perform Generator Interconnection System Impact Studies for Network Resource Interconnection Service at 138 kV for the integration of new generation projects in the Twin Falls area.

This report documents the basis for and the results of this System Impact Study. Previous studies were performed with these new generation projects being non-dispatchable. This System Impact Study will document the transmission system improvements required if the new generation projects are dispatchable. It describes the backbone transmission system improvements required for Network Resource Interconnection Service of the new generation proposed, the study cases used, outage scenarios assumed, redispatch requirements, and results of all work in the areas of concern.

2.0 Summary

The performance of the backbone transmission system was evaluated to integrate up to 304 MW of new generation on the 138 kV transmission system in the Twin Falls area. Five phases of transmission system improvements are required to provide 304 MW of new generation Network Resource Interconnection Service.

- Phase #1: Install an 8 ohm 138 kV Series Reactor on the Upper Salmon-Mountain Home Junction 138 kV transmission line. Without this improvement, the outage of the Midpoint-Rattlesnake 230 kV transmission line results in an overload of the Upper Salmon-Mountain Home Junction 138 kV line with no new generation in the Twin Falls area. This improvement is necessitated by the transmission improvements associated with Generation Project 88, and as a result should be funded by Idaho Power Company – Delivery. This phase of improvements is estimated at approximately \$290,000.
- Phase #2: Install a 4 ohm 138 kV Series Reactor on the Mountain Home Junction-Lucky Peak 138 kV transmission line. Without this improvement, the outage of the Rattlesnake-Boise Bench 230 kV transmission line results in an overload exceeding the 30 minute emergency rating of the Mountain Home Junction-Lucky Peak 138 kV line with new generation levels greater than 42 MW in the Twin Falls area. This phase of improvements is estimated at approximately \$290,000.
- Phase #3: Install a 12.35 ohm 138 kV Series Reactor on the Lower Malad-Mountain Home Junction 138 kV transmission line and increase the impedance of the existing Upper Salmon-Mountain Home Junction 138 kV Series Reactor to 26.2 ohms. Without this improvement, the outage of the Midpoint-Rattlesnake 230 kV transmission line results in an overload exceeding the 30 minute emergency rating of the Lower Malad-Mountain Home Junction 138 kV line with new generation levels greater than 94 MW in the Twin Falls area. This phase of improvements is estimated at approximately \$290,000.

- Phase #4: Re-configure the Midpoint-Rattlesnake 230 kV series capacitor bank to allow 1/3 of the compensation to be bypassed via IPC's SCADA system and install a "automatic 1/3 bypass scheme" for overloads exceeding series capacitor's 30 minute emergency equipment rating of 135%. Without this improvement, the outage of the Midpoint-Boise Bench #3 230 kV transmission line results in an overload exceeding the 30 minute emergency rating of the Midpoint-Rattlesnake 230 kV Series Capacitor Bank with new generation levels greater than 153 MW in the Twin Falls area. This phase of improvements is estimated at approximately \$100,000.
- Phase #5: Fold the Midpoint-DRAM #1 230 kV transmission line into the King Substation and install a 230/138 kV 300 MVA transformer. Without this improvement, the outage of the Rattlesnake-Boise Bench 230 kV transmission line results in an overload exceeding the 30 minute emergency rating of the Mountain Home Junction-Lucky Peak 138 kV line with new generation levels greater than 156 MW in the Twin Falls area. This phase of improvements is estimated at \$10,320,000.

Once all five phases of improvements have been completed, the transmission system is capable of interconnecting approximately 330 MW of new generation in the Twin Falls area and serving them on a dispatchable basis.

Section 8.0 of this report details the results of studies to quantify generation redispatch requirements following single contingencies on the transmission system. Reductions in the amount of generation which may be redispatched following contingencies, are possible by completing Phase #4 improvements earlier than required or funding optional modifications on the Midpoint-Boise Bench #3 series capacitor bank.

These cost estimates include direct equipment and installation labor costs, indirect labor costs and overheads, and allowance for funds used during construction (AFUDC). The proposed cost allocation is subject to change, as more information is known. These are cost estimates only and final charges to the customer will be based on the actual construction costs incurred.

3.0 Summary of Interconnection Requests

Requests were made to Idaho Power Co. by multiple generation projects in the Twin Falls area to study the interconnection of the proposed generation projects to Idaho Power's transmission system at the 138 kV level for Network Resource Interconnection Service.

4.0 Scope of Interconnection System Impact Study

The Interconnection System Impact Study was done and prepared in accordance with the FERC Order 2003-A, Standard Large Generator Interconnection Procedures, to provide a preliminary evaluation of the System Impact of the interconnection of the proposed large generating project to the Idaho Power transmission system. This study will only be concerned

with the capabilities of the Idaho Power system to manage this new resource within the study area of the proposed interconnection.

5.0 Description of Existing Transmission Facilities

As shown in Figure 1 of Section 7.0, Midpoint Substation, north of Twin Falls, has three 230 kV lines that carry bulk power westward to the Boise area. Midpoint-DRAM #1 line utilizes single 715.5 MCM conductor and has a continuous rating of 339 MVA. The Midpoint-Rattlesnake-Boise Bench #2 line utilizes a 2 conductor bundle of 715.5 MCM. This line has a continuous rating of 677 MVA. The Midpoint-Boise Bench #3 line has similar conductors and the same rating as the Rattlesnake-Boise Bench #2 line. In the Mountain Home area, an additional 230 kV line is planned to carry bulk power westward. The Rattlesnake-Bennett Mountain-Danskin-Mora line utilizes single 1272 MCM conductors (478 MVA) from Rattlesnake-Bennett Mountain, single 1590 MCM conductors (550 MVA) from Bennett Mountain-Danskin and Danskin-Mora. The Bennett Mountain-Danskin-Mora transmission lines are required for the interconnection of Generation Project 88; scheduled to be in-service Spring of 2008.

In addition to the Midpoint to the Boise area 230 kV lines previously mentioned, there are two 138 kV circuits which can carry power from the Twin Falls area to the Mountain Home area. They are:

- King-Lower Malad-Mountain Home Junction 138 kV Line
- King-Upper Salmon-Mountain Home Junction 138 kV Line

Generators located in the Twin Falls area which are intended to serve load growth in the Treasure Valley area, will be adding new incremental flows on top of existing committed east-to-west transactions across the Midpoint West transmission cutplane. This System Impact study will model approximately 1100 MW of transfers across the Midpoint West cutplane, prior to this proposed generator addition. For these studies, the flow level of the Midpoint west cutplane is defined as the sum of the flows on the following lines:

- Midpoint-DRAM #1 230 kV line
- Midpoint-Rattlesnake 230 kV Line
- Midpoint-Boise Bench #3 230 kV Line
- Lower Malad-Mountain Home Junction 138 kV Line
- Upper Salmon-Mountain Home Junction 138 kV Line

6.0 Description of Configurations Studied

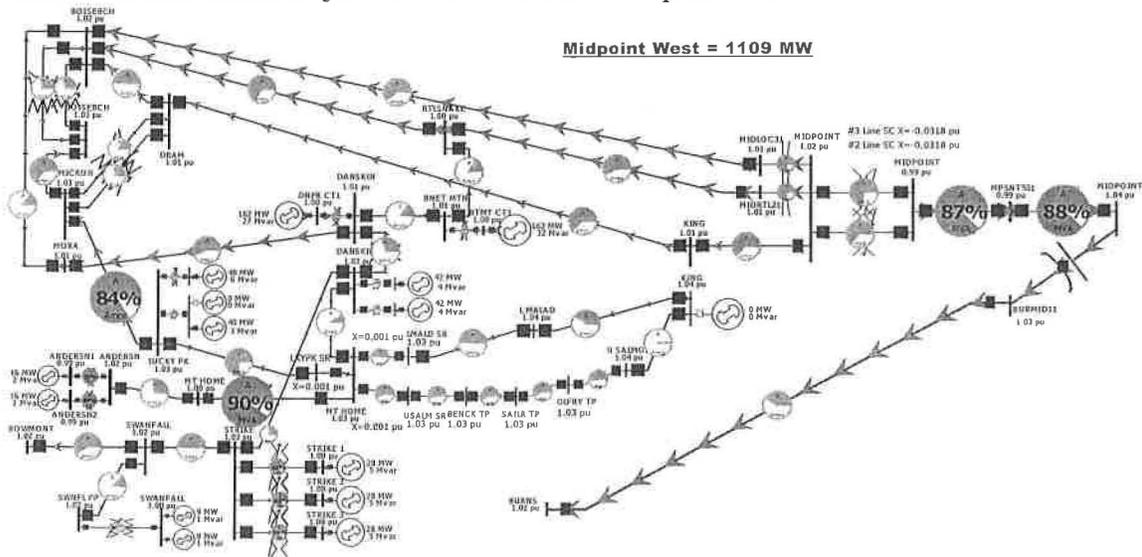
Since the most limiting operating conditions are expected during heavy production on the upper and middle Snake and Boise River hydro plants, with heavy east-west transfers across the Idaho Power transmission system, the injection of the new generation at King 138 kV bus was inserted into a power flow case that would simulate committed (approximately 1100 MW) pre-contingency flows on the Midpoint West transmission path.

7.0 Post-transient Study Results

This Interconnection System Impact Study Report is for Network Resource Interconnection Service at 138 kV, for numerous proposed generation additions in the Twin Falls area. System transfers across the Midpoint West cutplane are modeled at approximately 1100 MW prior to the proposed transmission improvements or the proposed generators producing any power. Hydro generation production for the Boise & Snake plants, were modeled at heavy, but realistic levels. Output levels for the existing peakers at Danskin and Bennett Mountain were varied over their operating ranges as appropriate. N-0 and N-1 outage performance for the existing system are recorded. For generation projects which will be dispatchable, generation levels at King 138 kV bus are increased until a transmission system component reaches its 30 minute emergency equipment ratings during N-1 outages. IPC's 30 minute emergency equipment ratings are 115% of continuous thermal ratings on transmission lines and transformers, and 135% on Midpoint series capacitors. The most effective and cost-efficient transmission system improvements are then added to the model and King generation is then increased until 30 minute emergency equipment ratings are reached during N-1 outages. Following any N-1 outage, transmission line and transformer loadings which are less than or equal to the 30 minute emergency equipment ratings (115%), but greater than the equipment continuous ratings (100%), must be reduced to the continuous ratings by generation curtailments, redispatch, or some other operating procedure. For the Midpoint series capacitor banks, following any N-1 outage, similar corrective actions are required for loadings which are less than or equal to the 30 minute emergency equipment ratings (135%), but greater than the equipment 8 hour rating (110%). Various options to correct overloads following N-1 outages will be explored.

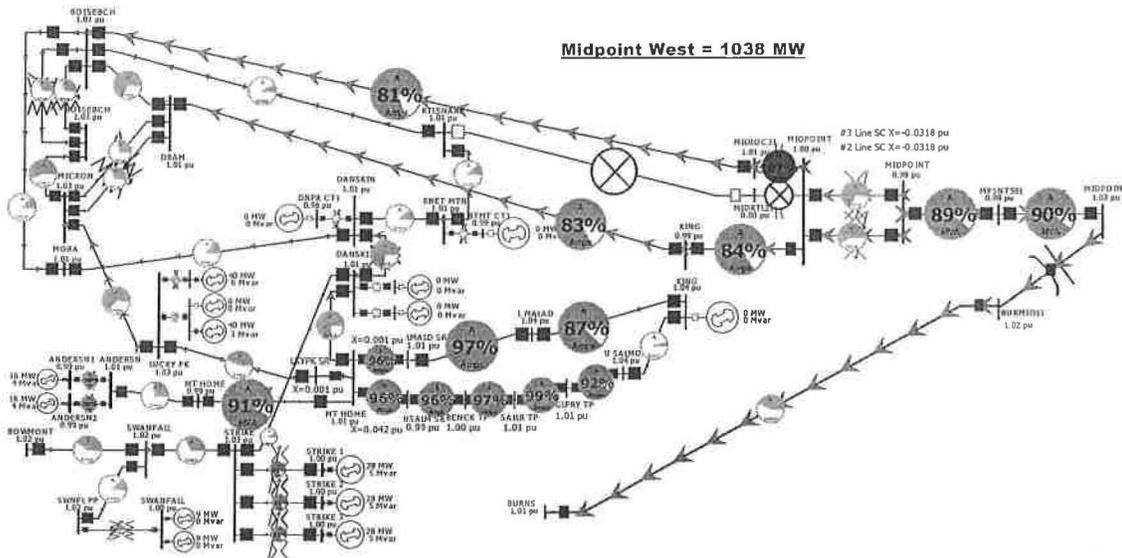
System following Generation Project 88

The following one line diagram depicts the transmission system with no outages, after the addition of Generation Project 88 and its associated improvements.



System following Generation Project 88 – No Outages

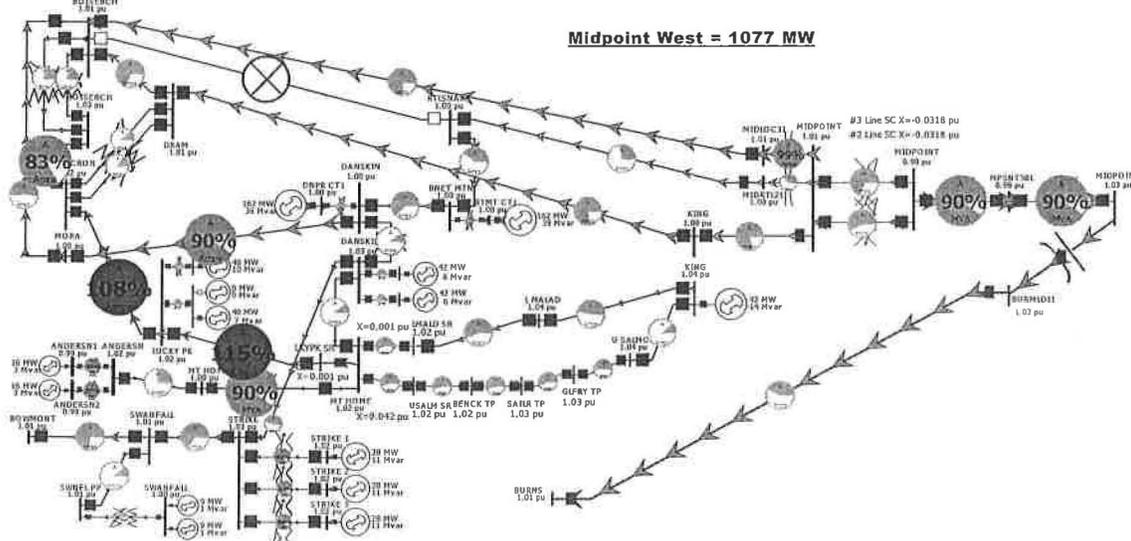
Figure 1



Phase #1 Transmission Improvements – Midpoint-Rattlesnake 230 kV Outage
 No New Generation
 Figure 3

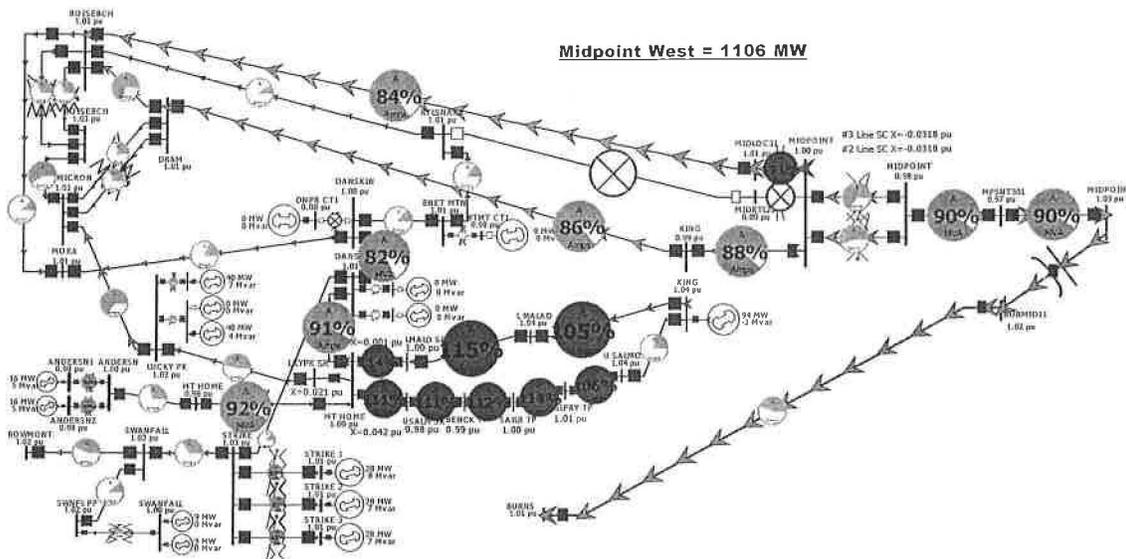
Phase #2 Transmission Improvements

The following one line diagram depicts Phase #1 transmission improvements and 42 MW of new generation in the Twin Falls area, and the only N-1 outage that results in loadings at or above 30 minute equipment ratings.



Phase #1 Transmission Improvements – Rattlesnake-Boise Bench #2 230 kV Outage
 42 MW of New Generation

Figure 4

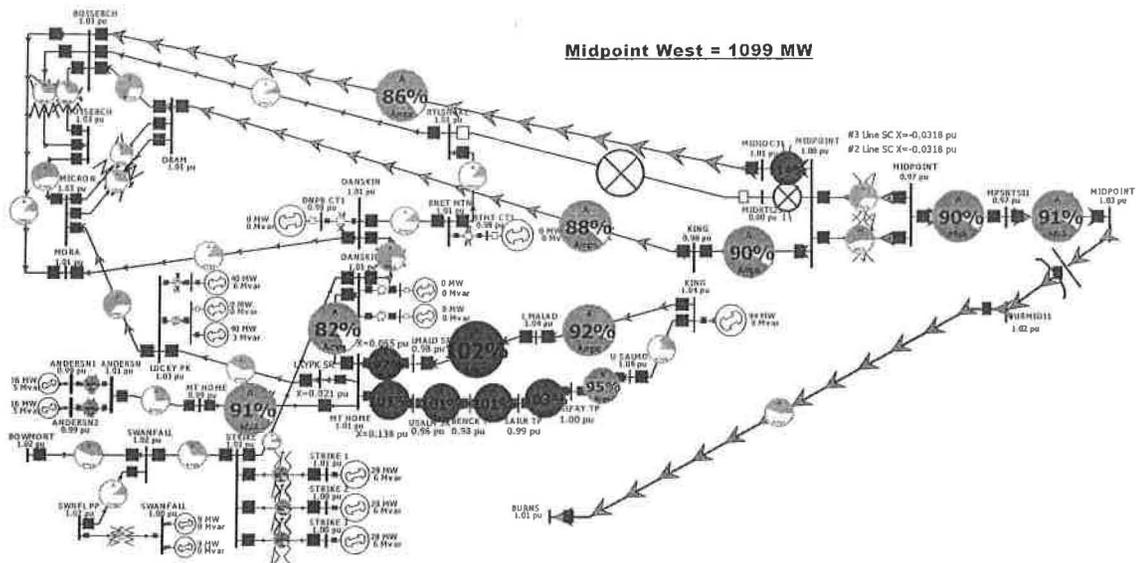


**Phase #2 Transmission Improvements – Midpoint-Rattlesnake 230 kV Outage
94 MW of New Generation**

Figure 6

To interconnect generation quantities greater than 94 MW will require additional transmission system improvements. The most effective and cost-efficient transmission improvements to alleviate these overloads are the installation of a new series reactor on the Lower Malad-Mountain Home Junction 138 kV line and an increase in the impedance of the Upper Salmon-Mountain Home Junction 138 kV line series reactor. These improvements, referred to as Phase #3, will better balance flows on the transmission network. A Lower Malad-Mountain Home Junction series reactor impedance of .065 p.u. (12.35 ohms) was determined to be the optimal size considering future generation additions. The impedance of the Upper Salmon-Mountain Home Junction series reactor should be increased to .138 p.u. (26.2 ohms). This overload is the result of the addition of new generation in the Twin Falls area, and as a result the costs of this improvement will be allocated to new generation interconnections.

The following one line diagram depicts the system with Phase #3 improvements added, 94 MW of new generation in the Twin Falls area, and the same N-1 as Figure 6.

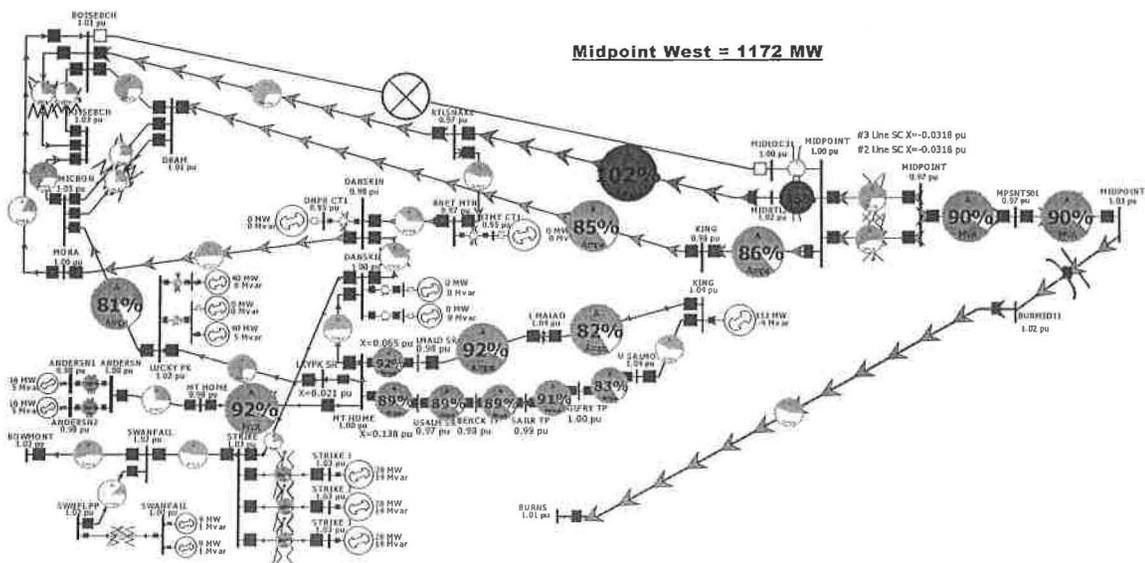


Phase #3 Transmission Improvements – Midpoint-Rattlesnake 230 kV Outage
94 MW of New Generation

Figure 7

Phase #4 Transmission Improvements

The following one line diagram depicts Phase #3 transmission improvements and 153 MW of new generation in the Twin Falls area, and the only N-1 outage that results in loadings at or above 30 minute equipment ratings.

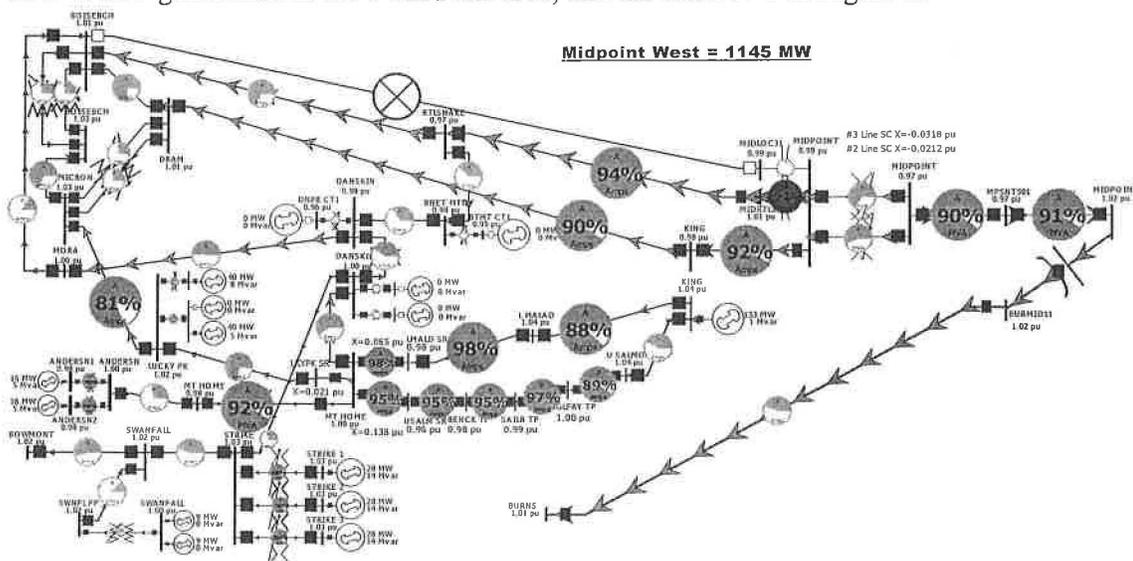


Phase #3 Transmission Improvements – Midpoint-Boise Bench #3 230 kV Outage
153 MW of New Generation

Figure 8

To interconnect generation quantities greater than 153 MW will require additional transmission system improvements. If new generation levels exceed 153 MW, and the Midpoint-Boise Bench #3 230 kV line opens, the series capacitor bank on the Midpoint-Rattlesnake 230 kV transmission line may exceed its 30 minute overload capability of 135%. Presently, both the 230 kV series capacitor banks at Midpoint are configured to operate either fully in-service or fully by-passed. The most effective and cost-efficient transmission improvement to alleviate this overload is the re-configuration of the Midpoint-Rattlesnake 230 kV series capacitor bank to allow one third of the compensation to be bypassed. In addition, an automatic control scheme should be employed to bypass one third of the series capacitor bank when appropriate system conditions are detected. The re-configuration of the series capacitor bank and the addition of the automatic control scheme is referred to as Phase #4.

The following one line diagram depicts the system with Phase #4 improvements added, 153 MW of new generation in the Twin Falls area, and the same N-1 as Figure 8.

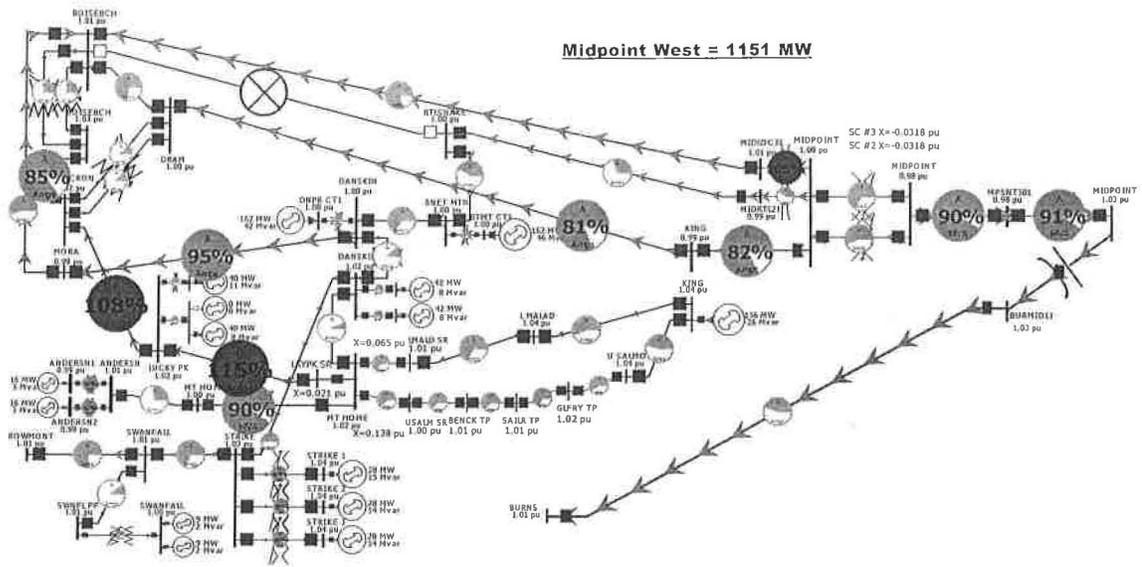


**Phase #4 Transmission Improvements – Midpoint-Boise Bench #3 230 kV Outage
153 MW of New Generation**

Figure 9

Phase #5 Transmission Improvements

The following one line diagram depicts Phase #4 transmission improvements and 156 MW of new generation in the Twin Falls area, and the only N-1 outage that results in loadings at or above 30 minute equipment ratings.



**Phase #4 Transmission Improvements – Rattlesnake-Boise Bench #2 230 kV Outage
156 MW of New Generation**

Figure 10

To interconnect generation quantities greater than 156 MW will require additional transmission system improvements. If new generation levels exceed 156 MW, and the Rattlesnake-Boise Bench #2 230 kV line opens, the Mountain Home Junction-Lucky Peak 138 kV transmission line may exceed its 30 minute overload capability of 115%. The required system improvements are referred to as “Phase #5” and include folding the Midpoint-DRAM #1 230 kV transmission line into and back out of the King Substation and installing a 230/138 kV 300 MVA transformer. This overload is the result of the addition of new generation in the Twin Falls area, and as a result the costs of this improvement will be allocated to new generation interconnections.

The following one line diagram depicts the system with Phase #5 improvements added, 156 MW of new generation in the Twin Falls area, and the same N-1 as Figure 10.

8.0 Generation Redispatch Requirements

Generators which have chosen to be dispatchable are allowed to operate at levels which may create overloads at or below 30 minute emergency equipment ratings following N-1 contingencies. Following any N-1 outage, transmission line and transformer loadings which are less than or equal to the 30 minute emergency equipment ratings (115%), but greater than the equipment continuous ratings (100%), must be reduced to the continuous ratings by generation curtailments, redispatch, or some other operating procedure. For the Midpoint series capacitor banks, following any N-1 outage, similar corrective actions are required for loadings which are less than or equal to the 30 minute emergency equipment ratings (135%), but greater than the equipment 8 hour rating (110%).

The following table summarizes generation curtailment requirements for the proposed generation projects modeled at King 138 kV Substation; for various timeframes, and for numerous transmission system single contingencies.

The fourth column of the table provides information regarding potential benefits of requesting and funding an optional improvement. The improvement evaluated is the re-configuration of the Midpoint-Boise Bench #3 230 kV series capacitor bank to allow one third of the compensation to be bypassed. Unlike Phase #4, no automatic control scheme is contemplated. This Optional Improvement may reduce the magnitude of generation which must be redispatched during a Midpoint-Rattlesnake 230 kV Transmission Line outage. The Optional Improvement is estimated at approximately \$50,000.

The fifth column of the table provides information regarding potential benefits of completing a portion of Phase #4 improvements early. Phase #4 improvements can be separated into two components. The first component is the "re-configuration" of the Midpoint-Rattlesnake 230 kV series capacitor so it can be operated "fully in-service", "1/3 bypassed", "2/3 bypassed", or "fully bypassed". The second component was the "automatic control scheme". The Phase #4a improvement contained in the fifth column is for expediting only the "re-configuration" component. Expediting the phase #4a improvement may reduce the magnitude of generation which must be redispatched during a Midpoint-Boise Bench #3 230 kV Transmission Line outage. The Phase #4a improvement is estimated at approximately \$50,000.

Contingency	Maximum Allowable Generation Before N-1	Maximum Allowable Generation After N-1	Maximum Allowable Generation After N-1 w/Optional Improvement	Maximum Allowable Generation After N-1 w/Phase #4a Improvement
After Phase #1, but before Phase #2				
Midpoint-Boise Bench #3 230 kV Line	42 MW	0 MW	0 MW	42 MW
Midpoint-Rattlesnake 230 kV Line	42 MW	7 MW	7 MW	7 MW
Rattlesnake-Boise Bench 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	42 MW	9 MW	9 MW	9 MW
Danskin-Mora 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	42 MW	42MW	42MW	42 MW
After Phase #2, but before Phase #3				
Midpoint-Boise Bench #3 230 kV Line	94 MW	0 MW	0 MW	94 MW
Midpoint-Rattlesnake 230 kV Line	94 MW	9 MW	9 MW	9 MW
Rattlesnake-Boise Bench 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	94 MW	32MW	32MW	32MW
Danskin-Mora 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	94 MW	80 MW	80 MW	80 MW
Mountain Home Junction-Lower Malad 138 kV Line	94 MW	49 MW	49 MW	49 MW
Lucky Peak-Micron 138 kV Line	94 MW	45 MW	45 MW	45 MW
Danskin 230/138 kV Transformer	94 MW	90 MW	90 MW	90 MW
After Phase #3, but before Phase #4				
Midpoint-Boise Bench #3 230 kV Line	153 MW	0 MW	0 MW	153 MW
Midpoint-Rattlesnake 230 kV Line	153 MW	17 MW	53 MW	17 MW
Rattlesnake-Boise Bench 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	153 MW	71 MW	71 MW	71 MW
Danskin-Mora 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	153 MW	120 MW	120 MW	120 MW
Mountain Home Junction-Lower Malad 138 kV Line	153 MW	129 MW	129 MW	129 MW
Lucky Peak-Micron 138 kV Line	153 MW	84 MW	84 MW	84 MW
Danskin 230/138 kV Transformer	153 MW	125 MW	125 MW	125 MW

Contingency	Maximum Allowable Generation Before N-1	Maximum Allowable Generation After N-1	Maximum Allowable Generation After N-1 w/Optional Improvement	Maximum Allowable Generation After N-1 w/Phase #4a Improvement
After Phase #4, but before Phase #5				
Midpoint-Boise Bench #3 230 kV Line	156 MW	156 MW	156 MW	N/A
Midpoint-Rattlesnake 230 kV Line	156 MW	18 MW	53 MW	N/A
Rattlesnake-Boise Bench 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	156 MW	71 MW	71 MW	N/A
Danskin-Mora 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	156 MW	120 MW	120 MW	N/A
Mountain Home Junction-Lower Malad 138 kV Line	156 MW	129 MW	129 MW	N/A
Lucky Peak-Micron 138 kV Line	156 MW	84 MW	84 MW	N/A
Danskin 230/138 kV Transformer	156 MW	125 MW	125 MW	N/A
After Phase #5				
Midpoint-Boise Bench #3 230 kV Line	330 MW	140 MW	140 MW	N/A
Midpoint-Rattlesnake 230 kV Line	330 MW	25 MW	123 MW	N/A
Rattlesnake-Boise Bench 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	330 MW	254 MW	254 MW	N/A
Danskin-Mora 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	330 MW	310 MW	310 MW	N/A
Mountain Home Junction-Lower Malad 138 kV Line	330 MW	280 MW	280 MW	N/A
Lucky Peak-Micron 138 kV Line	330 MW	265 MW	265 MW	N/A
Danskin 230/138 kV Transformer	330 MW	295 MW	295 MW	N/A
King 230/138 kV Transformer	330 MW	245 MW	245 MW	N/A

9.0 Fault Study Results

Since this System Impact Study lumps all the proposed generation additions at King 138 kV bus, this Draft Report makes no attempt to address fault study concerns. Each proposed generation project will have to be evaluated individually based on its specific location.

10.0 Transient Stability Study Results

The Midpoint West Transmission System is not transient stability limited. Therefore, no transient stability studies were performed.

11.0 Conclusions

The System Impact of interconnecting up to 304 MW of new generation in the Twin Falls area to Idaho Power's 138 kV transmission system was studied. Five phases of transmission system improvements are required to provide Network Resource Interconnection Service to 304 MW of new generation, on a dispatchable basis. Phase #1 is the installation of an 8 ohm 138 kV Series Reactor on the Upper Salmon-Mountain Home Junction 138 kV transmission line. This improvement corrects an N-1 overload that exists before any new generation is added in the Twin Falls area. As a result, the estimated \$290,000 cost of this improvement will be borne by Idaho Power Company. After approximately 42 MW of new generation is added, Phase #1 improvements are no longer sufficient. Phase #2 improvements require the installation of a 4 ohm 138 kV Series Reactor on the Mountain Home Junction-Lucky Peak 138 kV transmission line. The estimated \$290,000 cost of this improvement should be allocated to new generator interconnections. Following the addition of approximately 94 MW of new generation, Phase #3 transmission improvements are required. Phase #3 improvements require the installation a 12.35 ohm 138 kV Series Reactor on the Lower Malad-Mountain Home Junction 138 kV transmission line, and increasing the impedance of the existing Upper Salmon-Mountain Home Junction 138 kV Series Reactor to 26.2 ohms. The estimated \$290,000 cost of Phase #3 improvements should be allocated to new generator interconnections. Following the addition of approximately 153 MW of new generation, Phase #4 transmission improvements are required. Phase #4 involves re-configuring the Midpoint-Rattlesnake 230 kV series capacitor bank to allow 1/3 of the compensation to be bypassed via IPC's SCADA system and install a "automatic 1/3 bypass scheme" for overloads exceeding the series capacitor's 30 minute emergency equipment rating of 135%. The estimated \$100,000 cost of this improvement should be allocated to new generator interconnections. Following the addition of approximately 156 MW of new generation, Phase #5 transmission improvements are required. Phase #5 involves folding the Midpoint-DRAM #1 230 kV transmission line into and back out of the King Substation and installing a 230/138 kV 300 MVA transformer. The estimated \$10,320,000 cost of this improvement should be allocated to new generator interconnections. Phase #5 transmission improvements are adequate to interconnect approximately 330 MW of new generation in the Twin Falls area, on a dispatchable basis, before additional improvements are required.

APPENDIX A

1.0 Method of Study

The study methodology inserts the proposed generators up to the maximum requested output of 304 MW into the selected WECC power flow case and then, using the PowerWorld Simulator powerflow program, examines the impacts of the new resource on Idaho Power's transmission system (lines, transformers, etc.) within the study area under various operating/outage scenarios. The WECC and Idaho Power reliability criteria and Idaho Power operating procedures were used to determine the acceptability of the alternatives considered. The WECC case is a recent case modified to simulate stressed but reasonable pre-contingency energy transfers utilizing the IPC system.

2.0 Acceptability Criteria

The following acceptability criteria were used in the power flow analysis to determine the acceptability of the alternatives:

Loadings on transmission lines and transformers should not exceed 115% of the continuous rating, immediately following any N-1 outage. Loading on the Midpoint 230 kV series capacitors should not exceed 135% of the continuous rating, immediately following any N-1 outage. These loadings levels of 115% on transmission lines and transformers and 135% on Midpoint series capacitors correspond to IPC's 30 minute emergency equipment ratings. Any loadings immediately following an N-1 outage, less than the 30 minute emergency rating is acceptable.

Loadings which are less than the 30 minute emergency equipment ratings, but greater than the equipment continuous ratings, must be reduced to the continuous ratings by generation curtailments, re-dispatch, or some other operating procedure. Any remedial action schemes (RAS) or other transmission switching, must be judged to be reasonable before the alternatives performance can be deemed acceptable.

The continuous rating of equipment is assumed to be the normal thermal rating of the equipment. This rating will be as determined by the manufacturer of the equipment or as determined by Idaho Power. Less than or equal to 100% of continuous rating for transmission lines and transformers is acceptable. Less than or equal to 110% of continuous rating for the Midpoint 230 kV series capacitors is acceptable.

Transmission voltages, under normal operating conditions, are maintained within plus or minus 5% (0.05 per unit) of nominal. Therefore, voltages greater than or equal to 0.95 p.u. voltage and less than or equal to 1.05 p.u. voltage are acceptable.

The stable operation of the transmission system requires an adequate supply of volt-amperes reactive (VARs) to maintain a stable voltage profile under both steady-state and dynamic system conditions. An inadequate supply of VARs will result in voltage

decay or even collapse under the worst conditions. Idaho Power designs its system to integrate Network Resources at full capability during specified outage conditions.

Equipment/line/path ratings used will be those that are in use at the time of the study or that are represented by IPC upgrade projects that are either currently under construction or whose budgets have been approved for construction in the near future. All other potential future ratings are outside the scope of this study. Future transmission changes may, however, affect current facility ratings used in the study.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 17



October 23, 2008

Exergy Development Group of Idaho, LLC
Attn: James Carkulis
802 West Bannock, Suite 1200
Boise, ID 83702

RE: Notch Butte Wind Park- GI Project # 158

Dear James:

Enclosed is the Final Feasibility Study Report for the above-referenced project. Since no System Impact Study is required, I have enclosed two (2) copies of the Facility Study Agreement (FSA) for the above-referenced project.

In order to proceed with this application, Idaho Power must receive your agreement to proceed with the project by executing both copies of the FSA and submitting completed Attachments, along with the deposit in order to remain in the Generator Interconnection queue. The deposit under this FSA is \$30,000 based on the estimated engineering costs.

If you wish to proceed, please sign both copies and submit them with the completed Attachment, along with the deposit to Idaho Power Company, attn: Rowena Bishop by November 25, 2008, otherwise your application will be deemed withdrawn. Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Marc Patterson".

Marc Patterson
Engineering Leader, T&D Planning
Ph. 208.388.2712

Enclosures: Final Feasibility Study Report
2 copies - Facility Study Agreement

C: Rowena Bishop/IPC
Ed Kosydar/IPC

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 18

Revised Feasibility Study Agreement

THIS AGREEMENT is made and entered into this 9th day of December, 2008 by and between Energy Development Group of Idaho, a Limited Liability Company organized and existing under the laws of the State of Idaho, ("Interconnection Customer,") and Idaho Power Company a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on December 19, 2005, also known as Project # 158; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

Small Gen Feasibility Study Agreement - RESTUDY
Notch Butte Wind Project # 158

- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 Interconnection Customer will pay a study deposit of \$1,000.00 for the performance of the Interconnection Feasibility Study.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study. Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

Small Gen Feasibility Study Agreement - RESTUDY
Notch Butte Wind Project # 158

- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 business days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:
Idaho Power Company – Delivery

Signed Marc Patterson
Printed Marc Patterson
Title Engineering Leader T&D Planning
Date Dec 16, 2008

Interconnection Customer:
Energy Development Group of Idaho

Signed James Carkulis
Printed James Carkulis
Title Managing Member
Date December 9, 2008

Attachment A

Assumptions Used in Conducting the Feasibility Study

The feasibility Re-study will be based upon the information set forth in the Interconnection Request and requested by the Interconnection Customer upon review of the Feasibility Study dated October 21, 2008:

- 1) Designation of Point of Interconnection and configuration to be studied.

The Point of Interconnection is on Idaho Power Company's (Dietrich 011) 12.5 kV distribution feeder at approximately T06SR19E22, in Lincoln County, Idaho.

The total capacity to be studied is 18 MW.

- 2) Designated Point of Interconnection and configuration Alternative

Same location as (1) above but served with 138kV Transmission
line extension to new substation ^{project} on site. Substation to be
138 kV to 34.5 kV with one feeder to project.

MAD
12/16/08

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 19

**GENERATOR INTERCONNECTION
FEASIBILITY STUDY**

for integration of the proposed

NOTCH BUTTE WIND PARK PROJECT

PROJECT #158

in

LINCOLN COUNTY, IDAHO

to the

IDAHO POWER COMPANY ELECTRICAL SYSTEM

for

EXERGY DEVELOPMENT GROUP OF IDAHO, LLC

the

INTERCONNECTION CUSTOMER

FINAL REPORT

January 22, 2008

1.0 Introduction

Exergy Development Group of Idaho, LLC has contracted with Idaho Power Company (IPCO) to perform a Generator Interconnection Feasibility Study for the integration of the proposed 18 MW Notch Butte Wind Park Project (project #158). The location of the project is in Idaho Power's Southern Idaho service territory in section 22 of T06S, R19E Lincoln County, Idaho. This location is approximately 4 miles east of Idaho Power Company's Dietrich (DTRC) substation. See Appendix B for general location map of project area.

This report documents the basis for and the results of this Feasibility Study for the Notch Butte Wind Park. It describes the proposed project, the study cases used, the impact of associated projects, and results of all work in the areas of concern.

2.0 Summary

The proposed project is an 18 MW wind farm consisting of twelve 1.5 MW GE wind turbines. A new substation will need to be built on the site of the wind park. This substation will have a 22 MVA transformer with LTC. It will be connected to the Midpoint to Wood River 138 kV transmission line by way of a 5.5 mile transmission tap. The proposed Point of Interconnection (POI) for the generating facility with the IPCO system is in the northwest corner of section 22. This will be located outside of the substation at the 34.5 kV voltage level.

There are limitations in the Midpoint West transmission system to the west of this project. This study demonstrates that there is no available transmission capacity when considering other proposed generation projects ahead of this one in the queue. A System Impact Study has been conducted to determine the transmission upgrades needed to serve this project (Appendix C).

The estimated cost for all required upgrades of IPCO owned facilities to serve the full project is **\$4,328,000**.

3.0 Scope of Interconnection Feasibility Study

The Interconnection Feasibility Study was done and prepared in accordance with Idaho Power Company Standard Generator Interconnection Procedures, to provide a preliminary evaluation of the feasibility of the interconnection of the proposed generating project to the Idaho Power system. As listed in the Interconnection Feasibility Study agreement, the Interconnection Feasibility Study report provides the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and

- preliminary description and non-binding estimated cost of facilities required to interconnect the Small Generating Facility to the Distribution System and to address the identified short circuit and power flow issues.

All other proposed Generation projects prior to this project in the Generator Interconnect queue were considered in this study. A current list of these projects can be found on the Idaho Power web site as follows:

<http://www.oatioasis.com/ipco/index.html>.

4.0 Description of Proposed Generating Project

Notch Butte Wind Park proposes to connect to the Idaho Power transmission system for an injection of 18 MW (maximum project output) using twelve General Electric 1.5 MW wind turbines.

5.0 Description of Transmission Facilities

The closest 138 kV transmission line to the wind park is the Midpoint to Wood River 138 kV transmission line. This line serves Richfield, Carey and the cities of the Wood River Valley. As such, this line has the least capacity during the winter months when the Wood River Valley consumes its peak amount of electricity. If the generation facility is run at unity power factor there is very little change on this transmission system. It raises the voltage at the interconnection to the existing Midpoint to Wood River line by 0.0035 p.u. and does not increase the voltage on this line to more than 1.05 p.u. During the summer months the loading on the line is smaller and the voltage change is the same as during the winter months. No system upgrades need to be undertaken to accommodate this additional generation during these peak periods.

However, during periods of light loading in the spring and fall months this generation addition pushes the voltage over 1.05 p.u. at the new Notch Butte Wind substation, as well as Lincoln and Silver substations. Due to the minimal voltage rise at those locations the voltage should be able to be brought under 1.05 p.u. by the Load Tap Changers (LTCs) at those stations.

There are limitations in the Midpoint West transmission system to the west of this project. This study demonstrates that there is no available transmission capacity when considering other proposed generation projects ahead of this one in the queue. A System Impact Study has been conducted to determine the transmission upgrades needed to serve this project (Appendix C).

6.0 Description of Substation Facilities

Dietrich is the closest substation but it is fed from the 46 kV transmission system. In order to have a connection at the 138 kV transmission level a new substation will have to be built. This substation will be located at the wind park and will provide voltage transformation from 34.5 kV

to 138 kV. The size of the transformer will be 22 MVA and it will need to have an LTC per IPCO standards. A power circuit breaker at the new substation has not been considered in this study and is not included in any cost estimates.

7.0 Description of Existing Distribution Facilities

The distribution in this area is served from Dietrich substation. However, it is assumed that Exergy will be building their own distribution for connection to the substation. Therefore, no distribution related expenses are included in this study besides the generation interconnection and protection package. This package will be located outside of the new substation at the 34.5 kV voltage level and POI.

8.0 Circuit Breaker Short Circuit Limits

Existing power circuit breakers on the 138 kV Midpoint – Wood River line were evaluated for short circuit interrupting capability with the addition of the 18 MW Notch Butte Wind project. This feasibility study indicates there is adequate short circuit interrupting capability on these breakers for the addition of this generation project.

8.0 Description and Cost Estimate of Required Facility Upgrades

At the transmission level five and a half miles of 397 ACSR conductor needs to be built from the Midpoint to Wood River 138 kV transmission line to the location of the wind park. Three air brakes will also be needed at this transmission connection. A new substation will have to be built with a 22 MVA transformer. At the POI, a Generation Interconnection and Protection package will be required.

Description	Cost
5.5 mile 138 kV 397 ACSR transmission tap from the Midpoint - Wood River line and air breaks.	\$1,530,000
New Substation with 22 MVA 138:34.5 kV transformer and LTC	\$2,510,000
Point of Interconnection (generation interconnection and protection package).	\$288,000
Total Estimated Cost	\$4,328,000

Table 1: Estimated Costs for Required Upgrades

These cost estimates include direct equipment and installation labor costs, indirect labor costs and overheads. (Tax Gross Up has not been included presuming construction of interconnection facilities will not qualify under IRS rules as a taxable event. Allowance for funds used during

construction (AFUDC) has not been included in the cost estimates since it is assumed that IPCO will be provided up-front funding by the Project). These are cost estimates only and final charges to the customer will be based on the actual construction costs incurred.

9.0 Description of Operating Requirements

In addition to these upgrades, there are also several operating requirements that must be met. The project will have to meet the voltage schedule provided by Idaho Power. If these requirements can not be met, further voltage studies will be necessary. Voltage flicker at startup and during operation will be limited to less than 5% as measured at the POI. 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*.

11.0 Conclusions

The requested interconnection of the Notch Butte Wind Park to Idaho Power's system was studied. The results of this study work confirm that the existing Idaho Power system can be upgraded to handle this project. The known required upgrades for the system are listed. An IPCO Transmission System Impact Study has been conducted to determine the transmission upgrades needed to serve this project.

APPENDIX A

A-1.0 Method of Study

The Feasibility Study plan inserts the Project up to the maximum requested injection into the selected Western Electric Coordinating Council (WECC) power flow case and then, using Power World Simulator Version 12, examines the impacts of the new resource on Idaho Power's transmission system (lines, transformers, etc.) within the study area under various operating/outage scenarios. The WECC and Idaho Power reliability criteria and Idaho Power operating procedures were used to determine the acceptability of the configurations considered. The WECC case is a recent case modified to simulate stressed but reasonable pre-contingency energy transfers utilizing the IPC system. For distribution feeder analysis, Idaho Power utilizes Advantica's SynerGEE Software.

A-2.0 Acceptability Criteria

The following acceptability criteria were used in the power flow analysis to determine under which system configuration modifications may be required:

The continuous rating of equipment is assumed to be the normal thermal rating of the equipment. This rating will be as determined by the manufacturer of the equipment or as determined by Idaho Power. Less than or equal to 100% of continuous rating is acceptable.

Idaho Power's Voltage Operating Guidelines were used to determine voltage requirements on the system. This states, in part, that distribution voltages, under normal operating conditions, are to be maintained within plus or minus 5% (0.05 per unit) of nominal everywhere on the feeder. Therefore, voltages greater than or equal to 0.95 pu voltage and less than or equal to 1.05 pu voltage are acceptable.

Voltage flicker during starting or stopping the generator is limited to 5% as measured at the point of interconnection, per Idaho Power's T&D Advisory Information Manual.

Idaho Power's Reliability Criteria for System Planning was used to determine proper transmission system operation.

All customer generation must meet IEEE 519 and ANSI C84.1 Standards.

All other applicable national and Idaho Power standards and prudent utility practices were used to determine the acceptability of the configurations considered.

The stable operation of the system requires an adequate supply of volt-amperes reactive (VARs) to maintain a stable voltage profile under both steady-state and dynamic system

conditions. An inadequate supply of VARs will result in voltage decay or even collapse under the worst conditions.

Equipment/line/path ratings used will be those that are in use at the time of the study or that are represented by IPC upgrade projects that are either currently under construction or whose budgets have been approved for construction in the near future. All other potential future ratings are outside the scope of this study. Future transmission changes may, however, affect current facility ratings used in the study.

A-3.0 Grounding Guidance

Idaho Power Company (IPC) requires interconnected transformers to limit their ground fault current to 20 amps at the point of interconnection.

A-4.0 Electrical System Protection Guidance

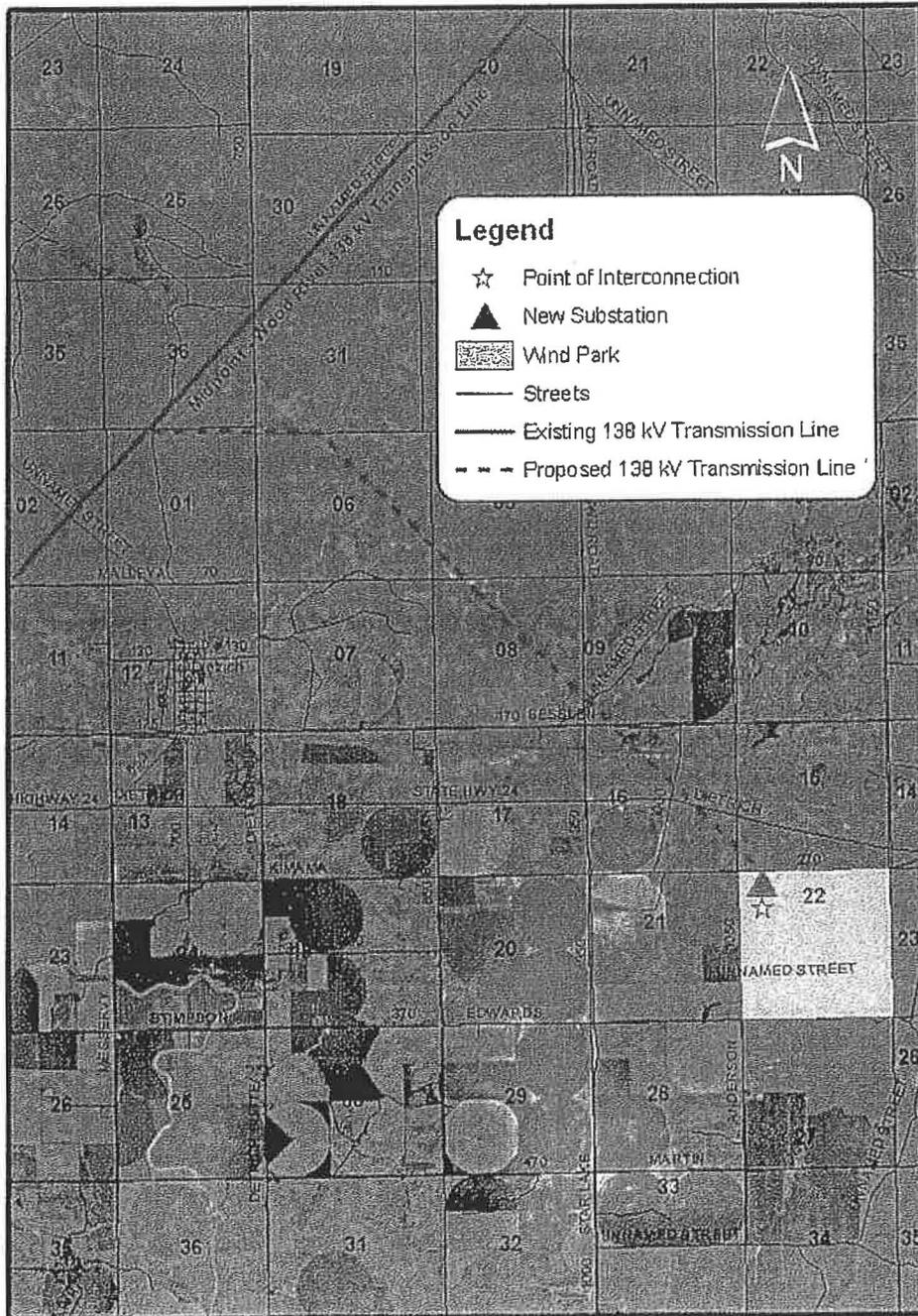
IPC requires electrical system protection per Requirements for Generation Interconnections found on the Idaho Power Web site,
<http://www.idahopower.com/aboutus/business/generationInterconnect/>.

A-5.0 WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Requirements

IPC requires frequency operational limits to adhere to WECC Under-frequency and Over-frequency Limits per the WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Requirements available upon request.

APPENDIX B

#158 Notch Butte Wind



APPENDIX C

**GENERATOR INTERCONNECTION
SYSTEM IMPACT STUDY REPORT**

for

**Up to 330 MW of New Generation
On the 138 kV Transmission System
In the Twin Falls Area**

to

**IDAHO POWER COMPANY, Transmission Provider
TRANSMISSION SYSTEM**

**FINAL REPORT
June 29, 2007**

1.0 Introduction

Multiple new generation projects have contacted Idaho Power Company (IPC) to perform Generator Interconnection System Impact Studies for Network Resource Interconnection Service at 138 kV for the integration of new generation projects in the Twin Falls area.

This report documents the basis for and the results of this System Impact Study. Previous studies were performed with these new generation projects being non-dispatchable. This System Impact Study will document the transmission system improvements required if the new generation projects are dispatchable. It describes the backbone transmission system improvements required for Network Resource Interconnection Service of the new generation proposed, the study cases used, outage scenarios assumed, redispatch requirements, and results of all work in the areas of concern.

2.0 Summary

The performance of the backbone transmission system was evaluated to integrate up to 304 MW of new generation on the 138 kV transmission system in the Twin Falls area. Five phases of transmission system improvements are required to provide 304 MW of new generation Network Resource Interconnection Service.

- Phase #1: Install an 8 ohm 138 kV Series Reactor on the Upper Salmon-Mountain Home Junction 138 kV transmission line. Without this improvement, the outage of the Midpoint-Rattlesnake 230 kV transmission line results in an overload of the Upper Salmon-Mountain Home Junction 138 kV line with no new generation in the Twin Falls area. This improvement is necessitated by the transmission improvements associated with Generation Project 88, and as a result should be funded by Idaho Power Company – Delivery. This phase of improvements is estimated at approximately \$290,000.
- Phase #2: Install a 4 ohm 138 kV Series Reactor on the Mountain Home Junction-Lucky Peak 138 kV transmission line. Without this improvement, the outage of the Rattlesnake-Boise Bench 230 kV transmission line results in an overload exceeding the 30 minute emergency rating of the Mountain Home Junction-Lucky Peak 138 kV line with new generation levels greater than 42 MW in the Twin Falls area. This phase of improvements is estimated at approximately \$290,000.
- Phase #3: Install a 12.35 ohm 138 kV Series Reactor on the Lower Malad-Mountain Home Junction 138 kV transmission line and increase the impedance of the existing Upper Salmon-Mountain Home Junction 138 kV Series Reactor to 26.2 ohms. Without this improvement, the outage of the Midpoint-Rattlesnake 230 kV transmission line results in an overload exceeding the 30 minute emergency rating of the Lower Malad-Mountain Home Junction 138 kV line with new generation levels greater than 94 MW in the Twin Falls area. This phase of improvements is estimated at approximately \$290,000.

Phase #4: Re-configure the Midpoint-Rattlesnake 230 kV series capacitor bank to allow 1/3 of the compensation to be bypassed via IPC's SCADA system and install a "automatic 1/3 bypass scheme" for overloads exceeding series capacitor's 30 minute emergency equipment rating of 135%. Without this improvement, the outage of the Midpoint-Boise Bench #3 230 kV transmission line results in an overload exceeding the 30 minute emergency rating of the Midpoint-Rattlesnake 230 kV Series Capacitor Bank with new generation levels greater than 153 MW in the Twin Falls area. This phase of improvements is estimated at approximately \$100,000.

Phase #5: Fold the Midpoint-DRAM #1 230 kV transmission line into the King Substation and install a 230/138 kV 300 MVA transformer. Without this improvement, the outage of the Rattlesnake-Boise Bench 230 kV transmission line results in an overload exceeding the 30 minute emergency rating of the Mountain Home Junction-Lucky Peak 138 kV line with new generation levels greater than 156 MW in the Twin Falls area. This phase of improvements is estimated at \$10,320,000.

Once all five phases of improvements have been completed, the transmission system is capable of interconnecting approximately 330 MW of new generation in the Twin Falls area and serving them on a dispatchable basis.

Section 8.0 of this report details the results of studies to quantify generation redispatch requirements following single contingencies on the transmission system. Reductions in the amount of generation which may be redispatched following contingencies, are possible by completing Phase #4 improvements earlier than required or funding optional modifications on the Midpoint-Boise Bench #3 series capacitor bank.

These cost estimates include direct equipment and installation labor costs, indirect labor costs and overheads, and allowance for funds used during construction (AFUDC). The proposed cost allocation is subject to change, as more information is known. These are cost estimates only and final charges to the customer will be based on the actual construction costs incurred.

3.0 Summary of Interconnection Requests

Requests were made to Idaho Power Co. by multiple generation projects in the Twin Falls area to study the interconnection of the proposed generation projects to Idaho Power's transmission system at the 138 kV level for Network Resource Interconnection Service.

4.0 Scope of Interconnection System Impact Study

The Interconnection System Impact Study was done and prepared in accordance with the FERC Order 2003-A, Standard Large Generator Interconnection Procedures, to provide a preliminary evaluation of the System Impact of the interconnection of the proposed large generating project to the Idaho Power transmission system. This study will only be concerned

with the capabilities of the Idaho Power system to manage this new resource within the study area of the proposed interconnection.

5.0 Description of Existing Transmission Facilities

As shown in Figure 1 of Section 7.0, Midpoint Substation, north of Twin Falls, has three 230 kV lines that carry bulk power westward to the Boise area. Midpoint-DRAM #1 line utilizes single 715.5 MCM conductor and has a continuous rating of 339 MVA. The Midpoint-Rattlesnake-Boise Bench #2 line utilizes a 2 conductor bundle of 715.5 MCM. This line has a continuous rating of 677 MVA. The Midpoint-Boise Bench #3 line has similar conductors and the same rating as the Rattlesnake-Boise Bench #2 line. In the Mountain Home area, an additional 230 kV line is planned to carry bulk power westward. The Rattlesnake-Bennett Mountain-Danskin-Mora line utilizes single 1272 MCM conductors (478 MVA) from Rattlesnake-Bennett Mountain, single 1590 MCM conductors (550 MVA) from Bennett Mountain-Danskin and Danskin-Mora. The Bennett Mountain-Danskin-Mora transmission lines are required for the interconnection of Generation Project 88; scheduled to be in-service Spring of 2008.

In addition to the Midpoint to the Boise area 230 kV lines previously mentioned, there are two 138 kV circuits which can carry power from the Twin Falls area to the Mountain Home area. They are:

- King-Lower Malad-Mountain Home Junction 138 kV Line
- King-Upper Salmon-Mountain Home Junction 138 kV Line

Generators located in the Twin Falls area which are intended to serve load growth in the Treasure Valley area, will be adding new incremental flows on top of existing committed east-to-west transactions across the Midpoint West transmission cutplane. This System Impact study will model approximately 1100 MW of transfers across the Midpoint West cutplane, prior to this proposed generator addition. For these studies, the flow level of the Midpoint west cutplane is defined as the sum of the flows on the following lines:

- Midpoint-DRAM #1 230 kV line
- Midpoint-Rattlesnake 230 kV Line
- Midpoint-Boise Bench #3 230 kV Line
- Lower Malad-Mountain Home Junction 138 kV Line
- Upper Salmon-Mountain Home Junction 138 kV Line

6.0 Description of Configurations Studied

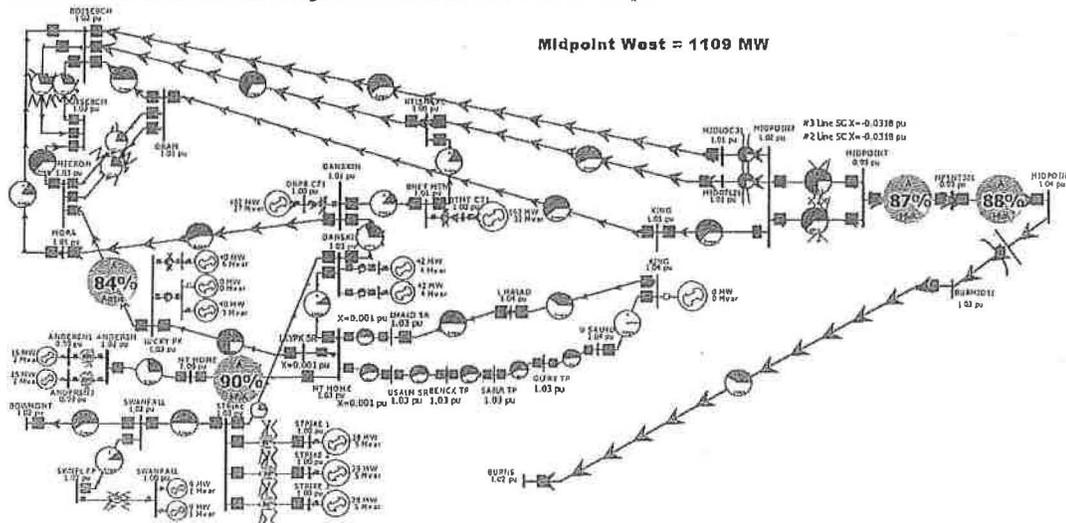
Since the most limiting operating conditions are expected during heavy production on the upper and middle Snake and Boise River hydro plants, with heavy east-west transfers across the Idaho Power transmission system, the injection of the new generation at King 138 kV bus was inserted into a power flow case that would simulate committed (approximately 1100 MW) pre-contingency flows on the Midpoint West transmission path.

7.0 Post-transient Study Results

This Interconnection System Impact Study Report is for Network Resource Interconnection Service at 138 kV, for numerous proposed generation additions in the Twin Falls area. System transfers across the Midpoint West cutplane are modeled at approximately 1100 MW prior to the proposed transmission improvements or the proposed generators producing any power. Hydro generation production for the Boise & Snake plants, were modeled at heavy, but realistic levels. Output levels for the existing peakers at Danskin and Bennett Mountain were varied over their operating ranges as appropriate. N-0 and N-1 outage performance for the existing system are recorded. For generation projects which will be dispatchable, generation levels at King 138 kV bus are increased until a transmission system component reaches its 30 minute emergency equipment ratings during N-1 outages. IPC's 30 minute emergency equipment ratings are 115% of continuous thermal ratings on transmission lines and transformers, and 135% on Midpoint series capacitors. The most effective and cost-efficient transmission system improvements are then added to the model and King generation is then increased until 30 minute emergency equipment ratings are reached during N-1 outages. Following any N-1 outage, transmission line and transformer loadings which are less than or equal to the 30 minute emergency equipment ratings (115%), but greater than the equipment continuous ratings (100%), must be reduced to the continuous ratings by generation curtailments, redispatch, or some other operating procedure. For the Midpoint series capacitor banks, following any N-1 outage, similar corrective actions are required for loadings which are less than or equal to the 30 minute emergency equipment ratings (135%), but greater than the equipment 8 hour rating (110%). Various options to correct overloads following N-1 outages will be explored.

System following Generation Project 88

The following one line diagram depicts the transmission system with no outages, after the addition of Generation Project 88 and its associated improvements.

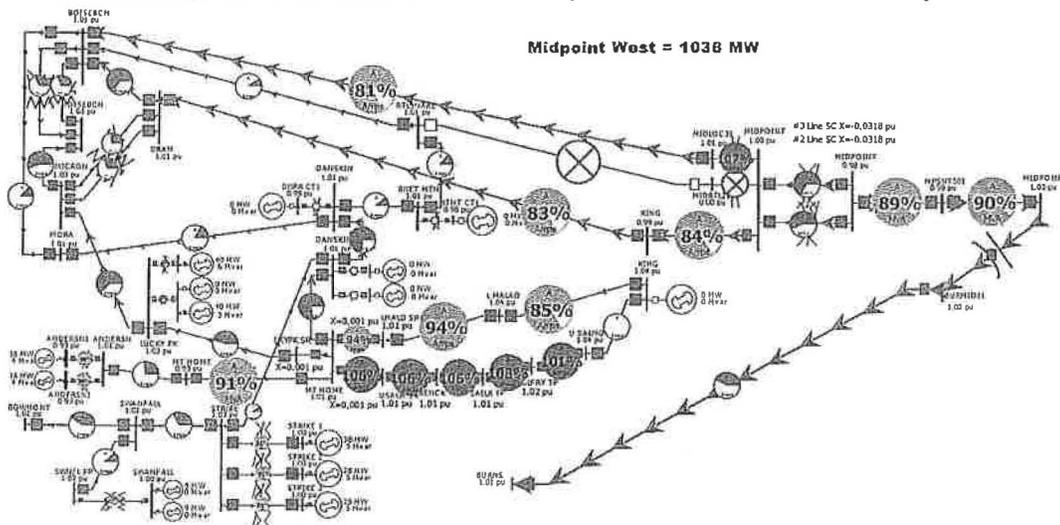


System following Generation Project 88 – No Outages

Figure 1

System following Generation Project 88 with N-1 Outages

The following one line diagram depicts the transmission system following the addition of Generation Project 88 and its associated improvements in 2008, with no new generation in the Twin Falls area, and the only N-1 outage between Midpoint and the Mountain Home area that results in loadings above continuous thermal ratings on the 138 kV transmission system.

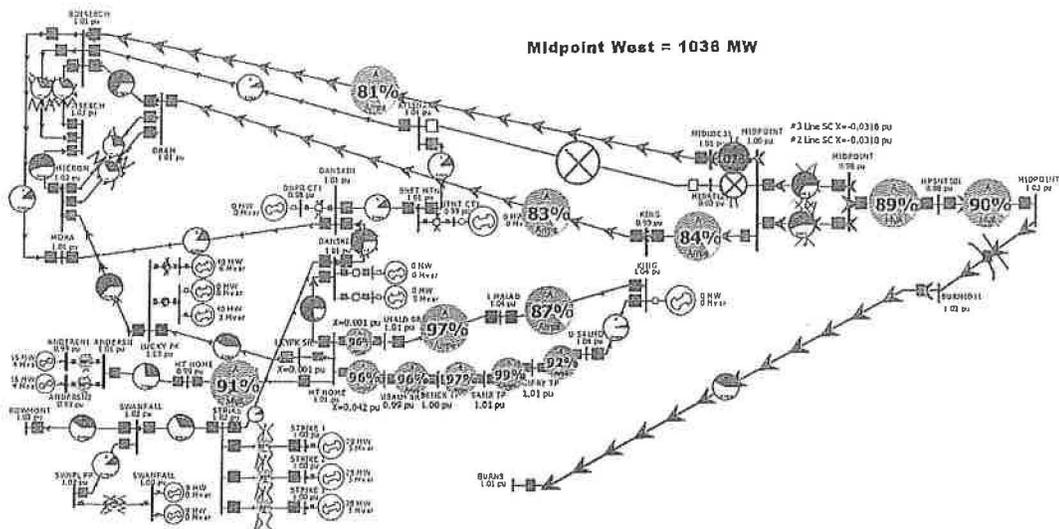


System following Generation Project 88 – Midpoint-Rattlesnake 230 kV Outage
Figure 2

Phase #1 Transmission Improvements

The Midpoint Series Capacitor banks are capable of 110% of thermal rating for eight hours. A prolonged outage of the Midpoint-Rattlesnake 230 kV line will require a reduction of transfers across the Midpoint West cutplane to prepare for the next contingency. The overload of the Midpoint-Boise Bench #3 Series Capacitor is less than its 8 hour rating, and will be resolved with the reduction in transfers. As a result, only the overloads on the 138 kV lines between Upper Salmon and Mountain Home Junction are problematic. The most effective and cost-efficient transmission improvement to alleviate these overloads is the installation of a series reactor on the Upper Salmon-Mountain Home Junction 138 kV line to better balance flows on the transmission network. A series reactor with an impedance of .042 p.u. (8 ohms) alleviates the overloads. Since this N-1 overload condition pre-exists the addition of any new generation in the Twin Falls area, Idaho Power Company will take responsibility to fund this series reactor installation.

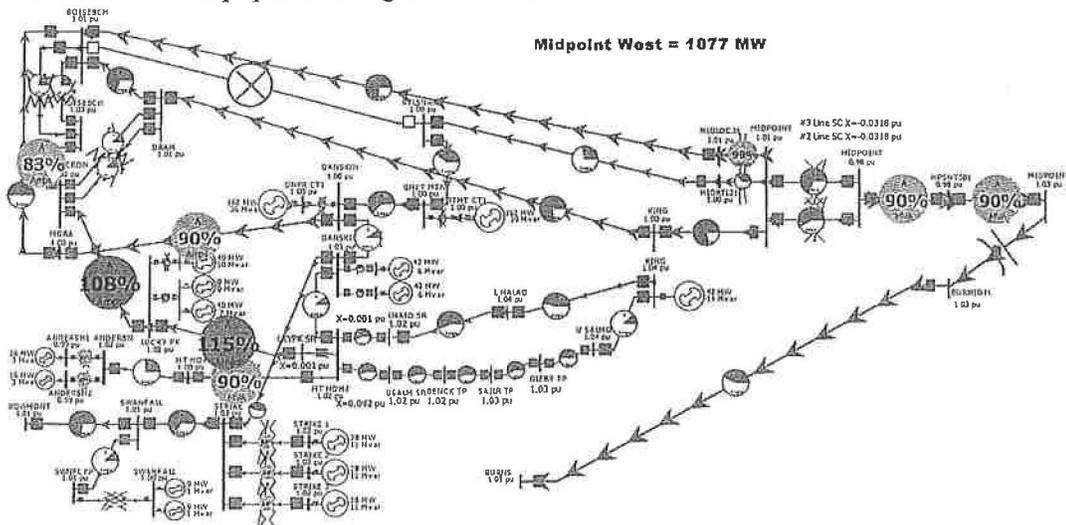
The following one line diagram depicts the system with Phase #1 improvements added, no new generation in the Twin Falls area, and the same N-1 as Figure 2.



Phase #1 Transmission Improvements – Midpoint-Rattlesnake 230 kV Outage
No New Generation
Figure 3

Phase #2 Transmission Improvements

The following one line diagram depicts Phase #1 transmission improvements and 42 MW of new generation in the Twin Falls area, and the only N-1 outage that results in loadings at or above 30 minute equipment ratings.

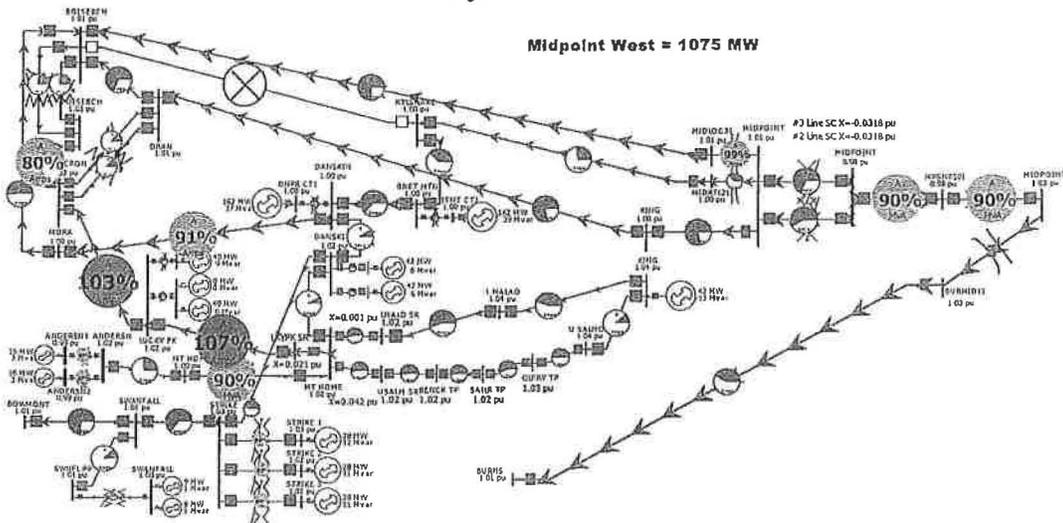


Phase #1 Transmission Improvements – Rattlesnake-Boise Bench #2 230 kV Outage
42 MW of New Generation

Figure 4

The most effective and cost-efficient transmission improvement to alleviate this overload is the installation of a series reactor on the Mountain Home Junction-Lucky Peak 138 kV line to better balance flows on the transmission network. A series reactor with an impedance of .021 p.u. (4 ohms) was determined to be the optimal size considering future generation additions. This overload is the result of the addition of new generation in the Twin Falls area, and as a result the costs of this improvement will be allocated to new generation interconnections.

The following one line diagram depicts the system with Phase #2 improvements added, 42 MW of new generation in the Twin Falls area, and the same N-1 as Figure 4. Please note that generation redispatch will be required following this contingency to reduce loadings to levels which can be accommodated continuously.



Phase #2 Transmission Improvements – Rattlesnake–Boise Bench #2 230 kV Outage
42 MW of New Generation

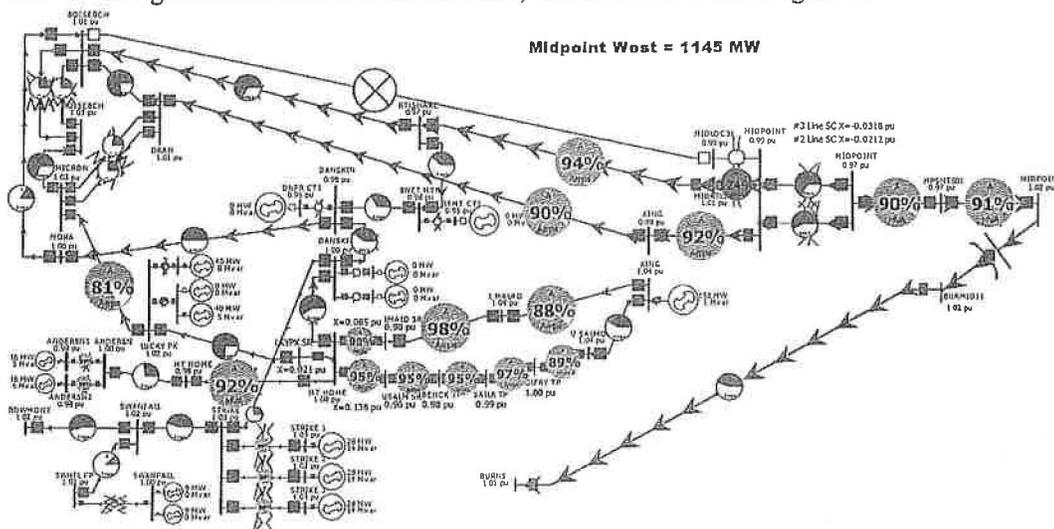
Figure 5

Phase #3 Transmission Improvements

The following one line diagram depicts Phase #2 transmission improvements and 94 MW of new generation in the Twin Falls area, and the only N-1 outage that results in loadings at or above 30 minute equipment ratings.

To interconnect generation quantities greater than 153 MW will require additional transmission system improvements. If new generation levels exceed 153 MW, and the Midpoint-Boise Bench #3 230 kV line opens, the series capacitor bank on the Midpoint-Rattlesnake 230 kV transmission line may exceed its 30 minute overload capability of 135%. Presently, both the 230 kV series capacitor banks at Midpoint are configured to operate either fully in-service or fully by-passed. The most effective and cost-efficient transmission improvement to alleviate this overload is the re-configuration of the Midpoint-Rattlesnake 230 kV series capacitor bank to allow one third of the compensation to be bypassed. In addition, an automatic control scheme should be employed to bypass one third of the series capacitor bank when appropriate system conditions are detected. The re-configuration of the series capacitor bank and the addition of the automatic control scheme is referred to as Phase #4.

The following one line diagram depicts the system with Phase #4 improvements added, 153 MW of new generation in the Twin Falls area, and the same N-1 as Figure 8.

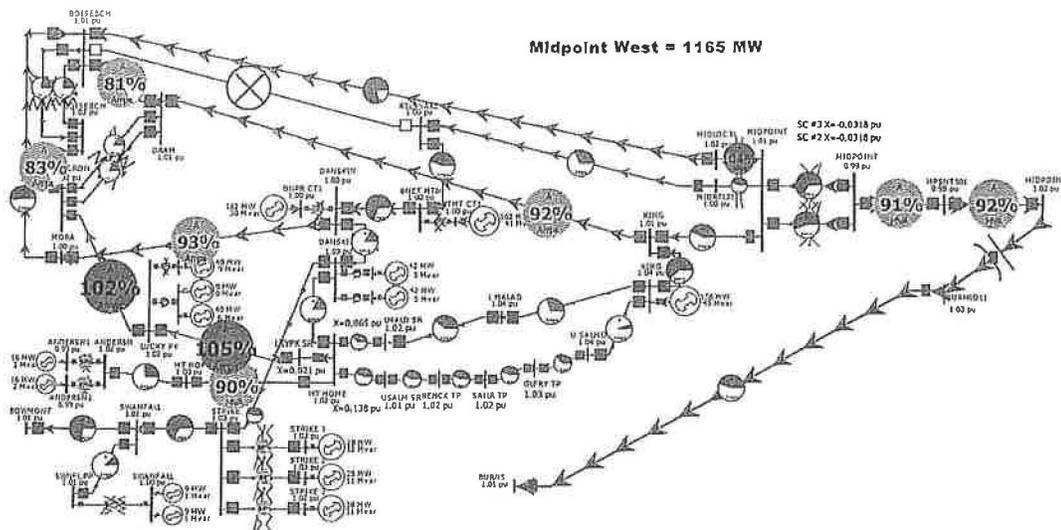


Phase #4 Transmission Improvements – Midpoint-Boise Bench #3 230 kV Outage
153 MW of New Generation

Figure 9

Phase #5 Transmission Improvements

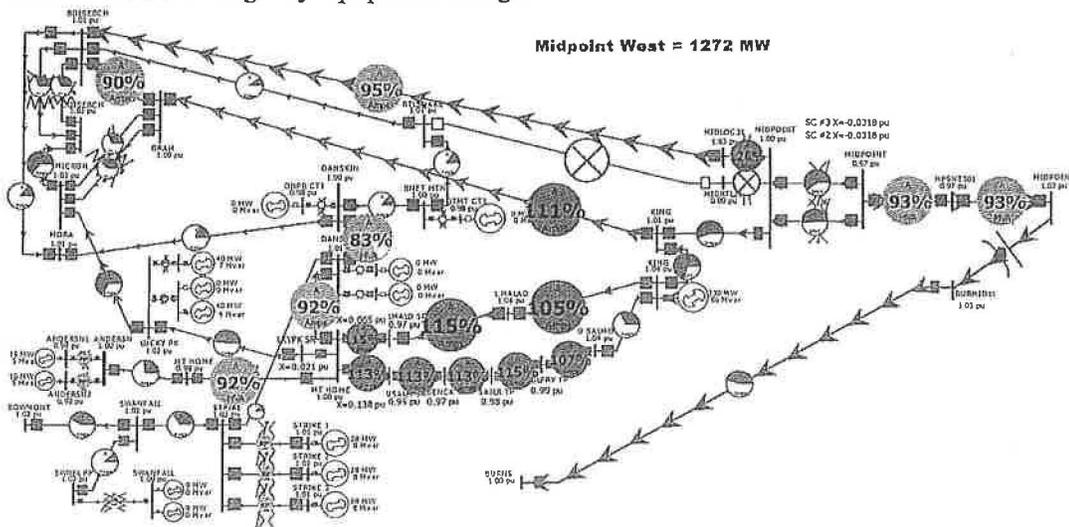
The following one line diagram depicts Phase #4 transmission improvements and 156 MW of new generation in the Twin Falls area, and the only N-1 outage that results in loadings at or above 30 minute equipment ratings.



**Phase #5 Transmission Improvements – Rattlesnake-Boise Bench #2 230 kV Outage
156 MW of New Generation**

Figure 11

Phase #5 transmission improvements are capable of accommodating approximately 330 MW of new generation in the Twin Falls area. The following one line diagram depicts the system with Phase #5 improvements added, 330 MW of new generation in the Twin Falls area, and the loss of the Midpoint-Rattlesnake 230 kV transmission line. At 330 MW of new generation in the Twin Falls area, two other outages also result in transmission system components loaded at their 30 minute emergency equipment ratings.



**Phase #5 Transmission Improvements – Midpoint-Rattlesnake #2 230 kV Outage
330 MW of New Generation**

Figure 12

8.0 Generation Redispatch Requirements

Generators which have chosen to be dispatchable are allowed to operate at levels which may create overloads at or below 30 minute emergency equipment ratings following N-1 contingencies. Following any N-1 outage, transmission line and transformer loadings which are less than or equal to the 30 minute emergency equipment ratings (115%), but greater than the equipment continuous ratings (100%), must be reduced to the continuous ratings by generation curtailments, redispatch, or some other operating procedure. For the Midpoint series capacitor banks, following any N-1 outage, similar corrective actions are required for loadings which are less than or equal to the 30 minute emergency equipment ratings (135%), but greater than the equipment 8 hour rating (110%).

The following table summarizes generation curtailment requirements for the proposed generation projects modeled at King 138 kV Substation; for various timeframes, and for numerous transmission system single contingencies.

The fourth column of the table provides information regarding potential benefits of requesting and funding an optional improvement. The improvement evaluated is the re-configuration of the Midpoint-Boise Bench #3 230 kV series capacitor bank to allow one third of the compensation to be bypassed. Unlike Phase #4, no automatic control scheme is contemplated. This Optional Improvement may reduce the magnitude of generation which must be redispatched during a Midpoint-Rattlesnake 230 kV Transmission Line outage. The Optional Improvement is estimated at approximately \$50,000.

The fifth column of the table provides information regarding potential benefits of completing a portion of Phase #4 improvements early. Phase #4 improvements can be separated into two components. The first component is the "re-configuration" of the Midpoint-Rattlesnake 230 kV series capacitor so it can be operated "fully in-service", "1/3 bypassed", "2/3 bypassed", or "fully bypassed". The second component was the "automatic control scheme". The Phase #4a improvement contained in the fifth column is for expediting only the "re-configuration" component. Expediting the phase #4a improvement may reduce the magnitude of generation which must be redispatched during a Midpoint-Boise Bench #3 230 kV Transmission Line outage. The Phase #4a improvement is estimated at approximately \$50,000.

Contingency	Maximum Allowable Generation Before N-1	Maximum Allowable Generation After N-1	Maximum Allowable Generation After N-1 w/Optional Improvement	Maximum Allowable Generation After N-1 w/Phase #4a Improvement
After Phase #1, but before Phase #2				
Midpoint-Boise Bench #3 230 kV Line	42 MW	0 MW	0 MW	42 MW
Midpoint-Rattlesnake 230 kV Line	42 MW	7 MW	7 MW	7 MW
Rattlesnake-Boise Bench 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	42 MW	9 MW	9 MW	9 MW
Danskin-Mora 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	42 MW	42MW	42MW	42 MW
After Phase #2, but before Phase #3				
Midpoint-Boise Bench #3 230 kV Line	94 MW	0 MW	0 MW	94 MW
Midpoint-Rattlesnake 230 kV Line	94 MW	9 MW	9 MW	9 MW
Rattlesnake-Boise Bench 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	94 MW	32MW	32MW	32MW
Danskin-Mora 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	94 MW	80 MW	80 MW	80 MW
Mountain Home Junction-Lower Malad 138 kV Line	94 MW	49 MW	49 MW	49 MW
Lucky Peak-Micron 138 kV Line	94 MW	45 MW	45 MW	45 MW
Danskin 230/138 kV Transformer	94 MW	90 MW	90 MW	90 MW
After Phase #3, but before Phase #4				
Midpoint-Boise Bench #3 230 kV Line	153 MW	0 MW	0 MW	153 MW
Midpoint-Rattlesnake 230 kV Line	153 MW	17 MW	53 MW	17 MW
Rattlesnake-Boise Bench 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	153 MW	71 MW	71 MW	71 MW
Danskin-Mora 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	153 MW	120 MW	120 MW	120 MW
Mountain Home Junction-Lower Malad 138 kV Line	153 MW	129 MW	129 MW	129 MW
Lucky Peak-Micron 138 kV Line	153 MW	84 MW	84 MW	84 MW
Danskin 230/138 kV Transformer	153 MW	125 MW	125 MW	125 MW

Contingency	Maximum Allowable Generation Before N-1	Maximum Allowable Generation After N-1	Maximum Allowable Generation After N-1 w/Optional Improvement	Maximum Allowable Generation After N-1 w/Phase #4a Improvement
After Phase #4, but before Phase #5				
Midpoint-Boise Bench #3 230 kV Line	156 MW	156 MW	156 MW	N/A
Midpoint-Rattlesnake 230 kV Line	156 MW	18 MW	53 MW	N/A
Rattlesnake-Boise Bench 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	156 MW	71 MW	71 MW	N/A
Danskin-Mora 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	156 MW	120 MW	120 MW	N/A
Mountain Home Junction-Lower Malad 138 kV Line	156 MW	129 MW	129 MW	N/A
Lucky Peak-Micron 138 kV Line	156 MW	84 MW	84 MW	N/A
Danskin 230/138 kV Transformer	156 MW	125 MW	125 MW	N/A
After Phase #5				
Midpoint-Boise Bench #3 230 kV Line	330 MW	140 MW	140 MW	N/A
Midpoint-Rattlesnake 230 kV Line	330 MW	25 MW	123 MW	N/A
Rattlesnake-Boise Bench 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	330 MW	254 MW	254 MW	N/A
Danskin-Mora 230 kV Line, also open Mountain Home Junction-Danskin 138 kV Line	330 MW	310 MW	310 MW	N/A
Mountain Home Junction-Lower Malad 138 kV Line	330 MW	280 MW	280 MW	N/A
Lucky Peak-Micron 138 kV Line	330 MW	265 MW	265 MW	N/A
Danskin 230/138 kV Transformer	330 MW	295 MW	295 MW	N/A
King 230/138 kV Transformer	330 MW	245 MW	245 MW	N/A

9.0 Fault Study Results

Since this System Impact Study lumps all the proposed generation additions at King 138 kV bus, this Draft Report makes no attempt to address fault study concerns. Each proposed generation project will have to be evaluated individually based on its specific location.

10.0 Transient Stability Study Results

The Midpoint West Transmission System is not transient stability limited. Therefore, no transient stability studies were performed.

11.0 Conclusions

The System Impact of interconnecting up to 304 MW of new generation in the Twin Falls area to Idaho Power's 138 kV transmission system was studied. Five phases of transmission system improvements are required to provide Network Resource Interconnection Service to 304 MW of new generation, on a dispatchable basis. Phase #1 is the installation of an 8 ohm 138 kV Series Reactor on the Upper Salmon-Mountain Home Junction 138 kV transmission line. This improvement corrects an N-1 overload that exists before any new generation is added in the Twin Falls area. As a result, the estimated \$290,000 cost of this improvement will be borne by Idaho Power Company. After approximately 42 MW of new generation is added, Phase #1 improvements are no longer sufficient. Phase #2 improvements require the installation of a 4 ohm 138 kV Series Reactor on the Mountain Home Junction-Lucky Peak 138 kV transmission line. The estimated \$290,000 cost of this improvement should be allocated to new generator interconnections. Following the addition of approximately 94 MW of new generation, Phase #3 transmission improvements are required. Phase #3 improvements require the installation a 12.35 ohm 138 kV Series Reactor on the Lower Malad-Mountain Home Junction 138 kV transmission line, and increasing the impedance of the existing Upper Salmon-Mountain Home Junction 138 kV Series Reactor to 26.2 ohms. The estimated \$290,000 cost of Phase #3 improvements should be allocated to new generator interconnections. Following the addition of approximately 153 MW of new generation, Phase #4 transmission improvements are required. Phase #4 involves re-configuring the Midpoint-Rattlesnake 230 kV series capacitor bank to allow 1/3 of the compensation to be bypassed via IPC's SCADA system and install a "automatic 1/3 bypass scheme" for overloads exceeding the series capacitor's 30 minute emergency equipment rating of 135%. The estimated \$100,000 cost of this improvement should be allocated to new generator interconnections. Following the addition of approximately 156 MW of new generation, Phase #5 transmission improvements are required. Phase #5 involves folding the Midpoint-DRAM #1 230 kV transmission line into and back out of the King Substation and installing a 230/138 kV 300 MVA transformer. The estimated \$10,320,000 cost of this improvement should be allocated to new generator interconnections. Phase #5 transmission improvements are adequate to interconnect approximately 330 MW of new generation in the Twin Falls area, on a dispatchable basis, before additional improvements are required.

APPENDIX A

1.0 Method of Study

The study methodology inserts the proposed generators up to the maximum requested output of 304 MW into the selected WECC power flow case and then, using the PowerWorld Simulator powerflow program, examines the impacts of the new resource on Idaho Power's transmission system (lines, transformers, etc.) within the study area under various operating/outage scenarios. The WECC and Idaho Power reliability criteria and Idaho Power operating procedures were used to determine the acceptability of the alternatives considered. The WECC case is a recent case modified to simulate stressed but reasonable pre-contingency energy transfers utilizing the IPC system.

2.0 Acceptability Criteria

The following acceptability criteria were used in the power flow analysis to determine the acceptability of the alternatives:

Loadings on transmission lines and transformers should not exceed 115% of the continuous rating, immediately following any N-1 outage. Loading on the Midpoint 230 kV series capacitors should not exceed 135% of the continuous rating, immediately following any N-1 outage. These loadings levels of 115% on transmission lines and transformers and 135% on Midpoint series capacitors correspond to IPC's 30 minute emergency equipment ratings. Any loadings immediately following an N-1 outage, less than the 30 minute emergency rating is acceptable.

Loadings which are less than the 30 minute emergency equipment ratings, but greater than the equipment continuous ratings, must be reduced to the continuous ratings by generation curtailments, re-dispatch, or some other operating procedure. Any remedial action schemes (RAS) or other transmission switching, must be judged to be reasonable before the alternatives performance can be deemed acceptable.

The continuous rating of equipment is assumed to be the normal thermal rating of the equipment. This rating will be as determined by the manufacturer of the equipment or as determined by Idaho Power. Less than or equal to 100% of continuous rating for transmission lines and transformers is acceptable. Less than or equal to 110% of continuous rating for the Midpoint 230 kV series capacitors is acceptable.

Transmission voltages, under normal operating conditions, are maintained within plus or minus 5% (0.05 per unit) of nominal. Therefore, voltages greater than or equal to 0.95 p.u. voltage and less than or equal to 1.05 p.u. voltage are acceptable.

The stable operation of the transmission system requires an adequate supply of volt-amperes reactive (VARs) to maintain a stable voltage profile under both steady-state and dynamic system conditions. An inadequate supply of VARs will result in voltage

decay or even collapse under the worst conditions. Idaho Power designs its system to integrate Network Resources at full capability during specified outage conditions.

Equipment/line/path ratings used will be those that are in use at the time of the study or that are represented by IPC upgrade projects that are either currently under construction or whose budgets have been approved for construction in the near future. All other potential future ratings are outside the scope of this study. Future transmission changes may, however, affect current facility ratings used in the study.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 20

Feasibility Study Agreement

THIS AGREEMENT is made and entered into this 11th day of March 2009 by and between Exergy Development Group of Idaho, a Limited Liability Company organized and existing under the laws of the State of Idaho, ("Interconnection Customer,") and Idaho Power Company a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on December 19, 2005, also known as Project #158; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection

Small Gen Feasibility Study Agreement
Project #158, Notch Butte

Request, the time to complete the feasibility study may be extended by agreement of the Parties.

- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 In lieu of Feasibility Study deposit, Interconnection Customer agrees that study funds will be drawn from the application fee for the performance of the Interconnection Feasibility Study.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study. Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

Small Gen Feasibility Study Agreement
Project #158, Notch Butte

- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 business days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:
Idaho Power Company – Delivery

Interconnection Customer:

Signed Marc Patterson
Printed Marc Patterson
Title Engineering Leader - T&D Planning
Date March 9, 2009

Signed James T. Carlson
Printed James T. Carlson
Title President
Date 11-March-2009

Attachment A to Feasibility Study Agreement

Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on _____:

1) Designation of Point of Interconnection and configuration to be studied.

The point of Interconnection will be on Idaho Power's District #11 12.5kV feeder at approx. T06SR19ESS, Lincoln County, Idaho. The project will be studied for 9mw max output.

2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 21

**GENERATOR INTERCONNECTION
FEASIBILITY STUDY**

for integration of the proposed

PROJECT #158

to the

IDAHO POWER COMPANY ELECTRICAL SYSTEM

for the

INTERCONNECTION CUSTOMER

FINAL REPORT

April 16, 2009

1.0 Introduction

The Generation Interconnection Customer has contracted with Idaho Power Company (IPCO) to perform a Generator Interconnection Feasibility Study for the integration of the proposed 9 MW Wind Park Project (project #158). The location of the project is in Idaho Power's Southern Idaho service territory in Lincoln County, Idaho.

This report documents the basis for and the results of this Feasibility Study for the Generation Interconnection Customer. It describes the proposed project, the study cases used, the impact of associated projects, and results of all work in the areas of concern.

2.0 Summary

The proposed project is a 9 MW wind farm consisting of six 1.5 MW GE wind turbines. The proposed Point of Interconnection (POI) for the generating facility with the IPCO system is at the wind park, where IPCO's distribution facilities connect to the wind park's facilities.

A new four mile feeder will have to be constructed with new conductor and poles. This feeder will directly connect the facility to IPCO's distribution substation and will not be connected to any customer loads. A generation interconnection and protection package will be required at the POI which will be located at the end of the new four mile feeder. At the substation a second transformer will also be added for capacity and reactive power reasons.

Voltage on the 46.kV bus at the distribution substation attains a level that is too high by IPCO standards. In order for that voltage to be brought down to within those standards a four mile transmission line upgrade will be necessary along with the requirement that the generation facility will have to maintain a 95% lagging power factor (consuming VARs) during periods of light loading.

There are limitations in the Midpoint West transmission system to the west of this project. This study demonstrates that there is no available transmission capacity when considering other proposed generation projects ahead of this one in the queue. A System Impact Study has been conducted to determine the transmission upgrades needed to serve this project (Appendix B).

The estimated cost for all required upgrades of IPCO owned facilities to serve the full project is **\$3,500,000**.

3.0 Scope of Interconnection Feasibility Study

The Interconnection Feasibility Study was done and prepared in accordance with Idaho Power Company Standard Generator Interconnection Procedures, to provide a preliminary evaluation of the feasibility of the interconnection of the proposed generating project to the Idaho Power system. As listed in the Interconnection Feasibility Study agreement, the Interconnection Feasibility Study report provides the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
- preliminary description and non-binding estimated cost of facilities required to interconnect the Small Generating Facility to the Distribution System and to address the identified short circuit and power flow issues.

All other proposed Generation projects prior to this project in the Generator Interconnect queue were considered in this study. A current list of these projects can be found on the Idaho Power web site as follows:

<http://www.oatioasis.com/ipco/index.html>.

4.0 Description of Proposed Generating Project

Project #158 proposes to connect to the Idaho Power distribution system for an injection of 9 MW (maximum project output) using six General Electric 1.5 MW wind turbines.

5.0 Description of Existing Transmission Facilities

The transmission line that serves this area is a 46 kV radial tap. This tap serves one distribution substation, as well as a 5.3 MVA hydro generation facility. Voltage problems occur under light loading conditions on the 46 kV system. With the addition of this project the voltage is increased by over 0.06 p.u. This voltage must be brought down to at least 1.05 p.u. on the low voltage side of the distribution transformer. To help bring the voltage down, the project will have to run at a 95% lagging power factor (absorbing 3 MVAR).

With the addition of this project the transmission line total load will not exceed its limitations. There is enough capacity on this tap to serve this project during periods of light loading and high generation. However, with the wind park lagging at a 95% power factor, high voltage still exists. By reconductoring a four mile stretch on transmission line with 397.5 ACSR the high voltage is brought to an acceptable level.

There are limitations in the Midpoint West transmission system to the west of this project. This study demonstrates that there is no available transmission capacity when considering other proposed generation projects ahead of this one in the queue. A System Impact Study has been conducted to determine the transmission upgrades needed to serve this project (Appendix B).

6.0 Description of Existing Substation Facilities

The distribution substation that serves this area is located approximately four miles to the west of the wind park. The existing substation transformer is a 46:12.5 kV transformer that does not have available capacity when considering the reactive requirements that will be placed on the wind park. Also, with the fairly large amount of reactive power consumption, it is better to keep the generation separate from customer loads.

A new transformer will need to be installed at the substation. This transformer will be a 12.5 MVA 46:12.5 kV transformer and will only be connected to the dedicated feeder that the generating facility will be on. In order to accommodate the additional substation work required more land will need to be purchased around the existing substation. This cost is not included in the estimates but will be necessary for this project to proceed.

The feeder breakers on the adjacent feeders are Cooper type "VWVE38X" breakers which are designed for 560 amps continuous load current and have a maximum fault current interrupting rating of 12,000 amps. These feeder breakers will not be connected to the generating facility, but this type of breaker would be acceptable for addition on the new dedicated feeder.

7.0 Description of Existing Distribution Facilities

The distribution feeder serving this area is a grounded wye feeder operating at 12.5 kV. There is not adequate capacity on this feeder to serve this project. Also, the wind park should not be connected directly to customer loads due to the high amount of reactive power that will need to flow to the generating facility.

These two factors point to the reason why a dedicated distribution feeder is needed from the substation to the generating facility. This feeder will need to be at 12.5 kV and constructed with 336 AAC. This conductor consumes enough VARs during light loading and heavy generation at DTRC that the transmission system sees nearly 5 MVAR with the wind park at a 95 % power factor. This VAR output is enough to bring down the voltage on the 46 kV system to an acceptable level.

The proposed POI for the generating facility with the IPCO system is at the wind park, where IPCO's distribution facilities connect to the wind park's facilities. Refer to Appendix A section 3 for additional grounding requirements.

8.0 Description and Cost Estimate of Required Facility Upgrades

At the transmission level four miles of conductor needs to be replaced with 397.5 ACSR for voltage reduction reasons. Due to capacity constraints and reactive power concerns, a new 46:12.5 kV transformer is needed at the substation along with a transformer bay and feeder breaker. A new 12.5 kV 336 AAC distribution feeder will have to be installed from the substation to the wind park, and at the POI, a Generation Interconnection and Protection package will be required. Also, more land will need to be purchased around IPCO's distribution substation but is not reflected in the following estimated costs.

Description	Estimated Cost
New 12.5 MVA 46:12.5 kV transformer, bay and feeder breaker.	\$1,500,000
4 miles of new distribution line at 336 AAC	\$700,000
Generation Interconnection Protection Package (Includes 12.47 kV recloser, controls, CTs, PTs, and communications.	\$225,000
4 miles of transmission line upgraded to 397.5 ACSR	\$1,075,000
Total Estimated Cost	\$3,500,000

Table 1: Estimated Costs for Required Upgrades

These cost estimates include direct equipment and installation labor costs, indirect labor costs and overheads. (Tax Gross Up has not been included presuming construction of interconnection facilities will not qualify under IRS rules as a taxable event. Allowance for funds used during construction (AFUDC) has not been included in the cost estimates since it is assumed that IPC will be provided up-front funding by the Project). These are cost estimates only and final charges to the customer will be based on the actual construction costs incurred.

9.0 Description of Operating Requirements

In addition to these upgrades, there are also several operating requirements that must be met. The project will be controlled to operate at a lagging 95% power factor during periods of light loading. That is, the wind park must consume 3 MVAR at full output. The project will also have to meet the voltage schedule provided by Idaho Power. If these requirements cannot be met, further voltage studies will be necessary. Voltage flicker at startup and during operation will be limited to less than 5% as measured at the POI. For this to occur, the starting inrush current cannot exceed 416 Amps at the 12.5 kV voltage level. 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*.

11.0 Conclusions

The requested interconnection of the Notch Butte Wind Park to Idaho Power's system was studied. The results of this study work confirm that the existing Idaho Power system can be upgraded to handle this project. The known required upgrades for the existing distribution system are listed. An IPCO Transmission System Impact Study has been conducted to determine the transmission upgrades needed to serve this project.

APPENDIX A

A-1.0 Method of Study

The Feasibility Study plan inserts the Project up to the maximum requested injection into the selected Western Electric Coordinating Council (WECC) power flow case and then, using Power World Simulator Version 12, examines the impacts of the new resource on Idaho Power's transmission system (lines, transformers, etc.) within the study area under various operating/outage scenarios. The WECC and Idaho Power reliability criteria and Idaho Power operating procedures were used to determine the acceptability of the configurations considered. The WECC case is a recent case modified to simulate stressed but reasonable pre-contingency energy transfers utilizing the IPC system. For distribution feeder analysis, Idaho Power utilizes Advantica's SynerGEE Software.

A-2.0 Acceptability Criteria

The following acceptability criteria were used in the power flow analysis to determine under which system configuration modifications may be required:

The continuous rating of equipment is assumed to be the normal thermal rating of the equipment. This rating will be as determined by the manufacturer of the equipment or as determined by Idaho Power. Less than or equal to 100% of continuous rating is acceptable.

Idaho Power's Voltage Operating Guidelines were used to determine voltage requirements on the system. This states, in part, that distribution voltages, under normal operating conditions, are to be maintained within plus or minus 5% (0.05 per unit) of nominal everywhere on the feeder. Therefore, voltages greater than or equal to 0.95 pu voltage and less than or equal to 1.05 pu voltage are acceptable.

Voltage flicker during starting or stopping the generator is limited to 5% as measured at the point of interconnection, per Idaho Power's T&D Advisory Information Manual.

Idaho Power's Reliability Criteria for System Planning was used to determine proper transmission system operation.

All customer generation must meet IEEE 519 and ANSI C84.1 Standards.

All other applicable national and Idaho Power standards and prudent utility practices were used to determine the acceptability of the configurations considered.

The stable operation of the system requires an adequate supply of volt-amperes reactive (VARs) to maintain a stable voltage profile under both steady-state and dynamic

system conditions. An inadequate supply of VARs will result in voltage decay or even collapse under the worst conditions.

Equipment/line/path ratings used will be those that are in use at the time of the study or that are represented by IPC upgrade projects that are either currently under construction or whose budgets have been approved for construction in the near future. All other potential future ratings are outside the scope of this study. Future transmission changes may, however, affect current facility ratings used in the study.

A-3.0 Grounding Guidance

Idaho Power Company (IPC) requires interconnected transformers to limit their ground fault current to 20 amps at the point of interconnection.

A-4.0 Electrical System Protection Guidance

IPC requires electrical system protection per Requirements for Generation Interconnections found on the Idaho Power Web site,
<http://www.idahopower.com/aboutus/business/generationInterconnect/>.

A-5.0 WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Requirements

IPC requires frequency operational limits to adhere to WECC Under-frequency and Over-frequency Limits per the WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Requirements available upon request.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 22



May 14, 2009

Exergy Development Group of Idaho, LLC
Attn: Collin Rudeen
802 West Bannock, Suite 1200
Boise, ID 83702

RE: Notch Butte Project # 158

Dear Collin:

Enclosed is the Final Feasibility Study Report (FeSR) for the above-referenced project. The feasibility analysis indicates that the system is capable of integrating your generator at the proposed location. We would like to schedule a meeting or conference call to discuss the FeSR as soon as possible. Candace Gentry will contact you to setup this meeting, or you may contact her directly at 208-388-2276.

As you are aware, this project is included in the System Impact Study for Transmission Upgrades in the Twin Falls area, and no other System Impact Study is required. A separate Facility Study Agreement (FSA) has already been executed for the transmission upgrades identified in the 305 MW System Impact Study Report previously provided to you.

Since no System Impact Study is required, I have enclosed two (2) copies of the Facility Study Agreement (FSA) for the above-referenced project.

The next step in the Generator Interconnection process is to begin design work for the Interconnection/Distribution facilities of this project. Please submit your agreement to proceed by executing both copies of the attached FSA, submitting completed Attachments to the FSA, along with the required FSA deposit to Idaho Power Company, attn: Rowena Bishop by June 16, 2009, otherwise your application will be deemed withdrawn. The deposit under the FSA is \$30,000 based on the estimated engineering costs. Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Marc Patterson".

Marc Patterson
Engineering Leader, T&D Planning
Ph. 208.388.2712

Enclosures: Final Feasibility Study Report
2 copies - Facility Study Agreement

C: Candace Gentry/IPC
Rowena Bishop/IPC
Ed Kosydar/IPC

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 23

Facilities Study Agreement

THIS AGREEMENT is made and entered into this 13th day of July 2009 by and between EXERGY DEVELOPMENT GROUP OF IDAHO, a LIMITED LIABILITY COMPANY organized and existing under the laws of the State of IDAHO, ("Interconnection Customer,") and Idaho Power Company, a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on 12/19/05, and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's

Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

- 5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of \$30,000 is due upon execution of this agreement by the Interconnection customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Idaho Power Company - Delivery

Signed: *Edward Kosydar*

Printed Name: PM Supervisor

Title: EDWARD KOSYDAR

Interconnection Customer:

Exergy Development Group of Idaho, LLC

Signed: *James T. Carkulis*

Printed Name: JAMES T. CARULIS

Title: 18-JUNE-2009

**Data to Be Provided by the Interconnection Customer
With the Facilities Study Agreement**

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

18 MW at full generation

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

2. One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

1

3. Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes _____ No X

4. Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____
(Please indicate on the one-line diagram).

5. What type of control system or PLC will be located at the Small Generating Facility?

Bachmann Programmable Logic Controller (PLC)

6. What protocol does the control system or PLC use?

Vx Works operating system with Bachmann extensions

7. Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

8. Physical dimensions of the proposed interconnection station:

9. Bus length from generation to interconnection station:

10. Line length from interconnection station to Transmission Provider's Transmission System.

N/A

11. Tower number observed in the field. (Painted on tower leg)*:

12. Number of third party easements required for transmission lines*:

N/A – connecting to distribution line

* To be completed in coordination with Transmission Provider.

13. Is the Small Generating Facility located in Transmission Provider's service area?

Yes No If No, please provide name of local provider:

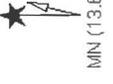
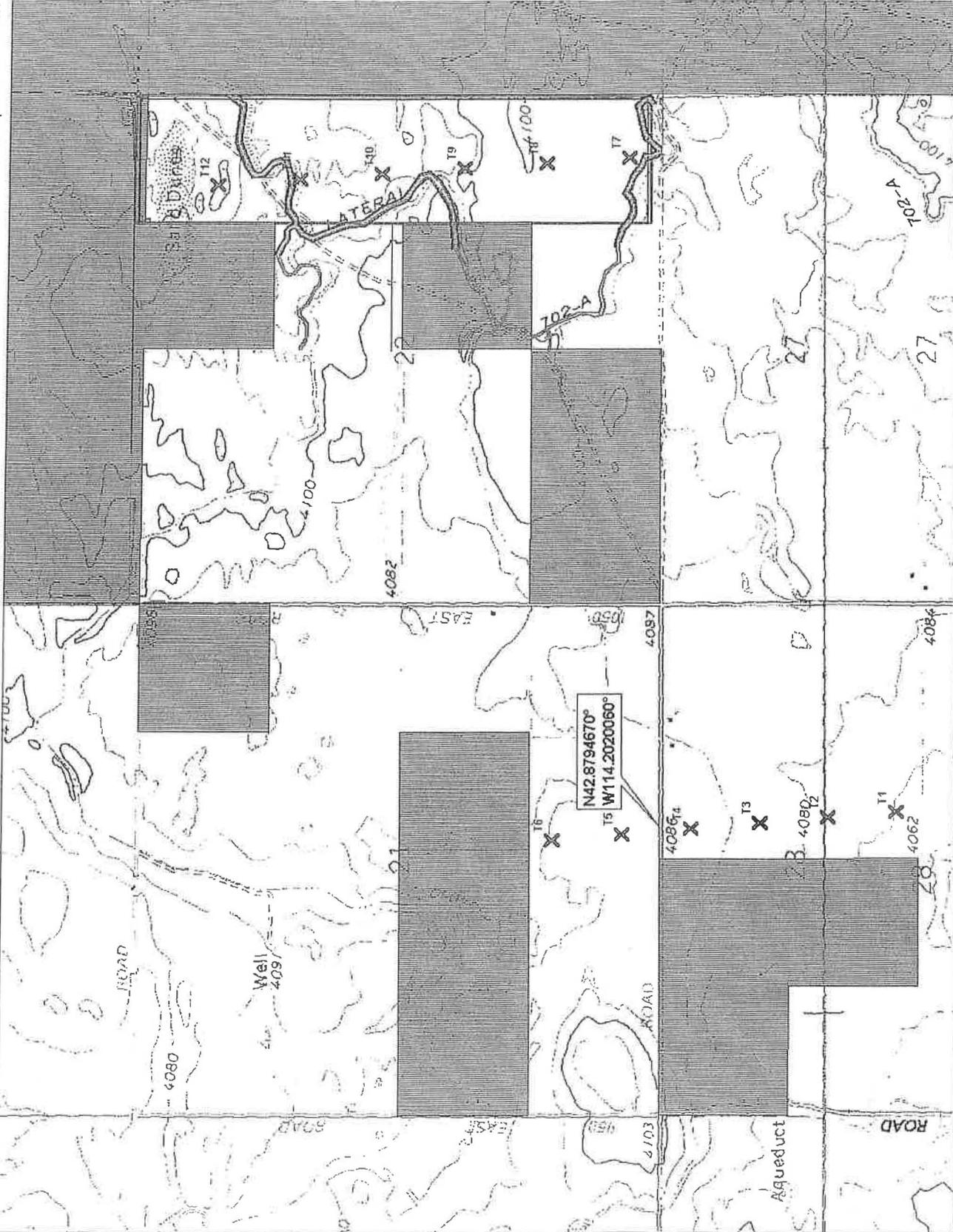
14. Please provide the following proposed schedule dates:

Begin Construction Date: October, 2009

Generator Step-Up Transformers
Receive Back Feed Power Date: March 2009

Generation Testing Date: May 2009

Commercial Operation Date: June 2009



MN (13.6° E)

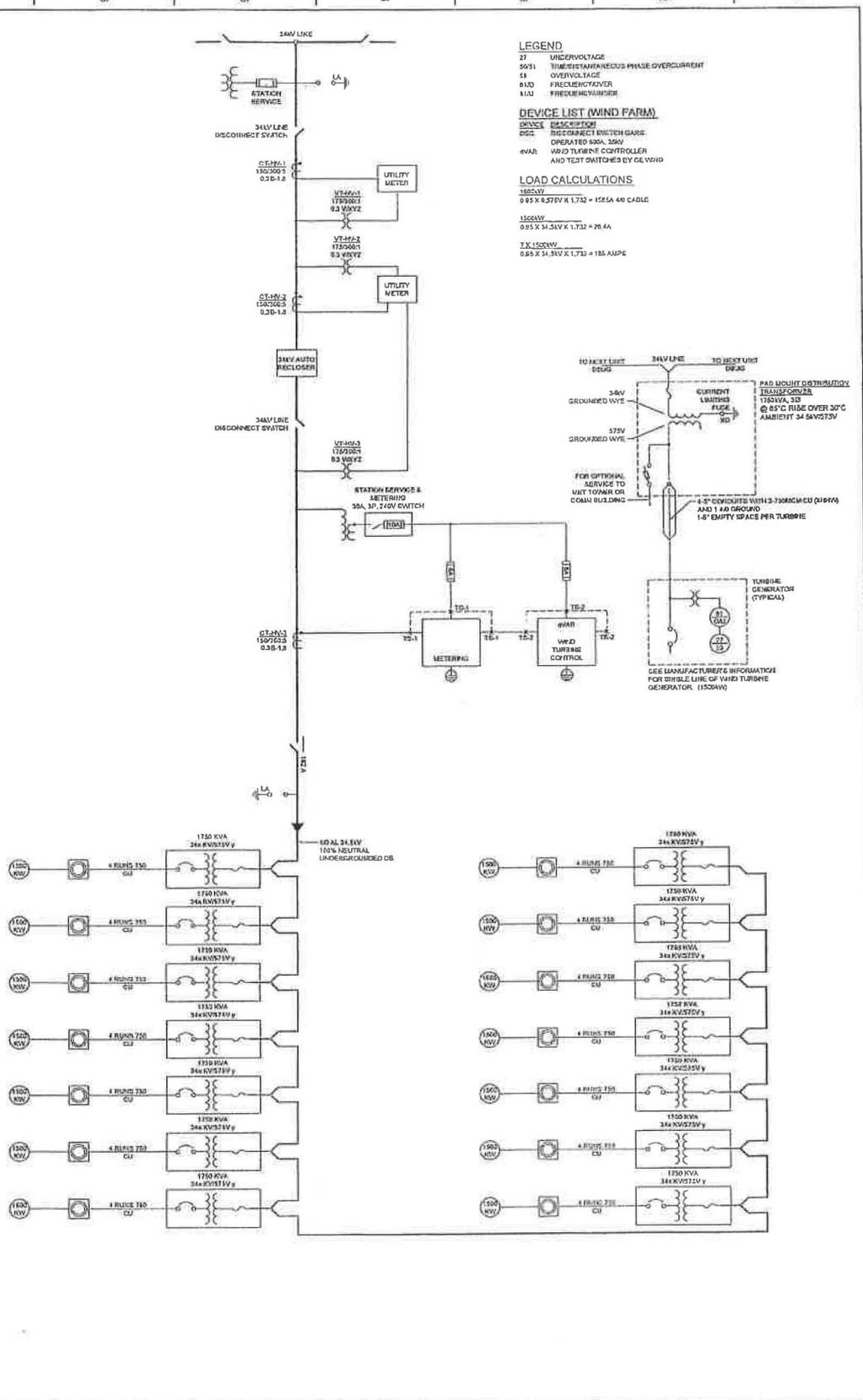
ALL ELECTRICAL WORK SHALL BE IN ACCORDANCE WITH THE NATIONAL ELECTRICAL CODE (NEC) AND ALL APPLICABLE LOCAL AND STATE REGULATIONS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AND STATE AUTHORITIES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES.

PRELIMINARY DRAWING NOT FOR CONSTRUCTION

MSE

SALMON FALLS ENERGY DEVELOPMENT GROUP SUBSTATION ONE LINE DIAGRAM

DATE: 10/1/00
 SHEET NO: 001
 OF: 1



**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 24



DRAFT

**Generator Interconnection
Facility Study Report**

for the

Notch Butte Wind Park Project – Project #158

for

Exergy Development Group, LLC

in

Lincoln County, Idaho

April 27, 2010

DRAFT FACILITY STUDY REPORT (FSR)

Notch Butte Wind Park

Project #158

April 27, 2010

1. General Facility Description

This project consists of integrating and interconnecting the proposed 18 MW Notch Butte Wind Park Project (project #158). The proposed wind project is an 18 MW wind farm consisting of twelve 1.5 MW GE wind turbines. The location of the project is in Idaho Power's Southern Idaho service territory in approximately section 22 of T06S, R19E Lincoln County, Idaho.

A new substation will be built by the Customer to collect the generation (the substation will not serve Idaho Power customers). The substation will be connected to the existing Midpoint to Wood River 138 kV transmission line by way of a short new transmission tap with airbreak switch.

Interconnection Customer:

Mr. James Carkulis
Exergy Development Group, LLC
802 West Bannock, Suite 1200
Boise, ID 83702

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 Notch Butte Wind Park Project, specifically Generator Interconnection Project #158, will be prepared for this project. Final drawings will be produced in the timeline shown below in MILESTONES.

2. Interconnection Point

The Interconnection Point for the Notch Butte Wind Park Project will be the Customer side of the 101B airbreak. The Interconnection Point must be located within 1500 feet of the existing Midpoint – Wood River 138 kV transmission line. The project's location is Lincoln County, Idaho. A drawing identifying the Interconnection Point is attached.

3. Point of Change of Ownership

The Point of Change of Ownership for the Notch Butte Wind Park Project will be the Customer side of the 101B airbreak. The Customer will own the control building, though space shall be provided for Idaho Power equipment within the control building.

4. Interconnection Details

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

electrically located on the utility side of the Point of Change of Ownership shall be owned, operated, and maintained by Idaho Power.

4.1 Project Team

An Idaho Power Company project team was assembled to investigate the proposed project, and develop cost estimates and a project schedule to construct Idaho Power facilities required for the interconnection. The project team consisted of the following employees:

Project Leader	Senior Engineer
Principal Engineer	Relay & Communications Leader
Engineer – Protection	Metering Technical Advisor
Area Apparatus Leader	Right of Way Agent
Design Engineer	Distribution Line Designer
Stations Designer	Project Estimator

4.2 Customer’s Interconnection Facilities

The Interconnection Customer will install, own, and maintain generators and the distribution collector system. Additionally the Interconnection Customer will design and install a 138-34.5 kV substation yard with a building, transformation, feeder protection, and yard lighting.

4.3 Other Facilities Provided by Interconnection Customer

4.3.1 Local service

The Customer is responsible to arrange for local service to the control building for use by Customer and Idaho Power.

4.3.2 Equipment

The Interconnection Customer will provide land clearing, site leveling, grounding, and fencing and acquire property for the new substation. A building within the substation will be provided by the Customer and space will be allocated for Idaho Power Company facilities as described below. Idaho Power requires a separate room within the control building that has its own separate locked entrance into the substation yard.

4.4 Idaho Power Company’s Interconnection Facilities

Idaho Power will design and build a new 138 kV transmission line tap and airbreak line switch, a dead-end structure, 138 kV circuit breaker, two air-break switches, and associated relaying, control and metering equipment in the substation yard and building up to the Interconnection Point. Metering will be accomplished at the 138 kV side of the transformer.

4.4.1 Transmission Line

A new 138 kV transmission tap, limited to 1500 feet in length, will be built between the proposed new substation and the existing Midpoint – Wood River line #440. The tap point is not yet selected pending a Customer selected substation location. A single line airbreak switch will be installed at the tap point. At the Customer’s request and cost, additional line

switches could be located on the existing 138 kV line on either side of the tap point to add operational sectionalizing.

4.4.2 Communications

Idaho Power will be responsible for providing the communication circuits necessary for revenue metering, power quality, and SCADA. Any additional communications requirements for Customer owned equipment is the responsibility of the Customer.

4.5 Operational Limitations

Interconnection Customer 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.

The project must be controlled to operate within +/- 6MVAR. 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*.

4.6 Other Requirements

In order to minimize interconnection costs to the Customer, Idaho Power has chosen to operate the new substation terminal without line relaying communication. To accomplish this operating scheme, the transformer must be a 138/34.5 kV grounded wye – delta configuration. It cannot be a three winding transformer or an auto transformer with a delta tertiary.

4.7 Scope of Transmission Network Upgrades (If Required)

Network Upgrades for this project will be detailed in a separate Facility Study Report for the Joint Study Group identified in the March 19, 2008 System Impact Study Report for up to 353 MW of New Generation on the 138kV Transmission System in the Twin Falls Area.

It should be noted that there are other proposed interconnection projects in the same area that will be using the same facilities that this project will need. This will affect the cost allocation of the proposed facilities. IPC is unable at this time to estimate your pro rata share of the overall costs, as the total cost is dependent on the level of participation of other parties in the Generator Interconnection queue.

The Interconnection Customer has elected for the project to be subject to Generation Output Limit Control under IPUC Order No. 30419.

5. Budget

The following good faith estimates are provided in 2010 dollars:

Estimated Cost & Ownership:

Description	Ownership	Cost Estimate
Generation Facilities and Collector Feeder:		
Provided by the Customer	Customer	N/A
TOTAL		N/A
Interconnection Facilities:		
Transmission Tap	IPC	\$285,000
Substation	IPC	\$900,000
TOTAL		\$1,185,000
Transmission Network Upgrades under the 3/2008 System Impact Study for the Joint Study Group (pro rata cost in accordance with IPUC Order 30419):		Provided under separate report
GRAND TOTAL		\$1,185,000
(Transmission Network Upgrades Funding will be requested under separate Facility Study Report)		

Milestones:

Date	Milestones
4/27/10	<i>Facility Study Report Submitted to Customer</i>
6/28/10	<i>Final Design/Construction Funds Received by IPC</i>
10/31/10	<i>Finalize Construction Documents & Order Materials</i>
2/1/11	<i>Begin Construction (Assuming Materials are Available-Otherwise as Materials are Received)</i>
7/1/11	<i>Construction Completion</i>
8/1/11	<i>Test and Commission Equipment</i>
8/15/11	<i>Commercial Operation</i>

Construction Budget Timeline:

Period	Amount
June 2010 – August 2011	\$1,185,000
GRAND TOTAL	\$1,185,000

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 25

Clark, Danielle

From: Angell, Dave
Sent: Wednesday, May 12, 2010 8:54 AM
To: Bishop, Rowena
Cc: Rechel, Kelley; Sloan, Aubrae; Bauer, Rich; Patterson, Marc; Hobson, Bryan
Subject: Status of Exergy Projects

Rowena, Exergy has failed to pay the outstanding transmission network upgrade invoice or provide a letter of credit for the Notch Butte project. Please remove project number 158, Notch Butte, from the generator interconnection queue. The queue status of the other projects has not changed.

Regarding the Thousand Springs Generation Interconnection Agreement, James has requested that we identify each of the PURPA projects that will interconnect through Thousand Springs in the GIA. Please include the names of each in Attachment 1.

Dave Angell
2701

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 26

Feasibility Study Agreement

THIS AGREEMENT is made and entered into this 27 day of August 2010, by and between ENERGY DEVELOPMENT GROUP OF IDAHO, a LLC organized and existing under the laws of the State of IDAHO, ("Interconnection Customer,") and Idaho Power Company a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on August 16, 2010; also known as Project #349, and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator

Small Generator Feasibility Study Agreement
Notch Butte Wind Project #349

Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 In lieu of Feasibility Study deposit, Interconnection Customer agrees that study funds will be drawn from the application fee for the performance of the Interconnection Feasibility Study.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study. Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

Small Generator Feasibility Study Agreement
Notch Butte Wind Project #349

- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 business days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Idaho Power Company – Delivery

Signed: 

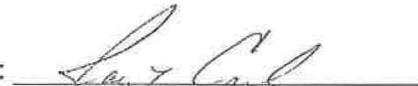
Printed: Marc Patterson

Title: Engineering Leader, T&D Planning

Date: Aug 27, 2010

Interconnection Customer:

ENERGY DEVELOPMENT GROUP OF IDAHO, LLC

Signed: 

Printed: JAMES T. CANNON

Title: President

Date: 25-AUG-2010

Attachment A to Feasibility Study Agreement

Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on Aug 27, 2010:

- 1) Designation of Point of Interconnection and configuration to be studied.

N42° 53.12948', W 114° 10.57400'
6.5 MW
Lincoln County
12.5 kV

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 27

**GENERATOR INTERCONNECTION
FEASIBILITY STUDY**

for integration of the proposed

PROJECT #349

to the

IDAHO POWER COMPANY ELECTRICAL SYSTEM

for the

INTERCONNECTION CUSTOMER

FINAL REPORT

October 15, 2010

1.0 Introduction

The Generation Interconnection Customer has contracted with Idaho Power Company (IPCo) to perform a Generator Interconnection Feasibility Study for the integration of the proposed 6.5 MW Wind Park Project (project #349). The location of the project is in Idaho Power's Southern Idaho service territory in Lincoln County, Idaho (see Appendix B).

This report documents the basis for and the results of this Feasibility Study for the Generation Interconnection Customer. It describes the proposed project, the study cases used, the impact of associated projects, and results of all work in the areas of concern.

2.0 Summary

The proposed project is a 6.5 MW wind farm consisting of three 2.05 MW REpower wind turbines. The proposed Point of Interconnection (POI) for the generating facility with the IPCo system is at the wind park, where IPCo's distribution facilities connect to the wind park's facilities.

A new four mile double circuited feeder will have to be constructed. This feeder will be on the same poles as DTRC-012 and directly connect the facility to IPCo's distribution substation and will not be connected to any customer loads. A generation interconnection and protection package will be required at the POI which will be located at the end of the new four mile feeder. At the substation a second transformer will also be added for operational and reactive power reasons.

Voltage on the 46 kV bus at the distribution substation attains a level that is too high by IPCo standards. In order for that voltage to be brought down to within those standards a four mile transmission line upgrade will be necessary along with the requirement that the generation facility will have to consume 2 MVAR during periods of light loading.

This project's Feasibility Study only addresses the ability of the project to interconnect to the system, there are no transmission rights secured for the project until a transmission system request is submitted by the corresponding transmission customer. The required transmission facilities, if any, to support energy transfers will then be determined based on first come first serve basis (queue order).

The estimated cost for all required upgrades of IPCo owned facilities to serve the full project is **\$3,700,000**.

3.0 Scope of Interconnection Feasibility Study

The Interconnection Feasibility Study was done and prepared in accordance with Idaho Power Company Standard Generator Interconnection Procedures, to provide a preliminary evaluation of the feasibility of the interconnection of the proposed generating project to the Idaho Power

system. As listed in the Interconnection Feasibility Study agreement, the Interconnection Feasibility Study report provides the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
- preliminary description and non-binding estimated cost of facilities required to interconnect the Small Generating Facility to the Distribution System and to address the identified short circuit and power flow issues.

All other proposed Generation projects prior to this project in the Generator Interconnect queue were considered in this study. A current list of these projects can be found on the Idaho Power web site as follows:

<http://www.oatioasis.com/ipco/index.html>.

4.0 Description of Proposed Generating Project

Project #349 proposes to connect to the Idaho Power distribution system for an injection of 6.5 MW (maximum project output) using three REpower 2.05 MW wind turbines.

5.0 Description of Existing Transmission Facilities

The transmission line that serves this area is a 46 kV radial tap. This tap serves one distribution substation, as well as a 5.3 MVA hydro generation facility. Voltage problems occur under light loading conditions on the 46 kV system. With the addition of this project the voltage is increased by over 0.04 p.u. This voltage must be brought down to at least 1.05 p.u. To help bring the voltage down, the project will have to consume 2 MVAR during periods of light load.

With the addition of this project the transmission line total load will not exceed its limitations. There is enough capacity on this tap to serve this project during periods of light load and high generation. However, with the wind park consuming 2 MVAR, high voltage still exists. By reconductoring a four mile stretch on transmission line with 397.5 ACSR the high voltage is brought to an acceptable level.

This project's Feasibility Study only addresses the ability of the project to interconnect to the system, there are no transmission rights secured for the project until a transmission system request is submitted by the corresponding transmission customer. The required transmission facilities, if any, to support energy transfers will then be determined based on first come first serve basis (queue order).

6.0 Description of Existing Substation Facilities

The distribution substation that serves this area is located approximately four miles to the west of the wind park. The existing substation transformer is a 46:12.5 kV transformer that does have available capacity to serve the wind park. However, due to the large amount of reactive power and increased voltages during trip/close events a new transformer is needed.

This new transformer will be a 12.5 MVA 46:12.5 kV transformer and will only be connected to the dedicated feeder that the generating facility will be on. In order to accommodate the additional substation work required more land will need to be purchased around the existing substation. This cost is not included in the estimates but will be necessary for this project to proceed.

The feeder breakers on the adjacent feeders are Cooper type "VWVE38X" breakers which are designed for 560 amps continuous load current and have a maximum fault current interrupting rating of 12,000 amps. These feeder breakers will not be connected to the generating facility, but this type of breaker would be acceptable for addition on the new dedicated feeder.

7.0 Description of Existing Distribution Facilities

The distribution feeder serving this area is a grounded wye feeder operating at 12.5 kV. There is not adequate capacity on this feeder to serve this project. Also, the wind park should not be connected directly to customer loads due to the high amount of reactive power that will need to flow to the generating facility.

These two factors point to the reason why a dedicated distribution feeder is needed from the substation to the generating facility. This feeder will need to be at 12.5 kV and constructed with 336 AAC. It will also be double circuited along with DTRC-012. The heavily loaded conductor consumes enough VARs during light load and heavy generation at DTRC that the transmission system sees nearly 3 MVAR along with the wind park's consumption. This VAR output is enough to bring down the voltage on the 46 kV system to an acceptable level.

The proposed POI for the generating facility with the IPCo system is at the wind park, where IPCo's distribution facilities connect to the wind park's facilities. Refer to Appendix A section 3 for additional grounding requirements.

8.0 Description and Cost Estimate of Required Facility Upgrades

At the transmission level four miles of conductor needs to be replaced with 397.5 ACSR for voltage reduction reasons. Due to operational and reactive power concerns, a new 46:12.5 kV transformer is needed at the substation along with a transformer bay and feeder breaker. A new double circuited 12.5 kV 336 AAC distribution feeder will have to be installed from the substation to the wind park, and at the POI, a Generation Interconnection and Protection

package will be required. Also, more land will need to be purchased around IPCo's distribution substation but is not reflected in the following estimated costs.

Description	Estimated Cost
New 12.5 MVA 46:12.5 kV transformer, bay and feeder breaker.	\$1,500,000
4 miles of double circuit distribution line at 336 AAC	\$1,000,000
Generation Interconnection Protection Package (Includes 12.47 kV recloser, controls, CTs, PTs, and communications).	\$200,000
4 miles of transmission line upgraded to 397.5 ACSR	\$1,000,000
Total Estimated Cost	\$3,700,000

Table 1: Estimated Costs for Required Upgrades

These cost estimates include direct equipment and installation labor costs, indirect labor costs and overheads. (Tax Gross Up has not been included presuming construction of interconnection facilities will not qualify under IRS rules as a taxable event. Allowance for funds used during construction (AFUDC) has not been included in the cost estimates since it is assumed that IPC will be provided up-front funding by the Project). These are cost estimates only and final charges to the customer will be based on the actual construction costs incurred.

9.0 Description of Operating Requirements

In addition to these upgrades, there are also several operating requirements that must be met. The project will have to be capable of producing and consuming up to 2 MVAR. The project will also have to meet the VAR schedule provided by Idaho Power. If these requirements cannot be met, further voltage studies will be necessary. 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*.

11.0 Conclusions

The requested interconnection of the Notch Butte Wind Park to Idaho Power's system was studied. The results of this study work confirm that the existing Idaho Power system can be upgraded to handle this project. The known required upgrades to the system are listed. An IPCo Transmission System Impact Study is not required for this project. However, no transmission rights have been reserved.

APPENDIX A

A-1.0 Method of Study

The Feasibility Study plan inserts the Project up to the maximum requested injection into the selected Western Electric Coordinating Council (WECC) power flow case and then, using Power World Simulator Version 12, examines the impacts of the new resource on Idaho Power's transmission system (lines, transformers, etc.) within the study area under various operating/outage scenarios. The WECC and Idaho Power reliability criteria and Idaho Power operating procedures were used to determine the acceptability of the configurations considered. The WECC case is a recent case modified to simulate stressed but reasonable pre-contingency energy transfers utilizing the IPC system. For distribution feeder analysis, Idaho Power utilizes Advantica's SynerGEE Software.

A-2.0 Acceptability Criteria

The following acceptability criteria were used in the power flow analysis to determine under which system configuration modifications may be required:

The continuous rating of equipment is assumed to be the normal thermal rating of the equipment. This rating will be as determined by the manufacturer of the equipment or as determined by Idaho Power. Less than or equal to 100% of continuous rating is acceptable.

Idaho Power's Voltage Operating Guidelines were used to determine voltage requirements on the system. This states, in part, that distribution voltages, under normal operating conditions, are to be maintained within plus or minus 5% (0.05 per unit) of nominal everywhere on the feeder. Therefore, voltages greater than or equal to 0.95 pu voltage and less than or equal to 1.05 pu voltage are acceptable.

Voltage flicker during starting or stopping the generator is limited to 5% as measured at the point of interconnection, per Idaho Power's T&D Advisory Information Manual.

Idaho Power's Reliability Criteria for System Planning was used to determine proper transmission system operation.

All customer generation must meet IEEE 519 and ANSI C84.1 Standards.

All other applicable national and Idaho Power standards and prudent utility practices were used to determine the acceptability of the configurations considered.

The stable operation of the system requires an adequate supply of volt-amperes reactive (VARs) to maintain a stable voltage profile under both steady-state and dynamic

system conditions. An inadequate supply of VARs will result in voltage decay or even collapse under the worst conditions.

Equipment/line/path ratings used will be those that are in use at the time of the study or that are represented by IPC upgrade projects that are either currently under construction or whose budgets have been approved for construction in the near future. All other potential future ratings are outside the scope of this study. Future transmission changes may, however, affect current facility ratings used in the study.

A-3.0 Grounding Guidance

Idaho Power Company (IPC) requires interconnected transformers to limit their ground fault current to 20 amps at the point of interconnection.

A-4.0 Electrical System Protection Guidance

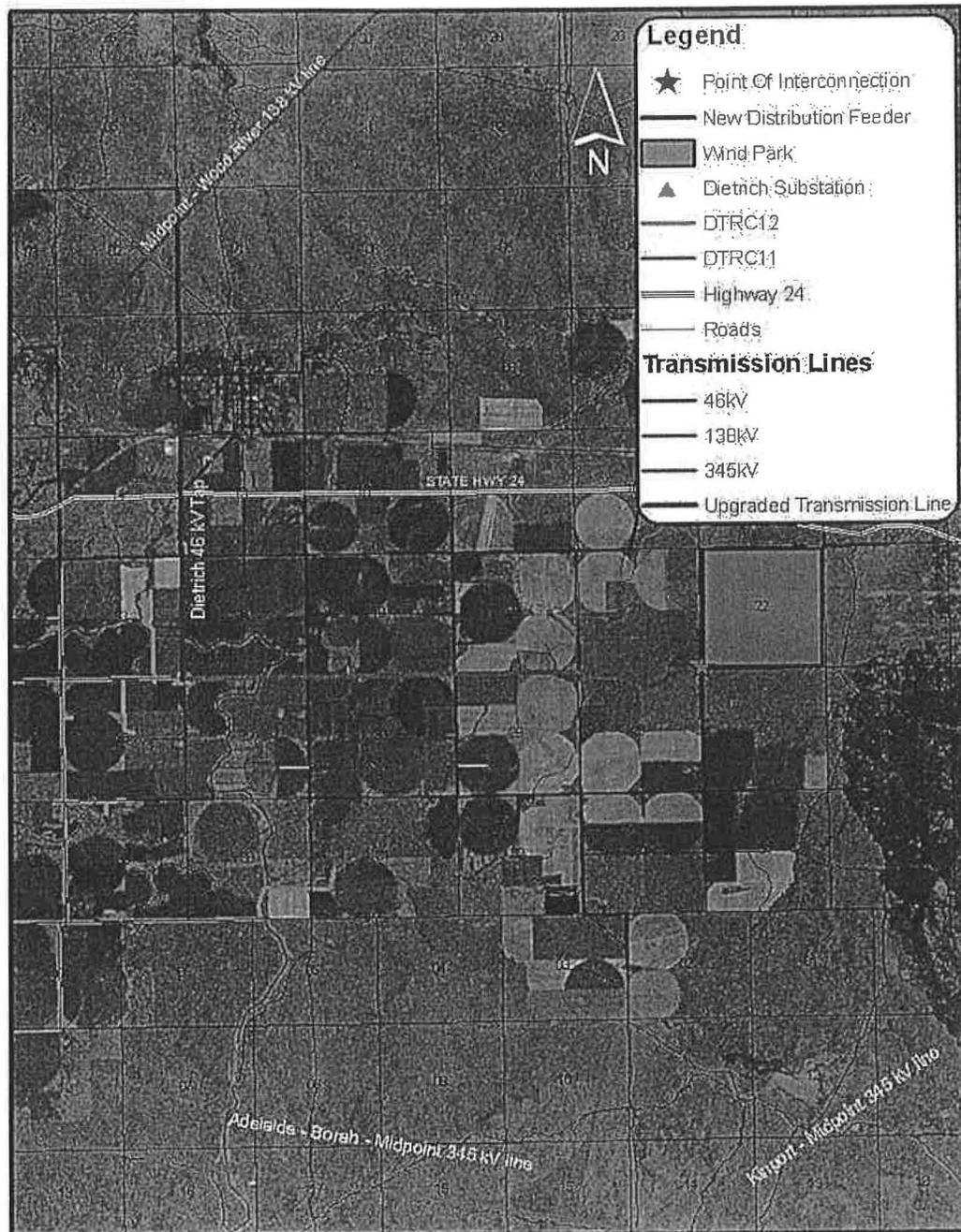
IPC requires electrical system protection per Requirements for Generation Interconnections found on the Idaho Power Web site,
<http://www.idahopower.com/aboutus/business/generationInterconnect/>.

A-5.0 WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Requirements

IPC requires frequency operational limits to adhere to WECC Under-frequency and Over-frequency Limits per the WECC Coordinated Off-Nominal Frequency Load Shedding and Restoration Requirements available upon request.

APPENDIX B

Project #349 Notch Butte



**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 28

Feasibility Study Agreement

THIS AGREEMENT is made and entered into this 29 day of November 2010, by and between Energy Development Group of Idaho, a LLC organized and existing under the laws of the State of Idaho, ("Interconnection Customer,") and Idaho Power Company a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on November 11, 2010; also known as Project #359, and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator

Small Generator Feasibility Study Agreement
Notch Butte Project #359

Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 In lieu of Feasibility Study deposit, Interconnection Customer agrees that study funds will be drawn from the application fee for the performance of the Interconnection Feasibility Study.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study. Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

Small Generator Feasibility Study Agreement
Notch Butte Project #359

- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 business days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:
Idaho Power Company – Delivery

Signed: Marc Patterson

Printed: Marc Patterson

Title: Engineering Leader, T&D Planning

Date: Nov 29, 2010

Interconnection Customer:
ENERGY DEVELOPMENT GROUP OF IDAHO, LLC

Signed: [Signature]

Printed: COLLIN RUDEEN

Title: LEAD PROJECT ENGINEER

Date: 11/29/2010

Small Generator Feasibility Study Agreement
Notch Butte Project #359

Attachment A to Feasibility Study Agreement

Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on Nov 29, 2010:

- 1) Designation of Point of Interconnection and configuration to be studied.

12.5 kV N 42° 53.12948' ; W 114° 10.57'

11.5 MW Lincoln County

(Same as GINT #349)

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 29

Facilities Study Agreement

THIS AGREEMENT is made and entered into this 10th day of December 2010 by and between ENERGY DEVELOPMENT GROUP OF IDAHO, a LLC organized and existing under the laws of the State of IDAHO, ("Interconnection Customer,") and Idaho Power Company, a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on 8/16/10; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's

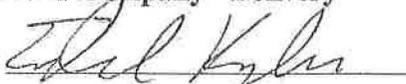
Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

- 5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of \$30,000.00 is due upon execution of this agreement by the Interconnection customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Idaho Power Company - Delivery

Signed: 

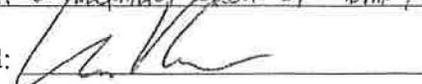
Printed Name: EDWARD KOSYDAN

Title: PM SUPERVISOR

Date: 12/10/10

Interconnection Customer:

EXERGY DEVELOPMENT GROUP OF IDAHO, LLC

Signed: 

Printed Name: COLLIN RUDEEN ON BEHALF OF JAMES CARROLLS /ISS/

Title: LEAD PROJECT ENGINEER

Date: 12/7/2010

**Data to Be Provided by the Interconnection Customer
With the Facilities Study Agreement**

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

2. One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

1

3. Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes _____ No X

4. Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No X
(Please indicate on the one-line diagram).

5. What type of control system or PLC will be located at the Small Generating Facility?

TO BE PROVIDED BY TURBINE VENDOR

6. What protocol does the control system or PLC use?

TO BE PROVIDED BY TURBINE VENDOR

7. Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

8. Physical dimensions of the proposed interconnection station:

4-POLE (OVERHEAD) INTERCONNECTION, ~60' LONG (UNFOLDED)

9. Bus length from generation to interconnection station:

N/A

10. Line length from interconnection station to Transmission Provider's Transmission System.

N/A

11. Tower number observed in the field. (Painted on tower leg)*:

12. Number of third party easements required for transmission lines*:

NONE

* To be completed in coordination with Transmission Provider.

13. Is the Small Generating Facility located in Transmission Provider's service area?

Yes No If No, please provide name of local provider:

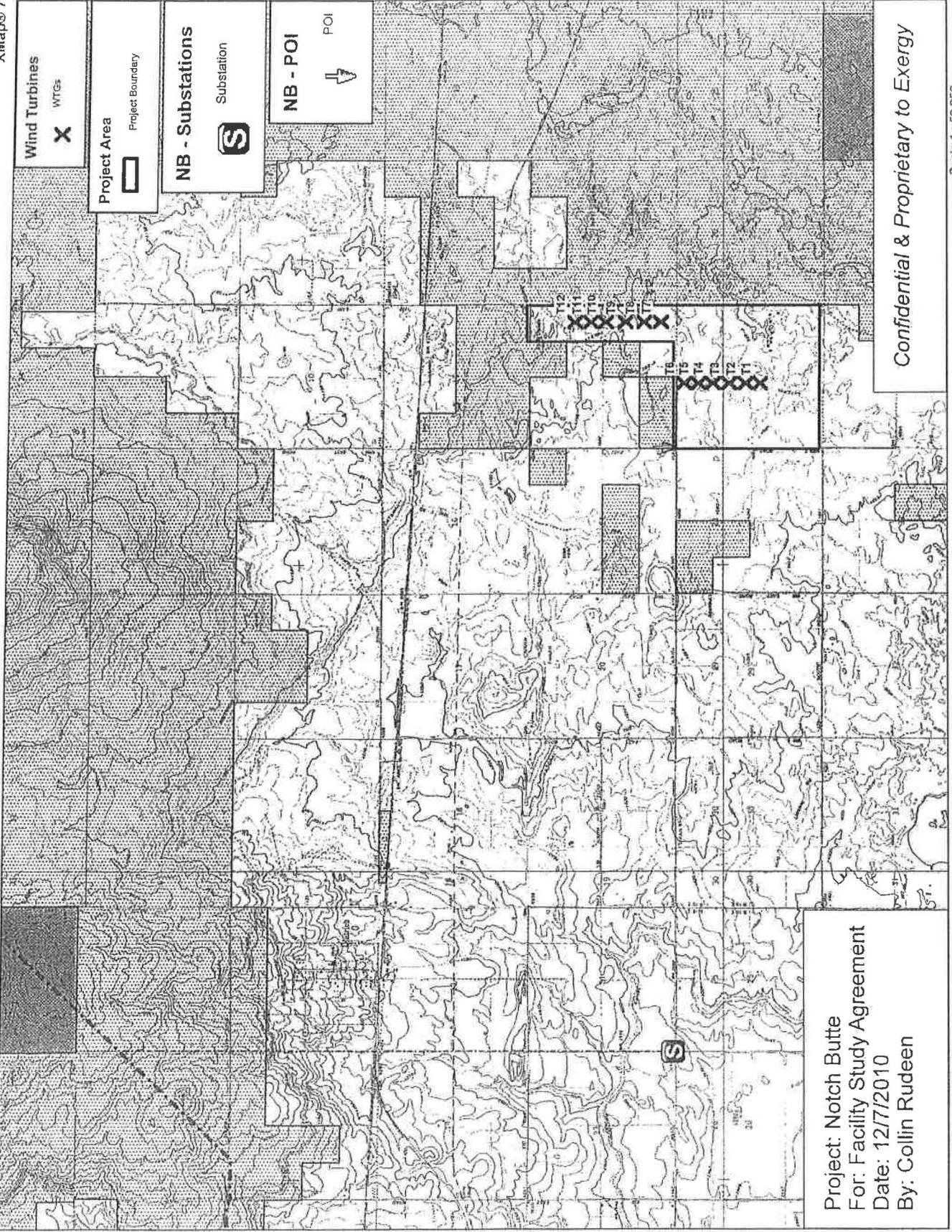
14. Please provide the following proposed schedule dates:

Begin Construction Date: AUG 2011

Generator Step-Up Transformers
Receive Back Feed Power Date: AUG 2011

Generation Testing Date: SEPT. 2011

Commercial Operation Date: SEPT. 2011



Wind Turbines
WTGs
X

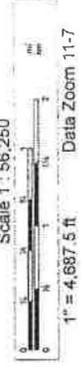
Project Area
Project Boundary

NB - Substations
Substation

NB - POI
POI

Project: Notch Butte
For: Facility Study Agreement
Date: 12/7/2010
By: Collin Rudeen

Confidential & Proprietary to Exergy



**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 30

**GENERATOR INTERCONNECTION
FEASIBILITY STUDY**

For integration of the proposed

**GENERATION INTERCONNECTION PROJECT #359
Notch Butte Wind**

In

LINCOLN COUNTY, IDAHO

To the

IDAHO POWER COMPANY ELECTRICAL SYSTEM

for

Exergy Development Group of Idaho, LLC

DRAFT REPORT

January 12, 2011

Generator Interconnection Feasibility Study

General Interconnection Information

Queue	Date of Request	Location	Total (MW)	Station or Trans Line for POI	Projected In-Service Date	Type of facility (combined cycle, base load, CT, fuel type)
#359	November 2010	Lincoln County	11.5	12.5 kV connection through Dietrich Substation	September 2011	Wind

Short Circuit Analysis Results

System Changes Required: Yes No

Power Flow Analysis Results

System Changes Required: Yes No

Because project #359 and #349 (6.5 MW) are both part of the Notch Butte Wind project, they both connect at the same point of interconnection (POI), and common facilities will serve both projects, the upgrade costs to serve both of these projects are included in this report. The required system upgrades to serve these projects include:

- A new 7 mile long 138 kV transmission line from Midpoint substation to Shoshone Substation.
- A new 138:46 kV transformer at Shoshone substation and associated equipment.
- Upgrade the existing Shoshone–Dietrich 46 kV line (11.25 miles).
- A new 46:12.5 kV transformer at Dietrich substation and associated equipment including two new 12.5 kV distribution feeder terminals.
- A new double circuit 12.5 kV distribution line from Dietrich substation to the point of interconnection (4 miles).
- A generation interconnection and protection package for each wind project (#349 and #359).

Good Faith Cost Estimate

Interconnection cost estimate: **\$14,220,000.**

Description	Estimated Cost
46 kV line upgrades SHSH-DTRC (11.25 miles)	\$3,325,000
138 kV line MPSN-SHSH (7 miles)	\$3,661,000
DTRC Substation Upgrades	\$2,851,000
SHSH Substation Upgrades	\$2,112,000
MPSN Substation Upgrades	\$563,000
12.5 kV Distribution double circuit line (4 miles)	\$1,308,000
Two Generation Interconnection Protection Packages (Each includes 12.47 kV recloser, controls, CTs, PTs, and communications).	\$400,000
Total	\$14,220,000

System Impact Study Required? Yes No

This Feasibility Study only addresses the work required to interconnect Notch Butte Wind to the Idaho Power system. There are no transmission rights secured for the project until a transmission system request is submitted by the corresponding transmission customer. The required transmission facilities, if any, to support energy transfers will then be determined based on first come first serve basis (queue order).

Operating Requirements:

Project #359 will be controlled to operate at unity power factor with an operating bandwidth of ± 500 kVAR.

During light system load conditions, an outage on the proposed 138 kV line from Midpoint to Shoshone or the Shoshone 138:46 kV transformer will result in unacceptably high voltage on the 46 kV system in the Dietrich- Shoshone area (up to 117% of nominal). Under these conditions, Notch Butte Wind projects will be tripped offline to relieve the high voltage on the 46 kV system.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 31

RECEIVED
2/1/11 RB



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

January 28, 2011

Via Electronic and U.S. Mail

Rowena Bishop
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707

Re: Notch Butte Wind Park Interconnection Request; Project Nos. 158, 349, and 359

Dear Rowena:

I write on behalf of my client, Exergy Development Group of Idaho, LLC, regarding its request for interconnection for the above-referenced PURPA qualifying facility project in Lincoln County, Idaho, near Idaho Power's Dietrich substation. This project has had a fully executed and approved power purchase agreement for some time now. In Exergy's attempts to bring the project online in a timely manner, it has requested interconnection under Idaho Power's Schedule 72, but has received interconnection studies with inconsistent engineering configurations and seemingly high cost projections. Consequently, Exergy has been delayed in its ability to enter into an acceptable interconnection agreement, and is now concerned that further delay will impede its ability bring the project online in a timely manner.

The Feasibility Study for Project No. 158, dated January 22, 2008, projected that interconnection of the 18 MW project would cost \$4.328 million. At this point, Idaho Power proposed to construct the new substation "located at the wind park" in order to provide voltage transformation from 34.5 kV to 138 kV, so that the project could interconnect onto the 138 kV Midpoint-Wood line "by way of a 5.5 mile transmission tap." This Study included a table with the following costs:

Description	Cost
5.5 mile 138 kV 397 ACSR transmission tap from the Midpoint - Wood River line and air breaks.	\$1,530,000
New Substation with 22 MVA 138:34.5 kV transformer and LTC	\$2,510,000

Ms. Rowena Bishop
January 28, 2011
Page 2

Point of Interconnection (generation interconnection and protection package).	\$288,000
Total Estimated Cost	\$4,328,000

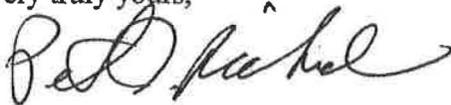
This proposal seemed acceptable to Exergy, so Exergy paid to keep Project No. 158 in the study queue and received a Facility Study Report on April 27, 2010.

That Facility Study, however, significantly changed the engineering of the interconnection facilities. Rather than a 5.5 mile tap line that would allow the substation to be located onsite, it required (without any explanation for the change) that the project's point of interconnection be within 1,500 feet of the Midpoint-Wood 138 kV line. Exergy was confused by the inconsistency in these two studies and was unable to ensure it could accommodate the new location of the substation and the collector lines in time to commit to the substantial upgrade expenditure. Idaho Power bumped Exergy's Project No. 158 out of the interconnection queue.

Exergy then resubmitted interconnection requests for the Notch Butte Wind Park under Project No. 349 (6.5 MW) and No. 359 (11.5 MW). The engineering of the interconnection changed yet again, and the final cost projection in the Feasibility Study for these cumulative requests was over three times as high as initially projected -- \$14.22 million. This final reconfiguration requires upgrades for the route of the output from Notch Butte through both the Dietrich and the Shoshone substations before reaching the 138 kV Midpoint-Wood line.

Exergy has a duty under contract to bring its Notch Butte project online in a manner as timely as possible. Because we are unable to reconcile the conflicting interconnection studies for the project, we would appreciate an opportunity for a meeting to discuss the interconnection of this project, in order to bring it online in a timely manner. Please contact us at your earliest convenience to set up a meeting, and please copy Mr. James Carkulis with any correspondence to my office.

Very truly yours,



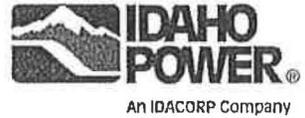
Peter J. Richardson
Attorney for Exergy Development Group of Idaho, LLC

cc: Donovan Walker, Attorney for Idaho Power (U.S. Mail and Electronic Mail)
James Carkulis, Exergy Development Group of Idaho, LLC

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 32



DRAFT
Generator Interconnection
Facility Study Report

for the

Notch Butte – Project #349

for

Exergy Development Group of Idaho

in

Boise, ID

February 17, 2011

DRAFT - FACILITY STUDY REPORT (FSR)

Notch Butte Wind Park

Project #349

February 17, 2011

1. General Facility Description

The proposed generation project consist of 6.5 MW of power provided by three 2.05 MW Repower wind turbines. The Interconnection Customer (IC) will provide all generation and station equipment required to deliver power at 12.5 kV to the Point of Interconnection (POI) which is located in the SW corner of Section 22, T6S., R19E. The IC will provide a telephone line to the POI for communication. A dedicated 12.5 kV feeder will run from the POI four miles west to the IPCo Dietrich substation where the station will be expanded to accommodate the new feeder bay and 12.5 kV to 46 kV power circuit transformer. Four miles of 46 kV transmission line out of Dietrich substation will be reconducted to resolve voltage issues brought on by the interconnection with the Wind Park.

Interconnection Customer:

Mr. Collin Rudeen
Exergy Development Group of Idaho
802 W. Bannock Suite 1200
Boise, ID 83702
208 336-9793

A Standard Generator Interconnection Agreement(s) 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 Notch Butte Wind Park, specifically Generator Interconnection Project # 349, will need to be prepared for this project.

1.1 Interconnection Point

The Interconnection Point for the Notch Butte Wind Park Project will be the generator side of the disconnect switch labeled Disconnect Switch A as shown on the attached single line drawing 21D-64299. The Interconnection Point is in Lincoln County, ID - T6S, R19E, SW corner of Section 22.

1.2 Point of Change of Ownership

The Point of Change of Ownership for the Notch Butte Wind Park Project is electrically the same as the Interconnection Point.

1.3 Customer's Interconnection Facilities

The Interconnection Customer will install all generation and station equipment required to deliver power at 12.5 kV to the interconnection point. The Interconnection Customer will own and maintain facilities electrically located on the Interconnection Customer side of the Point of Change of Ownership. Idaho Power will own and maintain the facilities electrically located on the IPCo side of the Point of Change of Ownership.

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 a dedicated 4-wire leased analog circuit connected to the SEL 311C relay and the other will be a POTS dial-up circuit to the revenue meter.

The Interconnection Customer will also provide a communication circuit for SCADA to a location in Dietrich substation specified by Idaho Power. This circuit will be either (a) a dedicated 4-wire leased analog circuit or (b) a DDS frame relay circuit.

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 will limit the contribution of ground fault current to 20 amps or less at the Interconnection Point. Additionally, the high side of the step-up transformers must be grounded-wye.

1.4.3 Easements

The Interconnection Customer will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities at the Interconnection Point. 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.

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

The Project will be allowed to deliver the net output of 6.5 MW 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.

1.5 Idaho Power Company's Interconnection Facilities

Idaho Power will install a standard 4 pole distribution interconnect package in the SW corner of Section 22, T6S, R19E. This package consists of a recloser, two disconnect switches, metering, operating relays, and local service.

Idaho Power will build a 12.5 kV distribution feeder (DTRC-013) from the Interconnection Facilities to Dietrich Substation 4 miles west.

Idaho Power will enlarge the Dietrich substation to accommodate a new feeder bay with its own 12.5 kV to 46 kV transformer.

1.5.1 Communications

The Interconnection Customer is providing the communication circuits necessary for Idaho Power system protection, revenue metering, power quality, and SCADA as indicated above. Any additional communications requirements for Interconnection Customer owned equipment is the responsibility of the Interconnection Customer.

1.5.2 Metering

Idaho Power will install a 12.5 kV metering package at the point of interconnection.

1.6 Interconnection Facilities Cost Estimate

The following good faith estimates are provided in 2010 dollars:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Package	IPC	\$130,000
Distribution Feeder to Dietrich Substation (DTRC-013)	IPC	\$860,000
Dietrich Substation Additions	IPC	\$941,000
SUBTOTAL		\$1,931,000
<i>See Section 6 for Project Grand Total</i>		

2. Milestones

Date	Milestones
TBD	Construction Funds Received by IPCO
*24 Months after Construction Funds Received by IPCO	IPCO Construction Complete
1 Month after IPCO Construction Complete	IPCO Commissioning Complete
	Commercial Operation Date [tbd by seller]
These milestone dates assume that material can be procured and that outages to the existing transmission line are available to be scheduled. Additionally, any permitting issues outside the immediate control of Idaho Power could also influence the Commercial Operation Date.	

*There is approximately 1.5 miles of the 46 kV transmission line which is located on BLM land. A permit will be required from the BLM in order to reconductor this portion of the line. Depending upon the response from the BLM, the permitting process could take from 14-24 months in itself.

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.

The Notch Butte Wind Park Project will be allowed to deliver the net output of 6.5 MW at the Interconnection Point subject to reductions directed by Idaho Power Grid Operations during transmission system contingencies.

Interconnection Customer will be able to modify facilities on the Interconnection Customer side of the Interconnection Point with no impact upon the operation of the transmission or distribution system whenever the generation facilities are electrically isolated from the system via the Disconnect Switch A or other approved methods by Idaho Power system operations.

4. Reactive Power

The project must be controlled to operate near unity power factor with a tolerance of +300 kVAR and -2 MVAR. The project will be controlled to operate to a voltage schedule provided by Idaho Power. Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Point of Interconnection.

5. Upgrades

5.1 Transmission Upgrades

Idaho Power will reconnector 4 miles of 46 kV transmission (T-128) with 397 ACSR conductor starting at Dietrich substation, running north.

6. Total Estimated Costs

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Package	IPC	\$130,000
Distribution Feeder to Dietrich Substation (DTRC-013)	IPC	\$860,000
Dietrich Substation Additions	IPC	\$941,000
SUBTOTAL		\$1,931,000
Upgrades to Transmission:		
*Reconnector 4 miles of 46 kV Transmission (T-128)	IPC	\$970,000
BLM Permitting		\$75,000
SUBTOTAL		\$1,045,000
GRAND TOTAL		\$2,976,000

*There is approximately 1.5 miles of the 46 kV transmission line which is located on BLM land. A permit will be required from the BLM in order to reconnector this portion of the line. The costs for this permitting can vary widely and have been estimated at \$75K.

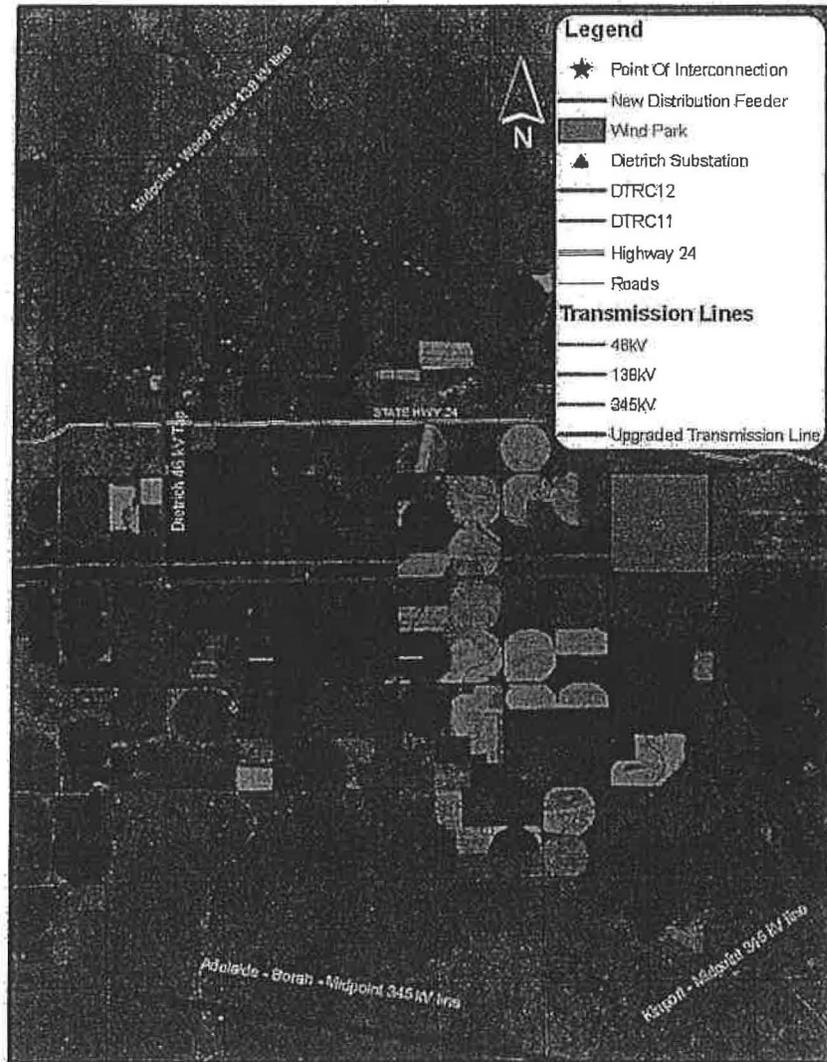
Note Regarding Transmission Service:

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.

DRAFT

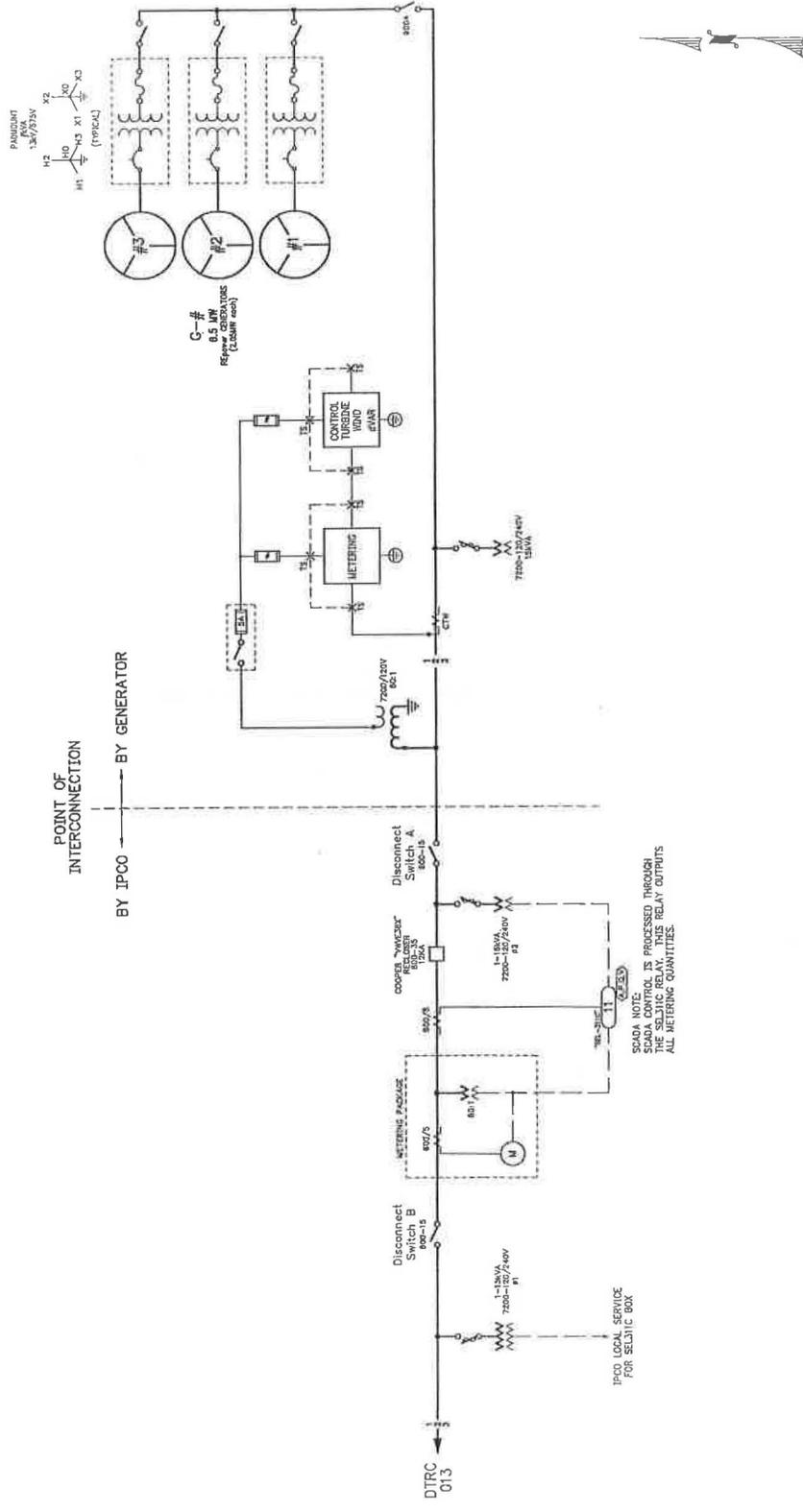
Site Map

Project #349 Notch Butte



REVISION

1	21D-64299-1
2	21D-64299-1



PROJECT LOCATION:
765, RIBE SECTIONS 22
Lincoln County

REFERENCE DRAWINGS
D-11009-1
STATION SINGLE LINE

DRAFT

NOTCH BUTTE
WIND PARK
GENERATION
SINGLE LINE

IDAHO POWER COMPANY BOISE, IDAHO

SCALE NONE DATE: 1-20-11

BY: JFZ APPROVED: 21D-64299

DATE: 1-20-11

REVISED BY: JFZ

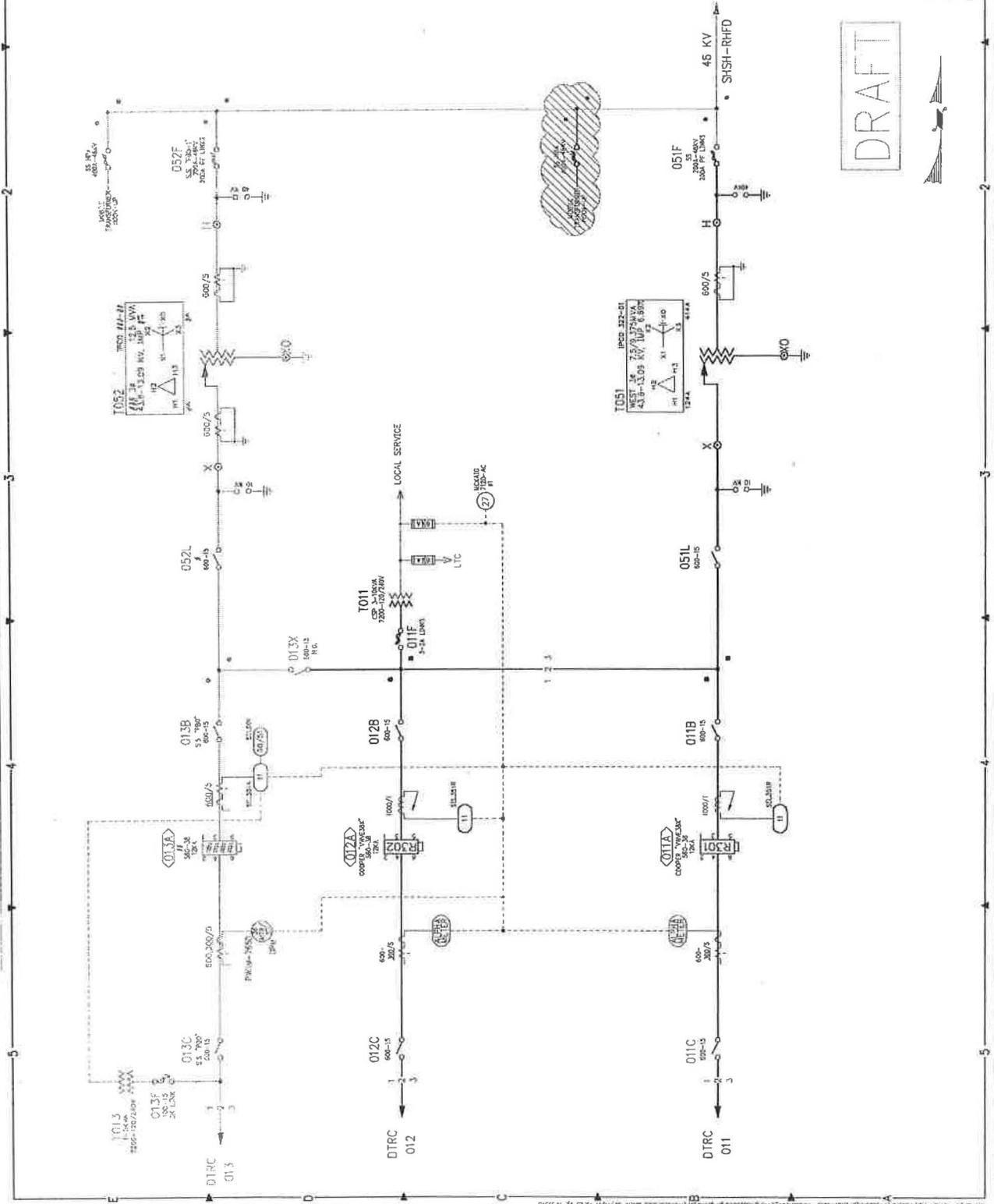
REVISED DATE: 1-20-11

REVISED SHEET: 1

REVISED TOTAL SHEETS: 01

REVISIONS	
13	12-2-48 JRT/MBH REVISION Q SIZE 5L 11 1/2" DIA. COB
12	11-15-48 JRT/MBH 11 1/2" DIA. COB
11	11-15-48 JRT/MBH 11 1/2" DIA. COB
10	11-15-48 JRT/MBH 11 1/2" DIA. COB
9	11-15-48 JRT/MBH 11 1/2" DIA. COB
8	11-15-48 JRT/MBH 11 1/2" DIA. COB
7	11-15-48 JRT/MBH 11 1/2" DIA. COB
6	11-15-48 JRT/MBH 11 1/2" DIA. COB
5	11-15-48 JRT/MBH 11 1/2" DIA. COB
4	11-15-48 JRT/MBH 11 1/2" DIA. COB
3	11-15-48 JRT/MBH 11 1/2" DIA. COB
2	11-15-48 JRT/MBH 11 1/2" DIA. COB
1	11-15-48 JRT/MBH 11 1/2" DIA. COB

REFERENCE DRAWINGS	
LATITUDE: 42° 57' 49" N LONGITUDE: 71° 16' 32" W	
DIETRICH STATION 46KV SINGLE LINE	
IDaho POWER COMPANY BOISE, IDAHO	
DATE: JULY 1, 1976	
SCALE: NONE	
APPROVED: 21D-17076	
REV.	BY
10	JRT/MBH
11	JRT/MBH
12	JRT/MBH
13	JRT/MBH
14	JRT/MBH
15	JRT/MBH
16	JRT/MBH
17	JRT/MBH
18	JRT/MBH
19	JRT/MBH
20	JRT/MBH



21D-17076-1
DIETRICH STATION
46KV
SINGLE LINE
IDaho POWER COMPANY BOISE, IDAHO
DATE: JULY 1, 1976
SCALE: NONE
APPROVED: 21D-17076
REV. BY
10 JRT/MBH
11 JRT/MBH
12 JRT/MBH
13 JRT/MBH
14 JRT/MBH
15 JRT/MBH
16 JRT/MBH
17 JRT/MBH
18 JRT/MBH
19 JRT/MBH
20 JRT/MBH

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 33

TRANSMISSION SERVICE REQUEST
SYSTEM IMPACT STUDY REPORT

for the

12.5 kV INTERCONNECTION of the
NOTCH BUTTE WIND (Q#349 & Q#359) PROJECTS

for connection of

18 MW OF WIND TURBINES

in

LINCOLN COUNTY, IDAHO

to

IDAHO POWER COMPANY, Transmission Provider
TRANSMISSION SYSTEM

FINAL REPORT
March 4, 2011

OFFICIAL USE ONLY

DO NOT DUPLICATE, DISTRIBUTE, PUBLISH OR SHARE

This report contains Idaho Power Company Critical Energy Infrastructure Information (CEII).
Distribution of this report must be limited to parties that have entered into a non-disclosure
agreement with Idaho Power Company and have a need to know.

1.0 Introduction

Idaho Power – Power Supply has contracted with Idaho Power Company ("IPC") to perform a Transmission Service System Impact Study for Network Transmission Service on Idaho Power's transmission system. The generation integration is for 18 MW of wind turbines, the Notch Butte Wind Projects (IPC Queue #349 & Queue #359). The transmission service request Point of Receipt (POR) is Mid-Snake and the Point of Delivery (POD) is Idaho Power (IPCo). The transmission service request is OASIS Ref. Number 74993330.

The project is located east of Dietrich, Idaho, and the property associated with the project lies in Lincoln County, Idaho.

This report documents the basis for and the results for the Transmission Service System Impact Study. This report satisfies the system impact study requirements of the Idaho Power Tariff.

2.0 Scope of Transmission Service System Impact Study

The Network Transmission Service System Impact Study was done and prepared in accordance with Idaho Power Company's Tariff — Transmission Service, to provide an evaluation if the existing transmission system can accommodate the requested transmission service and, if necessary, determines the required network upgrades to the transmission system to provide the requested transmission service. This study will only be concerned with the capabilities of the Idaho Power system to provide transmission from the generation's POR to the POD of Idaho Power (IPCo).

The Network Transmission Service System Impact Study evaluated the West of Midpoint and Boise East transfer paths' available transmission capacity (ATC) to accommodate the full output of the 18 MW Notch Butte Wind Projects for the specified POR and POD. The Point of Interconnection (POI) is on Idaho Power's 12.5 kV distribution system and 46 kV sub-transmission system which integrate into the Magic Valley 138 kV transmission system east of the West of Midpoint transfer path.

3.0 Summary

From the analysis on the West of Midpoint and Boise East transmission paths, both transmission paths have sufficient available transmission capacity to accommodate the 18 MW Network Transmission Service Request for the Notch Butte Wind Projects.

4.0 Description of Existing Transmission Facilities and Commitments

For the Transmission Service System Impact Study, the following two internal Idaho Power transmission paths were evaluated to determine if they could accommodate the requested 18 MW of transmission service, and if necessary determine the required network upgrades to provide the transmission service.

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The West of Midpoint transmission path is defined as the sum of the flows on the following five lines:

- Midpoint-Boise Bench (#3) 230 kV
- Midpoint-Rattlesnake (#2) 230 kV
- King-Dram (#1) 230 kV
- Lower Malad-Mt Home Jct 138 kV
- Upper Salmon-Mt Home Jct 138 kV

The Boise East transmission path is defined as the sum of the flows on the following seven lines and transformer:

- Boise Bench-Midpoint (#3) 230 kV
- Boise Bench-Rattlesnake (#2) 230 kV
- Dram-King (#1) 230 kV
- Hubbard-Danskin 230 kV
- Dram-Lucky Peak 138 kV
- Bowmont-Swan Falls-Strike 138 kV
- Boise Bench-Elmore 69 kV
- Hemingway 230/500 kV Transformer

From the load, resource, and existing commitment analysis performed for these two transfer paths, both the West of Midpoint and Boise East transmission paths have sufficient available transmission capacity to accommodate the 18 MW Network Transmission Service Request for the Notch Butte Wind Projects.

However, the sum of the Existing Transmission Commitments (ETC's), the Transmission Service Requests (TSR's) in the Transmission Service Queue which precedes this request and this TSR request for an additional 18 MW has virtually fully subscribed the Total Transfer Capacity (TTC) of the West of Midpoint transmission path. The Boise East transmission path's TTC (which assumes the natural gas peaking plants in the Mountain Home area are off-line) still has available transmission capacity.

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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 34



DONOVAN E. WALKER
Lead Counsel
dwalker@idahopower.com

March 14, 2011

VIA E-MAIL AND U.S. MAIL

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

Re: Your January 28, 2011, Letter Concerning Exergy Development Group of Idaho LLC's ("Exergy") Notch Butte Wind Park Generator Interconnection Project Nos. 158, 349, and 359.

Dear Mr. Richardson:

Thank you for your January 28, 2011, letter regarding the Notch Butte Generation Interconnection project.

You are correct that this particular project has had an executed PURPA power purchase agreement ("Agreement") approved by the Idaho Public Utilities Commission ("Commission") for quite some time. That Agreement was approved by the Commission on January 10, 2006. Idaho Power Company ("Idaho Power") takes exception to your inference that the failure of Exergy to bring its project on-line in a timely manner is attributable to Idaho Power. It was Exergy's choice to move forward with obligating itself to perform, pursuant the Agreement that it signed, prior to such time that it had sufficient knowledge, information, and/or assurance regarding what would be required for the interconnection of such project, what it is estimated to cost, and how long interconnection facilities and potential transmission upgrades may take to construct.

Exergy has requested numerous feasibility studies with varying locations, interconnection voltages, and project capacities for the generation interconnection project Nos. 159, 349, and 359, all of which Exergy has referred to as their Notch Butte project. For these various projects, the following feasibility studies have been completed:

- January 3, 2007, Feasibility Study Report (“FeSR”) for GI No. 158 located south of Shoshone, for 19.92 megawatts (“MW”) at a 34.5 kilovolts (“kV”) connection, estimated interconnection cost was \$2,114,000.
- October 21, 2008, FeSR for GI No. 158 near Dietrich, for 10.5 MW at a 12.5 kV connection, estimated interconnection cost was \$3,675,000.
- January 22, 2009, FeSR for GI No. 158 near Dietrich, for 18 MW at a 138 kV connection with a substation to transform to 34.5 kV, estimated interconnection cost was \$4,328,000.
- April 16, 2009, FeSR for GI No. 158 near Dietrich, for 9 MW at a 12.5 kV connection, estimated interconnection cost was \$3,500,000.
- October 11, 2010, FeSR for GI No. 349 near Dietrich, for 6.5 MW at a 12.5 kV connection, estimated interconnection cost was \$3,700,000.
- January 12, 2011, FeSR for GI No. 359 near Dietrich, for 11.5 MW at a 12.5 kV connection, estimated cost interconnection was \$14,220,000.

The varying interconnection costs found in these studies have been the result of Exergy’s requests to study various project sizes in terms of requested generation capacity, various project locations, and various interconnection voltages.

Specifically, the January 22, 2009, report that your letter references was based on Exergy’s request to interconnect its project to Idaho Power’s 138 kV system. The Feasibility Study Report included cost estimates for a transmission line from Idaho Power’s system to the project site and a new substation. Exergy then signed a Facility Study Agreement to complete the more detailed Facility Study. The cover letter sent with the Facility Study Report explained that because the new substation would be for the sole purpose of Exergy’s project, and would thus not be required to serve any other Idaho Power customers, that Idaho Power would not build the station nor build more than the first 1,500 feet of the transmission line from Idaho Power facilities to the project substation. Those facilities were left to Exergy to determine its costs to install in order to complete the project interconnection. The project lost its position in the interconnection queue because it failed to make the required payment in order to remain, and was removed as required of Idaho Power in its non-discriminatory administration of the interconnection queue process.

Peter J. Richardson
March 14, 2011
Page 3 of 3

Idaho Power would be happy to meet to discuss and address your concerns as outlined in your letter and any other questions you might have regarding the Generator Interconnection portion of this project. Please contact Rowena Bishop at (208) 388-2658 or Marc Patterson at (208) 388-2712 at your earliest convenience to coordinate a meeting to discuss these issues and proceed with the project.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Walker", with a long horizontal flourish extending to the right.

Donovan E. Walker

DEW:csb

cc: Dave Angell, Idaho Power Company (via e-mail)
Marc Patterson, Idaho Power Company (via e-mail)
Rowena Bishop, Idaho Power Company (via e-mail)
James Carkulis, Exergy Development Group (via e-mail)
Collin Rudeen, Exergy Development Group (via e-mail)

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 35



April 12, 2011

Via Electronic Mail

Rowena Bishop
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707

Re: Notch Butte Wind Park Interconnection Request; Project Nos. 349 and 359

Dear Rowena:

Thank you for meeting with Exergy yesterday regarding the above-referenced small generator interconnection projects. As we discussed, I write to provide comments and requests on the most recent studies performed by Idaho Power for these projects. Specifically, we request that Idaho Power perform the following actions:

Project No. 359

In response to the Draft Feasibility Study completed January 12, 2011 which studied interconnection of 18 MW for both Nos. 349 and 359, please study the following reconfiguration we discussed. The project would connect on-site at 12.5 kV to the Dietrich substation, continuing straight north on the existing 46 kV line, and tying in to the 138 kV Midpoint-Wood River line. Please also reconsider the transformer costs as we discussed yesterday for this reconfiguration.

Project No. 349

In response to the Draft Facility Study sent to us February 17, 2011, please hold this project without removing it from the queue while the additional study in conjunction with No. 359 is performed, as described above. We will decide how to proceed with No. 349 once the additional study on No. 359 and No. 349 together is complete.

Very truly yours,

A handwritten signature in black ink, appearing to read "Collin Rudeen", with a long horizontal flourish extending to the right.

Collin Rudeen
Exergy Development Group of Idaho, LLC

cc: Donovan Walker, Attorney for Idaho Power (U.S. Mail and Electronic Mail)
Greg Adams, Richardson and O'Leary, PLLC

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 36



Generator Interconnection Facility Study Report

for the

Notch Butte – Project #349

for

Exergy Development Group of Idaho

in

Boise, ID

May 3, 2011

FACILITY STUDY REPORT (FSR)

Notch Butte Wind Park

Project #349

May 3, 2011

1. General Facility Description

The proposed generation project consist of 6.5 MW of power provided by three 2.05 MW Repower wind turbines. The Interconnection Customer (IC) will provide all generation and station equipment required to deliver power at 12.5 kV to the Point of Interconnection (POI) which is located in the SW corner of Section 22, T6S., R19E. The IC will provide a telephone line to the POI for communication. A dedicated 12.5 kV feeder will run from the POI four miles west to the IPCo Dietrich substation where the station will be expanded to accommodate the new feeder bay and 12.5 kV to 46 kV power circuit transformer. Four miles of 46 kV transmission line out of Dietrich substation will be reconducted to resolve voltage issues brought on by the interconnection with the Wind Park.

Interconnection Customer:

Mr. Collin Rudeen
Exergy Development Group of Idaho
802 W. Bannock Suite 1200
Boise, ID 83702
208 336-9793

A Standard Generator Interconnection Agreement(s) 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 Notch Butte Wind Park, specifically Generator Interconnection Project # 349, will need to be prepared for this project.

1.1 Interconnection Point

The Interconnection Point for the Notch Butte Wind Park Project will be the generator side of the disconnect switch labeled Disconnect Switch A as shown on the attached single line drawing 21D-64299. The Interconnection Point is in Lincoln County, ID - T6S, R19E, SW corner of Section 22.

1.2 Point of Change of Ownership

The Point of Change of Ownership for the Notch Butte Wind Park Project is electrically the same as the Interconnection Point.

1.3 Customer's Interconnection Facilities

The Interconnection Customer will install all generation and station equipment required to deliver power at 12.5 kV to the interconnection point. The Interconnection Customer will own and maintain facilities electrically located on the Interconnection Customer side of the Point of Change of Ownership. Idaho Power will own and maintain the facilities electrically located on the IPCo side of the Point of Change of Ownership.

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 POTS (Plain Old Telephone Service) dial-up circuit for revenue metering at the generation interconnection site.

One DDS data circuit (guaranteed minimum data rate of 19,200 bits per second) for SCADA between the generation interconnection site and a site to be determined by Idaho Power.

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 will limit the contribution of ground fault current to 20 amps or less at the Interconnection Point. Additionally, the high side of the step-up transformers must be grounded-wye.

1.4.3 Easements

The Interconnection Customer will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities at the Interconnection Point. 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.

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

The Project will be allowed to deliver the net output of 6.5 MW 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.

1.5 Idaho Power Company's Interconnection Facilities

Idaho Power will install a standard 4 pole distribution interconnect package in the SW corner of Section 22, T6S, R19E. This package consists of a recloser, two disconnect switches, metering, operating relays, and local service.

Idaho Power will build a 12.5 kV distribution feeder (DTRC-013) from the Interconnection Facilities to Dietrich Substation 4 miles west.

Idaho Power will enlarge the Dietrich substation to accommodate a new feeder bay with its own 12.5 kV to 46 kV transformer.

1.5.1 Communications

The Interconnection Customer is providing the communication circuits necessary for Idaho Power system protection, revenue metering, power quality, and SCADA as indicated above. Any additional communications requirements for Interconnection Customer owned equipment is the responsibility of the Interconnection Customer.

1.5.2 Metering

Idaho Power will install a 12.5 kV metering package at the point of interconnection.

1.6 Interconnection Facilities Cost Estimate

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Package	IPC	\$130,000
Distribution Feeder to Dietrich Substation (DTRC-013)	IPC	\$860,000
Dietrich Substation Additions	IPC	\$941,000
SUBTOTAL		\$1,931,000
<i>See Section 6 for Project Grand Total</i>		

2. Milestones

Date	Milestones
TBD	<i>Construction Funds Received by IPCO</i>
*24 Months after Construction Funds Received by IPCO	<i>IPCO Construction Complete</i>
1 Month after IPCO Construction Complete	<i>IPCO Commissioning Complete</i>
	<i>Commercial Operation Date [tbd by seller]</i>

These milestone dates assume that material can be procured and that outages to the existing transmission line are available to be scheduled. Additionally, any permitting issues outside the immediate control of Idaho Power could also influence the Commercial Operation Date.

*There is approximately 1.5 miles of the 46 kV transmission line which is located on BLM land. A permit will be required from the BLM in order to reconductor this portion of the line. Depending upon the response from the BLM, the permitting process could take from 14-24 months in itself.

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.

The Notch Butte Wind Park Project will be allowed to deliver the net output of 6.5 MW at the Interconnection Point subject to reductions directed by Idaho Power Grid Operations during transmission system contingencies.

Interconnection Customer will be able to modify facilities on the Interconnection Customer side of the Interconnection Point with no impact upon the operation of the transmission or distribution system whenever the generation facilities are electrically isolated from the system via the Disconnect Switch A or other approved methods by Idaho Power system operations.

4. Reactive Power

The project must be controlled to operate near unity power factor with a tolerance of +300 kVAR and -2 MVAR. Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Point of Interconnection.

5. Upgrades

5.1 Transmission Upgrades

Idaho Power will reconductor 4 miles of 46 kV transmission (T-128) with 397 ACSR conductor starting at Dietrich substation, running north.

6. Total Estimated Costs

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Package	IPC	\$130,000
Distribution Feeder to Dietrich Substation (DTRC-013)	IPC	\$860,000
Dietrich Substation Additions	IPC	\$941,000
SUBTOTAL		\$1,931,000
Upgrades to Transmission:		
*Reconductor 4 miles of 46 kV Transmission (T-128)	IPC	\$970,000
BLM Permitting		\$75,000
SUBTOTAL		\$1,045,000
GRAND TOTAL		\$2,976,000

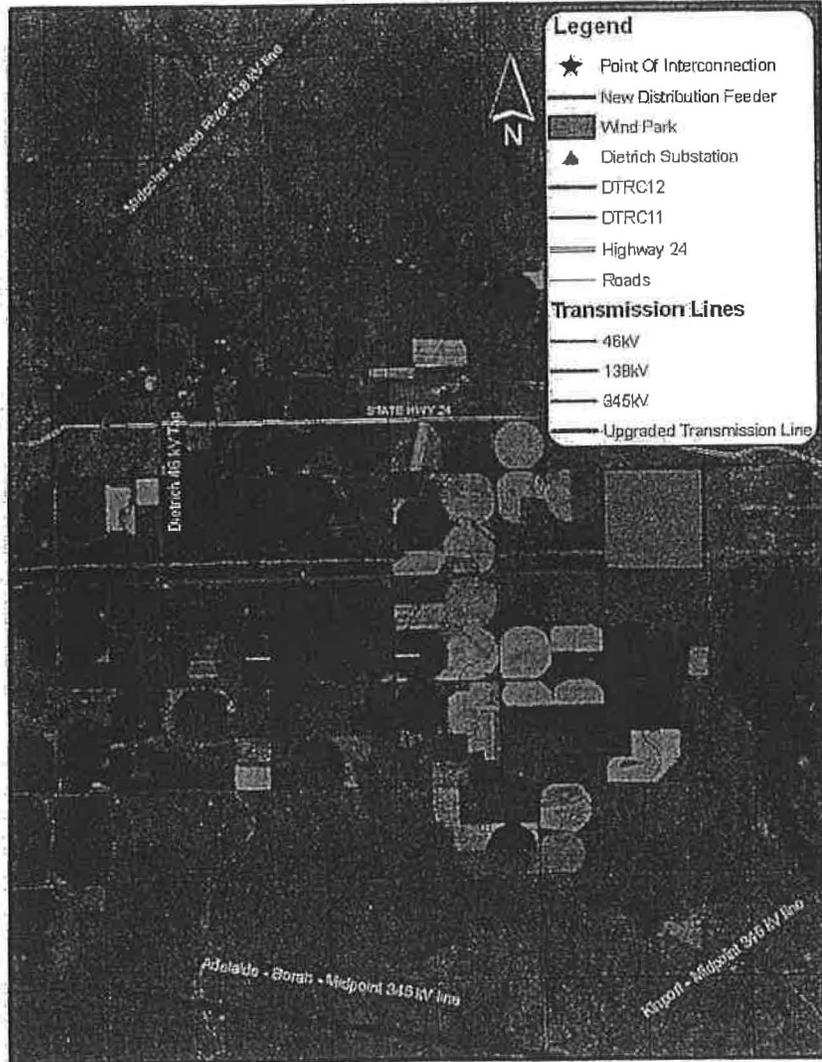
*There is approximately 1.5 miles of the 46 kV transmission line which is located on BLM land. A permit will be required from the BLM in order to reconductor this portion of the line. The costs for this permitting can vary widely and have been estimated at \$75K.

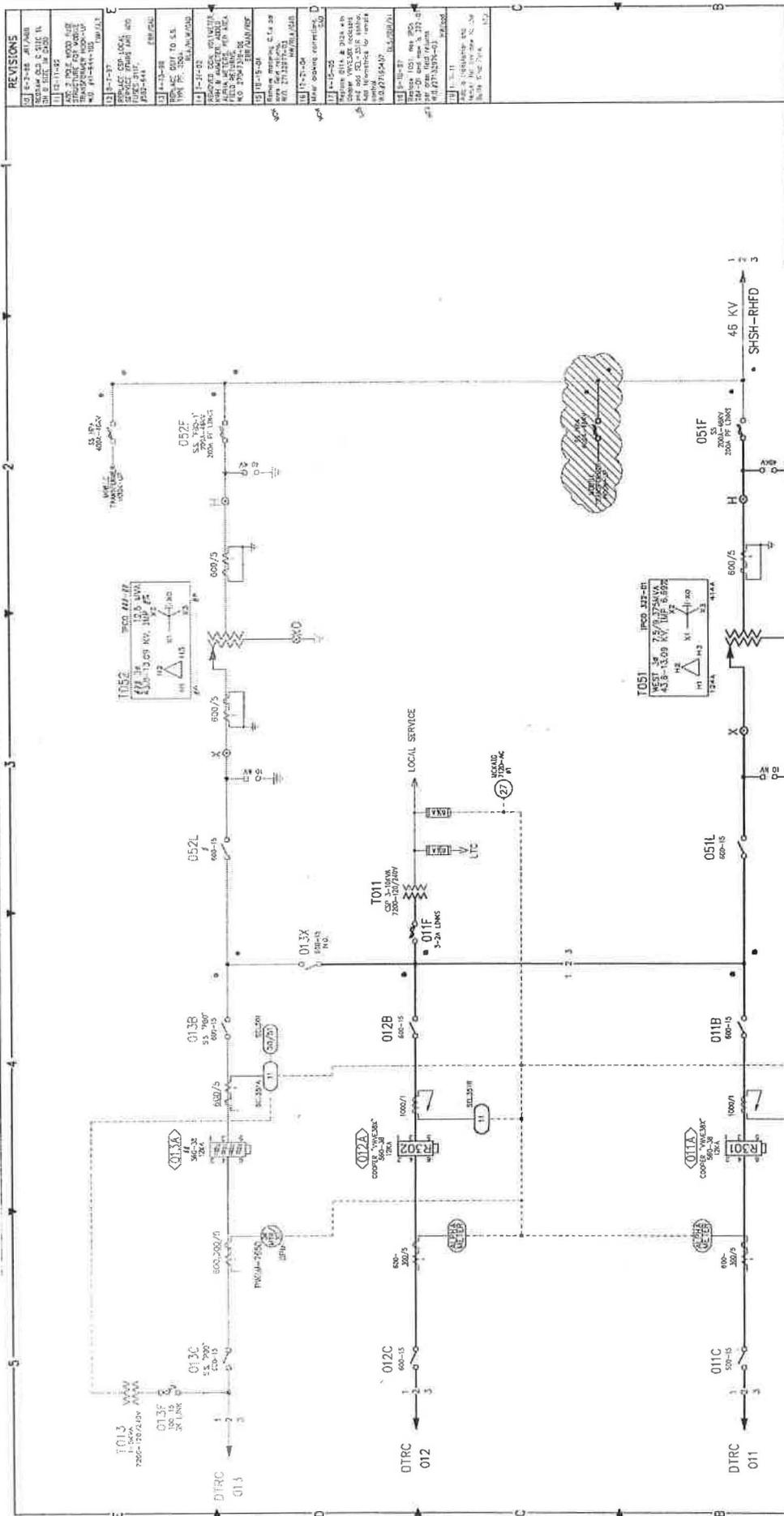
Note Regarding Transmission Service:

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.

Site Map

Project #349 Notch Butte





REVISIONS

01	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
02	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
03	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
04	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
05	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
06	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
07	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
08	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
09	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
10	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
11	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
12	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
13	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
14	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
15	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
16	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
17	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
18	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
19	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE
20	6-2-84	AW/AM	DESIGN 46KV SINGLE LINE

REFERENCE DRAWINGS

LATITUDE: 42° 57' 49" N
 LONGITUDE: 114° 16' 32" W

DIETRICH STATION
 46KV
 SINGLE LINE

SCALE: NONE
 DATE: JULY 1, 1976
 APPROVED: [Signature]
 21D-17076

REV. NO. HVC

DRAFT

VAULT NO. 21D-17076-1

IDaho POWER COMPANY BOISE, IDAHO

SCALE: NONE DATE: JULY 1, 1976

APPROVED: [Signature] 21D-17076

REV. NO. HVC

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 37



May 11, 2011
Via email & Certified Mail #
70093410000236312506

Collin Rudeen
Exergy Development Group of Idaho
802 W Bannock, Suite 1200
Boise, ID 83702

RE: Notch Butte GI Project 359

Dear Collin:

This letter is a follow up to my April 27, 2011 email and your request for a restudy for Notch Butte. Attached are two copies of the Feasibility Study Agreement for this restudy that need to be signed and returned for execution.

In order to proceed, and for your application to remain in the Generator Interconnection study queue, Idaho Power must receive the signed FeSA and the deposit by June 2, 2011, otherwise your application will be deemed withdrawn. The deposit under this FeSA is \$1,000.

The submittal should be sent to: Idaho Power Company, Attention: Rowena Bishop, 1221 West Idaho Street, Boise, ID 83702. Please contact me if you have questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc Patterson".

Marc Patterson
Engineering Leader, T&D Planning
Ph. 208.388.2712

Encl: two Feasibility Study Agreements- to be signed and returned for execution

C: Rowena Bishop/IPC

Feasibility Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____ 2011, by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Idaho Power Company a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on November 8, 2010; also known as Project #359; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator

Small Generator Feasibility Study Agreement
Notch Butte RESTUDY GI Project #359

Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A \$1,000.00 deposit will be required from the Interconnection Customer upon execution of this Feasibility Study Agreement by the Interconnection Customer.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study. Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

Small Generator Feasibility Study Agreement
Notch Butte RESTUDY GI Project #359

- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 business days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Idaho Power Company

Interconnection Customer:

Signed: _____

Signed: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A to Feasibility Study Agreement

Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the technical review meeting held on April 11, 2011:

- 1) Designation of Point of Interconnection and configuration to be studied.

12.5 kV interconnection of 11.5 MW to Idaho Power Company's Dietrich Substation; continuing north on existing 46kV and tying into the 138kV Midpoint/Wood River line.

Please consider transformer costs for this reconfiguration. The specific interconnection will be on a 12.5kV feeder at N42° 53.13'; W114° 10.57' in Lincoln County, Idaho.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 38

Feasibility Study Agreement

THIS AGREEMENT is made and entered into this 17th day of May 2011, by and between ENERGY DEVELOPMENT GROUP OF IDAHO, a LIMITED LIABILITY COMPANY organized and existing under the laws of the State of IDAHO, ("Interconnection Customer,") and Idaho Power Company a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on November 8, 2010; also known as Project #359; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator

Small Generator Feasibility Study Agreement
Notch Butte RESTUDY GI Project #359

Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A \$1,000.00 deposit will be required from the Interconnection Customer upon execution of this Feasibility Study Agreement by the Interconnection Customer.

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study. Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

Small Generator Feasibility Study Agreement
Notch Butte RESTUDY GI Project #359

- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 business days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Idaho Power Company

Signed: Marc Patterson

Printed: Marc Patterson

Title: Eng Project Leader

Date: 5/17/11

Interconnection Customer:

ENERGY DEVELOPMENT GROUP OF IDAHO, LLC

Signed: [Signature]

Printed: COLLIN RUDEEN

Title: LEAD PROJECT ENGINEER

Date: 5/17/2011

Attachment A to Feasibility Study Agreement

Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the technical review meeting held on April 11, 2011:

1) Designation of Point of Interconnection and configuration to be studied.

12.5 kV interconnection of 11.5 MW to Idaho Power Company's Dietrich Substation; continuing north on existing 46kV and tying into the 138kV Midpoint/Wood River line.

Please consider transformer costs for this reconfiguration. The specific interconnection will be on a 12.5kV feeder at N42° 53.13'; W114° 10.57' in Lincoln County, Idaho.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 39

**GENERATOR INTERCONNECTION
FEASIBILITY Re-STUDY**

For integration of the proposed

**GENERATION INTERCONNECTION PROJECT #359
Notch Butte Wind**

In

LINCOLN COUNTY, IDAHO

To the

IDAHO POWER COMPANY ELECTRICAL SYSTEM

for

Exergy Development Group of Idaho, LLC

FINAL REPORT

June 29, 2011

Generator Interconnection Feasibility Study

General Interconnection Information

Queue	Date of Request	Location	Total (MW)	Station or Trans Line for POI	Projected In-Service Date	Type of facility (combined cycle, base load, CT, fuel type)
#359	November 2010	Lincoln County	11.5	12.5 kV connection through Dietrich Substation	September 2011	Wind

Short Circuit Analysis Results

System Changes Required: Yes No

Power Flow Analysis Results

System Changes Required: Yes No

Because project #359 and #349 (6.5 MW) are both part of the Notch Butte Wind project, they both connect at the same point of interconnection (POI), and common facilities will serve both projects, the upgrade costs to serve both of these projects are included in this report. The required system upgrades in this option to serve these projects include:

- A new substation near the location where the 138 kV and 46 kV transmission lines cross. This is approximately 4 miles north of Dietrich Substation and is known as "Dietrich Tap".
- A 138:46 kV transformer at new "Dietrich Tap" substation and associated equipment.
- Digital communication path from Midpoint Substation to the new Dietrich Tap Substation.
- Upgrade the existing Dietrich Tap- Dietrich 46 kV line (4 miles).
- A new 46:12.5 kV transformer at Dietrich substation and associated equipment including two new 12.5 kV distribution feeder terminals.
- A new double circuit 12.5 kV distribution line from Dietrich substation to the point of interconnection (4 miles).
- A generation interconnection and protection package for each wind project (#349 and #359).

The total generation output for the two Notch Butte Wind projects (#349 and #359) is 18 MW. To better balance the generation output between the two new distribution feeders and limit the voltage rise on the 12.5 kV feeders, it is recommended that the total 18 MW be split more evenly between the two projects. For example, if the 2.05 MW wind turbines are used, then there could be a 10 MW and an 8 MW project. If the 1.5 MW GE turbines are used, then two 9 MW parks are preferred.

Good Faith Cost Estimate

Interconnection cost estimate: **\$7,978,000.**

Description	Estimated Cost
46 kV line upgrades New Substation - DTRC	\$1,126,000
Communication upgrades to MPSN-DTRC Tap 138 kV line	\$750,000
Substation Upgrades	\$1,816,000
New 138:46 kV Substation	\$2,546,000
12.5 kV Distribution double circuit line (4 miles)	\$1,340,000
Two Generation Interconnection Protection Packages (Each includes 12.47 kV recloser, controls, CTs, PTs, and communications).	\$400,000
Total	\$7,978,000

The proposed location for the new "Dietrich Tap" substation is located on and surrounded by BLM land. All siting and permitting costs will be paid by the wind developer and are not included in this report. These costs and timelines will be determined in a future Facility Study.

System Impact Study Required? Yes No

This Feasibility Study only addresses the work required to interconnect Notch Butte Wind to the Idaho Power system. The transmission rights for this project were addressed in a previous transmission service request.

Operating Requirements:

Project #359 will be controlled to operate at unity power factor with an operating bandwidth of ± 500 kVAR (assuming a maximum 11.5 MW output).

During certain system conditions, the Notch Butte Wind generation must be curtailed (generator protection package opened). Two separate conditions that require wind generation curtailment identified in this study are:

- An outage at the new Burmah Tap substation on the 138:46 kV transformer any time of year.
- An outage on the 138 kV line between Midpoint and the new Dietrich Tap substation during heavy 138 kV system loading.

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 40



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

June 30, 2011 – HAND DELIVERY

Donovan Walker, Lead Counsel
Idaho Power Company
1221 West Idaho St.
Boise, Idaho 83702

Re: Notch Butte Wind Project and Lava Beds Wind Project Progress

Dear Donovan:

I am writing to provide you with an update on the progress Exergy Development Group of Idaho is making on bringing these projects on line. As you know, the original on line date was extended for these projects to September of 2010. As the agreement has a ten month 'grace period' the default commercial on line date looks to be July 1, 2011. Assuming the project does not meet the default commercial on line date by July first, the project is allowed to cure if it can do so in a commercially reasonable time. See Paragraphs 5 and 22 of the power purchase agreements.

Exergy anticipates these projects will reach their commercial on line date by the end of this year. In order to achieve that goal, it is planning on beginning construction in approximately forty-five days. All of the normal near-term preconstruction activity is fully underway and Exergy sees no roadblocks to its successfully bringing these projects on line pursuant to a slightly modified timeline from that contained in the Power Purchase Agreement.

I just wanted to advise you of the progress that is being made to achieve commercial operations within a reasonable time of the deadline contained in the power purchase agreements. If you would like to discuss or if you disagree with the conclusion that Exergy is, indeed making commercially reasonable efforts to achieve commercial operations please give me a call so we can discuss in more detail.

Sincerely yours,

Peter Richardson, ISB # 3195
RICHARDSON & O'LEARY PL

Cc: Randy Allphin

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 41



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

August 5, 2011

Via Electronic and U.S. Mail

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

Re: Notch Butte Wind Park and Lava Bed Wind Park Request to Extend Cure Period

Dear Donovan and Randy:

This letter may serve as acknowledgement that we have received your letters dated July 26, 2011, each of which states that it provides "Notice of Default as of the date of this letter." Section 22.2.1 of the two firm energy sales agreements ("FESAs") applicable to these projects does not limit the projects to a rigid 60-day cure period after such Notice. Rather, the FESAs provide that the defaulting party may cure the default within a commercially reasonable time if it is able to do so and diligently pursues that cure.

Your letters appear to state that the projects must cure the default in achieving the commercial online date within 60 days of the Notice of Default, which calculates to be September 24, 2011, because Idaho Power believes the projects have failed to demonstrate they are diligently attempting to cure any potential default within a commercially reasonable time. Specifically, your letters state, "If the default is not cured within said sixty (60) days, then Idaho Power may exercise its rights to terminate and/or pursue its legal or equitable remedies unless the project demonstrates that it is diligently pursuing cure of the default by the commercially reasonable time period of year end, 2011."

To be clear, my letter to you dated June 30, 2011 did not state that Exergy Development Group of Idaho considered year-end 2011 to be the outer limit of a commercially reasonable period to cure the online date default. Exergy does not agree with the following statement in your letters: "If the project is not online by year end 2011, the parties agree that the commercially reasonable period to cure this default has expired . . ." My letter merely stated that Exergy expected to be able to bring each project online by the end of the year because all of the normal near-term preconstruction activity was underway. Exergy believes that a time frame beyond year end 2011 could be a commercially reasonable period within which to bring the projects online.

Mr. Walker and Mr. Allphin
August 5, 2011
Page 2

Nevertheless, Exergy still intends to energize each of these projects by year end 2011. Exergy has brought many wind projects online in Idaho, and based on its commercial experience and knowledge that all normal preconstruction activities are complete for each of these projects, it expects that it will be able to energize these projects by year end 2011. Exergy is diligently pursuing achievement of the year end 2011 energized date for each project.

However, completion of the interconnection construction required to fully meet the online status defined in the FESAs is largely in Idaho Power's hands. Based on communications with Idaho Power's transmission/ interconnection personnel, Idaho Power should be able to complete the interconnection construction for the Lava Beds project by year end 2011, but the Notch Butte project may not be fully interconnected until June 2012. Because interconnection construction is largely beyond Exergy's control, Exergy will have cured any default caused by it by energizing the projects. In short, Exergy believes it would be acting well within a commercially reasonable time frame to have both projects energized by year end 2011. To the extent that interconnection delays are the cause of a continued delay default, Exergy cannot accept responsibility or liability for such delays, and such delays would not be the basis for termination of either FESA.

If Idaho Power believes that the FESAs require Exergy to provide additional items or information to demonstrate that Exergy can meet its obligations in the time frame referenced above, could you please explain in detail what items or information Idaho Power would deem sufficient to extend the cure period beyond September 24, 2011? Otherwise, would you please confirm that Idaho Power considers Exergy to have established that year end 2011 will be a commercially reasonable time within which Exergy must meet the online date obligations within Exergy's control, as that term is used in section 22.2.1 of the FESAs?

Also, if Idaho Power believes that Exergy must provide items or information demonstrating that it is diligently pursuing the cure after expiration of the 60-day period on September 24, 2011, could you please provide guidance on the type, extent, and timing of items and information Idaho Power believes necessary?

Thank you for your attention to this matter. Please copy Mr. James Carkulis with any correspondence to my office regarding this matter.

Very truly yours,



Peter J. Richardson
Attorney for Exergy Development Group of Idaho, LLC

cc: James Carkulis, Exergy Development Group of Idaho, LLC

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 42

AUG 19

Facilities Study Agreement

THIS AGREEMENT is made and entered into this 18 day of August 2011 by and between Exergy Development Group of Idaho, LLC, a Limited Liability Company organized and existing under the laws of the State of Idaho, ("Interconnection Customer,") and Idaho Power Company, a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on November 8, 2010; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's

Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

- 5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of \$30,000.00 is due upon execution of this agreement by the Interconnection customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Idaho Power Company - Delivery

Signed: _____

Printed Name: _____

Title: _____

Date: _____

Interconnection Customer:

Signed: _____

Printed Name: _____

Title: _____

Date: _____

**Data to Be Provided by the Interconnection Customer
With the Facilities Study Agreement**

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

2. One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

1

3. Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes _____ No X

4. Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No X
(Please indicate on the one-line diagram).

5. What type of control system or PLC will be located at the Small Generating Facility?

Wind Turbine Generator SCADA Management System

6. What protocol does the control system or PLC use?

Modbus or OPC

7. Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

8. Physical dimensions of the proposed interconnection station:

There will be no substation. IPCo typical 4-pole distribution connected interconnection / metering arrangement should be used.

9. Bus length from generation to interconnection station:

Wind Turbine Generators are distributed and connected with underground cable. (see one-line)

10. Line length from interconnection station to Transmission Provider's Transmission System.

N/A - Typical IPCo Distribution connected 4-pole POI / metering connection should be used.

11. Tower number observed in the field. (Painted on tower leg)*:

N/A - New distribution circuit must be built from Dietrich substation.

12. Number of third party easements required for transmission lines*:

1 (country road)

* To be completed in coordination with Transmission Provider.

13. Is the Small Generating Facility located in Transmission Provider's service area?

Yes No If No, please provide name of local provider:

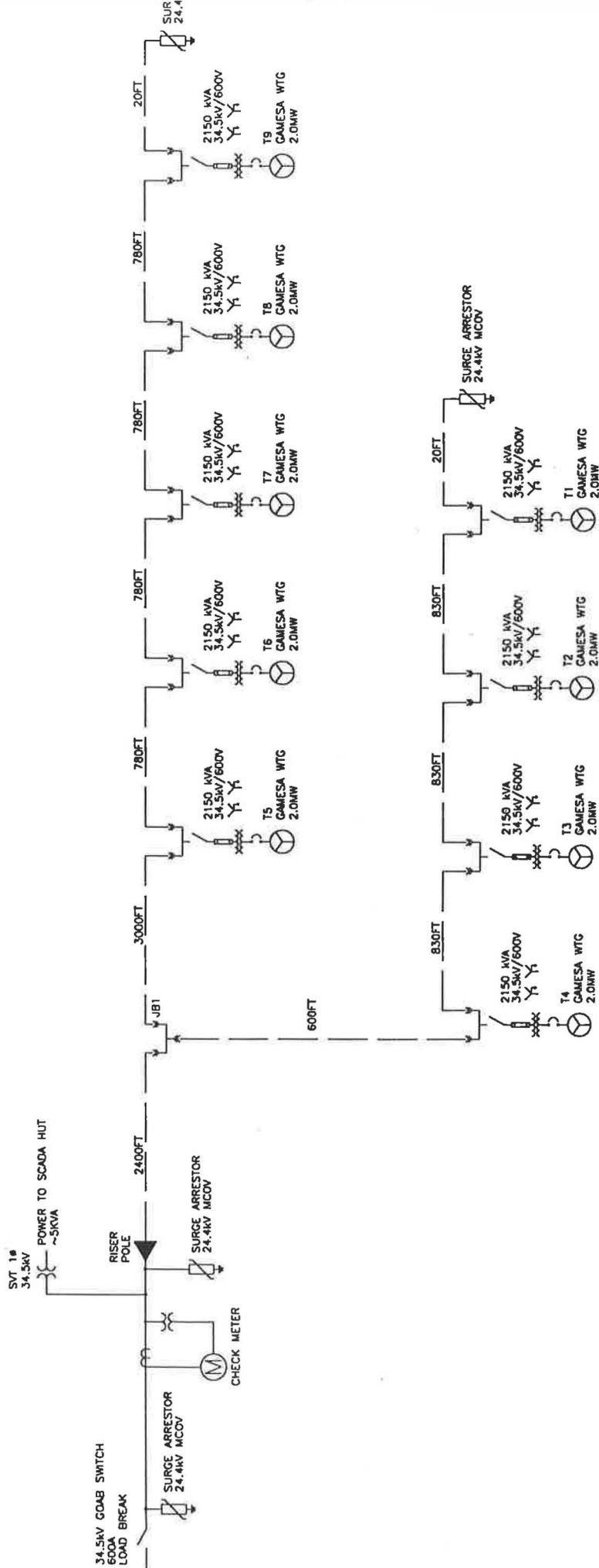
14. Please provide the following proposed schedule dates:

Begin Construction Date: 10/5/11

Generator Step-Up Transformers
Receive Back Feed Power Date: 12/1/11

Generation Testing Date: 12/15/11

Commercial Operation Date: 12/31/11



5	T5	42°52'51.1023"	-114°10'31.9014"	4099.85'
6	T6	42°52'58.5872"	-114°10'31.9014"	4097.47'
7	T7	42°53'06.0721"	-114°10'31.9014"	4111.60'
8	T8	42°53'13.5574"	-114°10'31.9014"	4108.31'
9	T9	42°53'21.0422"	-114°10'31.9014"	4116.02'
10	MET	42°52'43.1759"	-114°11'32.2528"	4088.43'
11	SCADA	42°52'45.1877"	-114°11'31.5956"	4092.40'

SURVEYOR'S NOTE:

- ELEVATIONS ARE BASED ON NAVD88 AND,
- THE TURBINE ACCESS GRAVEL ROADS SHOWN HEREON WERE DONE UNDER MY SUPERVISOR'S SUPERVISION AND STATE OF IDAHO CODES RELATE TO REPRESENTS SAID SURVEY.

LINE LEGEND:

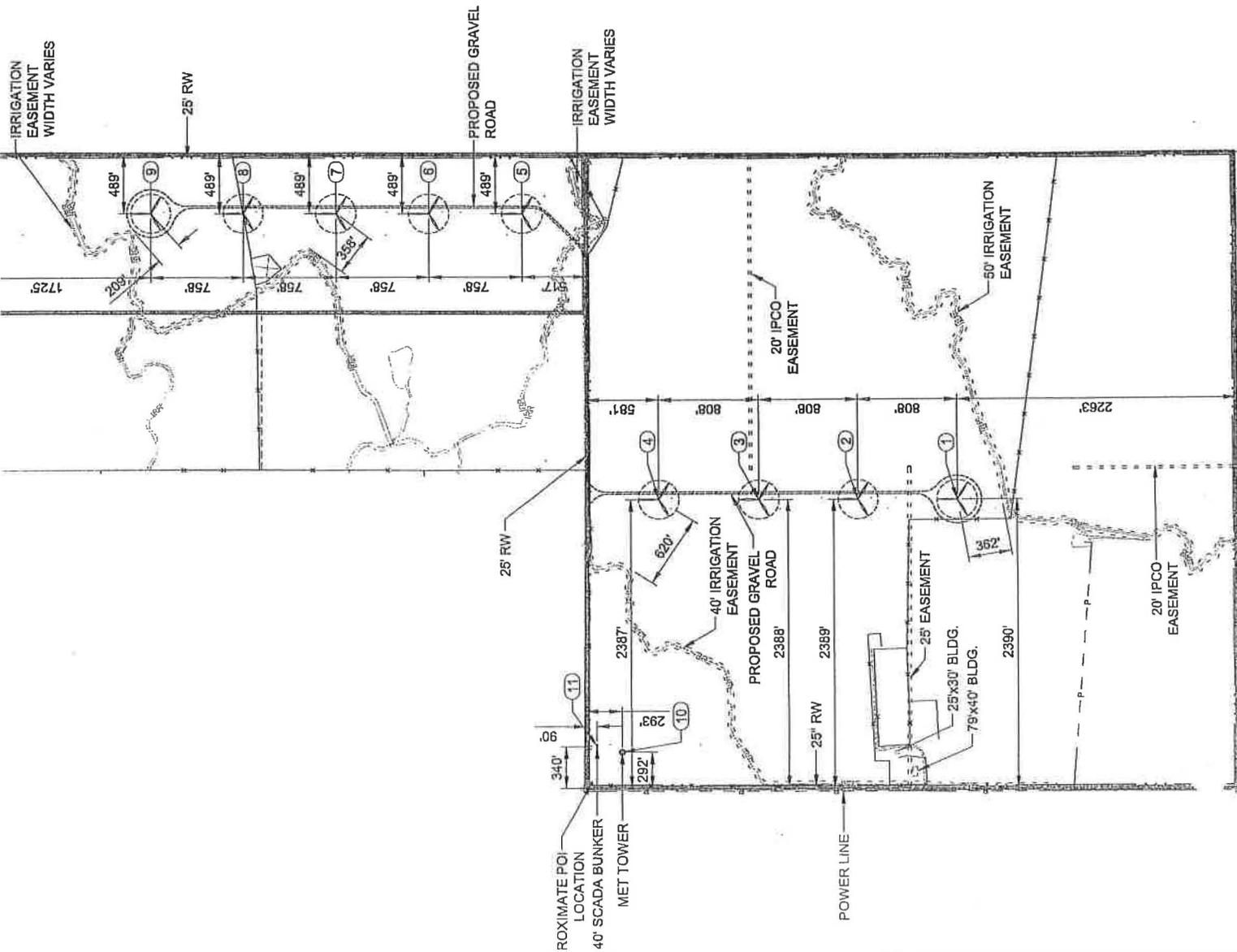
- BOUNDARY
- RIGHT OF WAY
- IRRIGATION LINE
- POWER LINE
- EASEMENT
- FENCE
- PROPOSED GRAVEL ROAD
- POI
- IPCO
- POII
- IDAII

SURVEYOR'S STATEMENT

I, RICHARD H. CARLSON, A PROFESSIONAL LAND SURVEYOR OF IDAHO, HEREBY STATE THAT THE SURVEY AND SHOWNS HEREON WERE DONE UNDER MY SUPERVISION AND STATE OF IDAHO CODES RELATE TO REPRESENTS SAID SURVEY.

8/18/2011
DATE

RICHARD H. CARLSON, F.S.



**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 43



August 26, 2011
Via email & Certified Mail
70090820000123019626

Dustin Shively
Exergy Development Group of Idaho LLC
802 W Bannock, Suite 1200
Boise, ID 83702

Subject: Notch Butte Wind Project - GI Project # 359 (11.5MW)

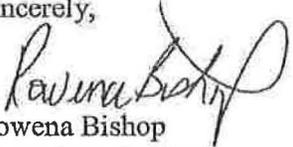
Dear Dustin:

This is to acknowledge receipt of the signed Facility Study Agreement (FSA) and your deposit for the requested studies for the Notch Butte Wind Project. Enclosed is a copy of the FSA for your records.

Idaho Power Company's GI process requires a Generator Interconnection Agreement (GIA) to be in place before Commercial Operation may begin. The GIA describes the operating requirements, the estimated cost and payment responsibility for the project to be connected, and the projected construction timelines. I will be in touch with you to finalize the GIA when the Facility Studies are complete.

We expect the Facility Study to be completed by November 21, 2011. During the study period, we will keep you apprised of our progress. If you have any questions in the meantime, please contact Ed Kosydar Project Leader, directly at 208-388-2747.

Sincerely,


Rowena Bishop
Operations Analyst
Ph 208-388-2658

Enclosure: Executed FSA (copy)

C: Ed Kosydar/IPC

AUG 19

Facilities Study Agreement

THIS AGREEMENT is made and entered into this 18 day of August 2011 by and between Exergy Development Group of Idaho, LLC, a Limited Liability Company organized and existing under the laws of the State of Idaho, ("Interconnection Customer,") and Idaho Power Company, a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on November 8, 2010; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

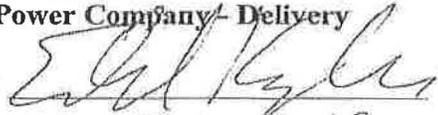
The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's

Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

- 5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
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- 10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Idaho Power Company - Delivery
Signed: 
Printed Name: EDWARD KOSYDAN
Title: PM SUPERVISOR
Date: 8/26/11

Interconnection Customer:

Signed: 
Printed Name: Elizabeth Woolstenhulme
Title: V.P. Operations
Date: 8/18/11

**Data to Be Provided by the Interconnection Customer
With the Facilities Study Agreement**

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

2. One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

 1

3. Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes No X

4. Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes No X

(Please indicate on the one-line diagram).

5. What type of control system or PLC will be located at the Small Generating Facility?

 Wind Turbine Generator SCADA Management System

6. What protocol does the control system or PLC use?

 Modbus or OPC

7. Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

8. Physical dimensions of the proposed interconnection station:

 There will be no substation. IPCo typical 4-pole distribution connected interconnection / metering arrangement should be used.

9. Bus length from generation to interconnection station:

Wind Turbine Generators are distributed and connected with underground cable. (see one-line)

10. Line length from interconnection station to Transmission Provider's Transmission System.

N/A - Typical IPCo Distribution connected 4-pole POI / metering connection should be used.

11. Tower number observed in the field. (Painted on tower leg)*:

N/A - New distribution circuit must be built from Dietrich substation.

12. Number of third party easements required for transmission lines*:

1 (country road)

* To be completed in coordination with Transmission Provider.

13. Is the Small Generating Facility located in Transmission Provider's service area?

Yes X No _____ If No, please provide name of local provider:

14. Please provide the following proposed schedule dates:

Begin Construction Date: 10/5/11

Generator Step-Up Transformers
Receive Back Feed Power Date: 12/1/11

Generation Testing Date: 12/15/11

Commercial Operation Date: 12/31/11

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 44



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

September 1, 2011 – HAND DELIVERY

Donovan Walker, Lead Counsel
Idaho Power Company
1221 West Idaho St.
Boise, Idaho 83702

Re: Notch Butte Wind Project and Lava Beds Wind Project Update

Dear Donovan:

I am writing to provide you with an update on the progress Exergy Development Group of Idaho is making on bringing these projects on line. As you know, the original on line date was extended for these projects to September of 2010. As the agreement has a ten month 'grace period' the default commercial on line date was to be July 1, 2011. Although the project has not met the default commercial on line date of July first, the project is allowed to cure if it can do so in a commercially reasonable time. See Paragraphs 5 and 22 of the power purchase agreements.

As I last reported to you, Exergy continues making progress with a goal of achieving commercial on line date for these two projects by the end of this year. All the ground work, soil bores and geotechnical work is completed. Turbines have been ordered and the heavy construction work will commence as soon as the irrigation water is off and the soil has dried and firmed after the growing season is over. The engineering, construction and procurement contracts are in place and the projects are ready to go.

I just wanted to keep you in the loop and fully advised of the progress that is being made to achieve commercial operations within a reasonable time of the deadline contained in the power purchase agreements. If you would like to discuss or if you disagree with the conclusion that Exergy is, indeed making commercially reasonable efforts to achieve commercial operations please give me a call so we can discuss in more detail.

Sincerely yours,


Peter Richardson, ISB # 3195
RICHARDSON & O'LEARY PL

Cc: Randy Allphin

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 45

Walker, Donovan

From: Patterson, Marc
Sent: Friday, November 18, 2011 4:42 PM
To: 'dshively@exergydevelopment.com'
Cc: Bishop, Rowena; Angell, Dave; Walker, Donovan; Schultz, Trevor; Kosydar, Ed
Subject: RE: Revised Feasibility Study Report - GINT0359 Notch Butte
Attachments: FeSR Customer Report #359 Nov2011.pdf

Attached is the revised re-study Feasibility Report for project GINT #359. Formal correspondence to follow.

Marc Patterson, P. E.
Idaho Power - Engineering Leader - T&D Planning
208-388-2712 office
208-861-5309 mobile
208-388-6647 Fax
MarcPatterson@idahopower.com

**GENERATOR INTERCONNECTION
REVISED FEASIBILITY Re-STUDY**

For integration of the proposed

**GENERATION INTERCONNECTION PROJECT #359
Notch Butte Wind**

In

LINCOLN COUNTY, IDAHO

To the

IDAHO POWER COMPANY ELECTRICAL SYSTEM

for

Exergy Development Group of Idaho, LLC

REVISED FINAL REPORT

November 18, 2011

Generator Interconnection Feasibility Study

General Interconnection Information

Queue	Date of Request	Location	Total (MW)	Station or Trans Line for POI	Projected In-Service Date	Type of facility (combined cycle, base load, CT, fuel type)
#359	November 2010	Lincoln County	11.5	12.5 kV connection through Dietrich Substation	September 2011	Wind

Short Circuit Analysis Results

System Changes Required: Yes No

Power Flow Analysis Results

System Changes Required: Yes No

Because project #359 and #349 (6.5 MW) are both part of the Notch Butte Wind project, they both connect at the same point of interconnection (POI), and common facilities will serve both projects, the upgrade costs to serve both of these projects are included in this report. The required system upgrades in this revised option to serve these projects include:

- Upgrade the existing Dietrich Tap- Dietrich 46 kV line (4 miles) to a double circuit 138kV and 46kV line. The 138kV source will be the existing 138kV line near the Dietrich Tap.
- Digital communication path from Midpoint Substation to the Dietrich Substation.
- A new 138:12.5 kV transformer at Dietrich substation and associated equipment including two new 12.5 kV distribution feeder terminals.
- A new double circuit 12.5 kV distribution line from Dietrich substation to the point of interconnection (4 miles).
- A generation interconnection and protection package for each wind project (#349 and #359).

The total generation output for the two Notch Butte Wind projects (#349 and #359) is 18 MW. To better balance the generation output between the two new distribution feeders and limit the voltage rise on the 12.5 kV feeders, it is recommended that the total 18 MW be split more evenly between the two projects. For example, if the 2.05 MW wind turbines are used, then there could be a 10 MW and an 8 MW project. If the 1.5 MW GE turbines are used, then two 9 MW parks are preferred.

Good Faith Cost Estimate

Interconnection cost estimate: **\$6,540,000.**

Description	Estimated Cost
138kV and 46 kV double circuit line DTRC tap to DTRC	\$2,440,000
Substation Upgrades	\$2,360,000
12.5 kV Distribution double circuit line (4 miles)	\$1,340,000
Two Generation Interconnection Protection Packages (Each includes 12.47 kV recloser, controls, CTs, PTs, and communications).	\$400,000
Total	\$6,540,000

The proposed double circuit 138kV and 46kV line is from the "Dietrich Tap" to the Dietrich substation. A portion of this new line is located on BLM land. All siting and permitting costs will be paid by the wind developer and are not included in this report. These costs and timelines will be determined in a future Facility Study.

System Impact Study Required? Yes No

This Feasibility Study only addresses the work required to interconnect Notch Butte Wind to the Idaho Power system. The transmission rights for this project were addressed in a previous transmission service request.

Operating Requirements:

Project #359 will be controlled to operate at unity power factor with an operating bandwidth of ± 500 kVAR (assuming a maximum 11.5 MW output).



November 23, 2011

Certified Mail # 7010278000090951304

Exergy Development Group of Idaho
Attn: Dustin Shively
802 W Bannock Suite 1200
Boise, Id 83702

RE: Project # 359 – Notch Butte Wind 11.5MW

Dear Dustin:

Enclosed is the REVISED Final Feasibility Study Report for the above-referenced project. The feasibility analysis indicates that modification/addition of some facilities will be required to integrate the network resource capacity addition of your project into the Idaho Power system. Please note, the Feasibility Study alone does not provide any transmission rights nor determines the necessary network upgrades to move the project energy to the load or a point of delivery in our system.

Since no SYSTEM IMPACT STUDY is needed, enclosed is a Facility Study Agreement (FSA) for the next phase of the project. In order to proceed, and for your application to remain in the Generator Interconnection study queue, Idaho Power must receive the 2 copies of the signed FSA, the completed Attachments, and the deposit by January 9, 2012 otherwise your application will be deemed withdrawn. The deposit under this FSA is \$30,000 based on the estimated engineering costs.

The submittal should be sent to: Idaho Power Company, Attention: Rowena Bishop, 1221 West Idaho Street, Boise, ID 83702. Please contact me if you have questions.

Sincerely,

A handwritten signature in black ink that reads "Marc Patterson".

Marc Patterson
Engineering Leader, T&D Planning
208.388.2712
marcpatterson@idahopower.com

Encl: Final REVISED Feasibility Study Report dated 11/18/11
two FSAs for signature

C (via email):
Rowena Bishop/IPC
Ed Kosydar/IPC

Facilities Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____ 2011 by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Idaho Power Company, a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on 11/8/10; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's

Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

- 5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of \$_____ is due upon execution of this agreement by the Interconnection customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:
Idaho Power Company - Delivery

Interconnection Customer:

Signed: _____

Signed: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**Data to Be Provided by the Interconnection Customer
With the Facilities Study Agreement**

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

2. One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

3. Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes _____ No _____

4. Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____
(Please indicate on the one-line diagram).

5. What type of control system or PLC will be located at the Small Generating Facility?

6. What protocol does the control system or PLC use?

7. Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

8. Physical dimensions of the proposed interconnection station:

9. Bus length from generation to interconnection station:

10. Line length from interconnection station to Transmission Provider's Transmission System.

11. Tower number observed in the field. (Painted on tower leg)*:

12. Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

13. Is the Small Generating Facility located in Transmission Provider's service area?

Yes _____ No _____ If No, please provide name of local provider:

14. Please provide the following proposed schedule dates:

Begin Construction Date: _____

Generator Step-Up Transformers
Receive Back Feed Power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 46

PKD
1/9/12 RB

Facilities Study Agreement

THIS AGREEMENT is made and entered into this 9th day of January 2012 by and between EXERGY DEVELOPMENT GROUP OF IDAHO, a LLC organized and existing under the laws of the State of IDAHO, ("Interconnection Customer,") and Idaho Power Company, a Corporation existing under the laws of the State of Idaho ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on 11/8/10; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

WHEREAS, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's

Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

- 5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of \$30,000.00 is due upon execution of this agreement by the Interconnection customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Transmission Provider:

Idaho Power Company - Delivery

Signed: 

Printed Name: EDWARD KOSYDAR

Title: PM Supervisor

Date: 1/13/12

Interconnection Customer:

EXERGY DEVELOPMENT GROUP

Signed: 

Printed Name: JAMES CALKIDIS

Title: president

Date: 1/9/12

**Data to Be Provided by the Interconnection Customer
With the Facilities Study Agreement**

1. Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

18 MW rated capacity

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

2. One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

1

3. Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes No

4. Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes No
(Please indicate on the one-line diagram).

5. What type of control system or PLC will be located at the Small Generating Facility?

TBD, Gamesa

6. What protocol does the control system or PLC use?

TBD, Gamesa

7. Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines. See attachments.

8. Physical dimensions of the proposed interconnection station:

TBD

9. Bus length from generation to interconnection station:

Varies by turbine location, approximately 2,500 - 8,000 feet

10. Line length from interconnection station to Transmission Provider's Transmission System.

4 miles from POI to Dietrich Substation

11. Tower number observed in the field. (Painted on tower leg)*:

12. Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

13. Is the Small Generating Facility located in Transmission Provider's service area?

Yes No If No, please provide name of local provider:

14. Please provide the following proposed schedule dates:

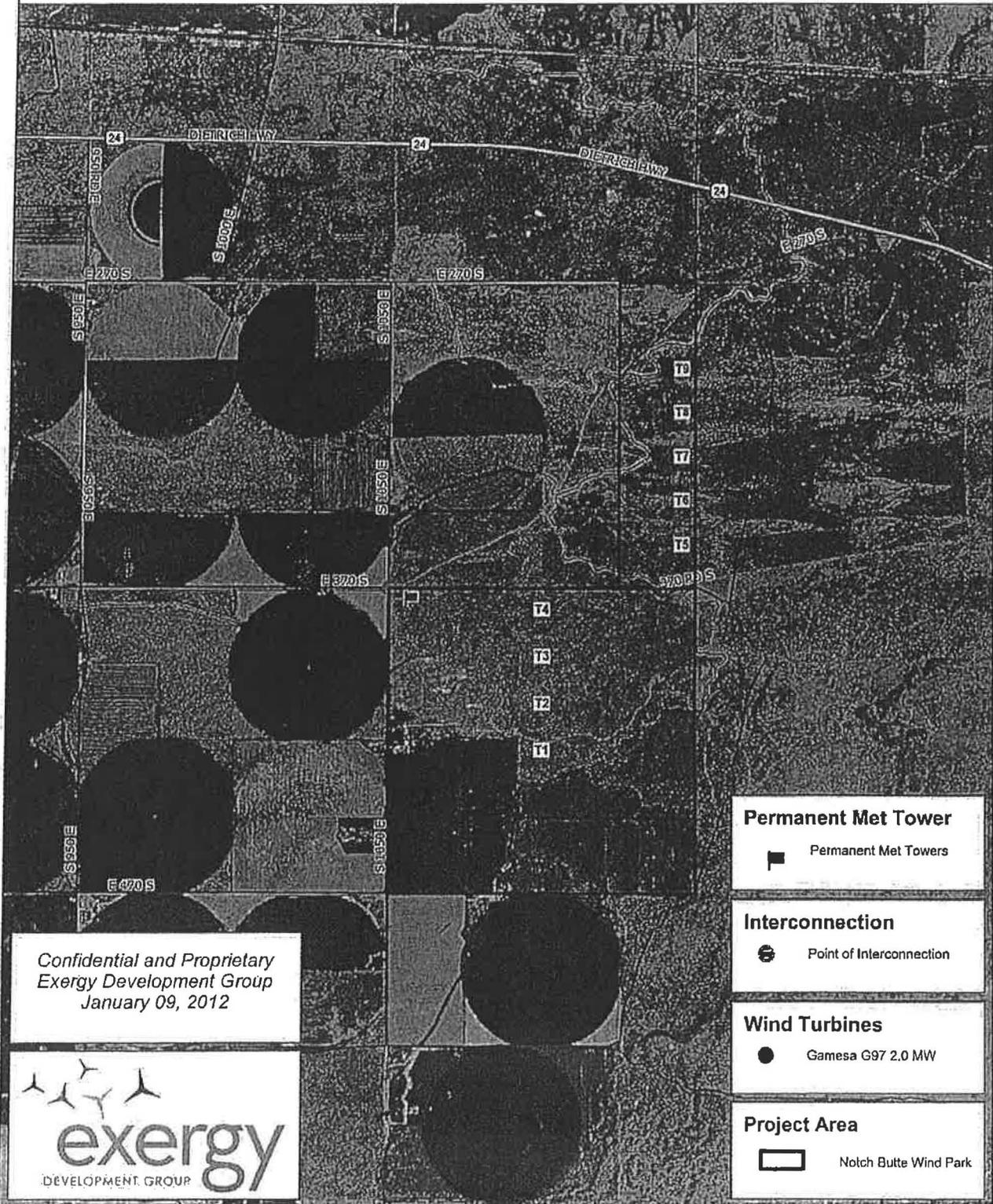
Begin Construction Date: December 19, 2011

Generator Step-Up Transformers
Receive Back Feed Power Date: August 30, 2012

Generation Testing Date: September 30, 2012

Commercial Operation Date: October 30, 2012

Notch Butte Wind Park



*Confidential and Proprietary
Exergy Development Group
January 09, 2012*



Permanent Met Tower
 Permanent Met Towers

Interconnection
 Point of Interconnection

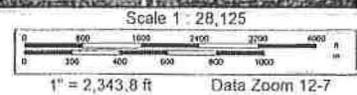
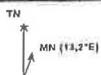
Wind Turbines
 Gamesa G97 2.0 MW

Project Area
 Notch Butte Wind Park

Data use subject to license.

© DeLorme, XMap® 7.

www.delorme.com



**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 47

Clark, Danielle

From: Kosydar, Ed
Sent: Tuesday, March 06, 2012 9:58 AM
To: 'dshively@exergydevelopment.com'
Cc: Bishop, Rowena; Angell, Dave; Walker, Donovan; Sloan, Aubrae; Patterson, Marc; Schultz, Trevor; Arjona, Daniel; Stewart, Lance
Subject: Draft Facility Study Report - GINT120349 Notch Butte
Attachments: GINT120349 DFSR.pdf; GINT120349 Attachments.pdf

Good Morning Mr. Shively,

Attached is a cover letter, the Draft Facility Study Report (DFSR) and attachments for the interconnection of 18 MW of wind generation to the Idaho Power system through Dietrich substation. Please be mindful that part of the transmission upgrade requirements for this project are to reconstruct a portion of the T-128 transmission line (46 kV) as well as install transmission line switches - both of these activities are on BLM property . Obtaining a ROW grant (permit) from the BLM is never guaranteed and our recent experience indicates that this will be a 20-30 month process. If the ROW grant is denied by the BLM, then a new interconnection solution would be required which could drastically change both cost and schedule.

As stated in the cover letter, in order to proceed with this project, please provide your comments to the DFSR to me April 6, 2012 and indicate whether you wish to proceed with final design and construction.

Sincerely,

Edward Kosydar, PE
Project Leader
Idaho Power Company
ekosydar@idahopower.com
208-388-2747



March 6, 2012

Mr. Dustin Shively
Exergy Development Group of Idaho
802 W. Bannock Suite 1200
Boise, Idaho 83702

Re: Draft Facility Study Report (DFSR) for Notch Butte Wind Park - #349 & 359.

Dear Mr. Shively:

Idaho Power Company (IPC) has completed the Facility Study Report (FSR) for your Generator Interconnection project (#349 & #359) entitled Notch Butte Wind Park for 18 MW of generation. Attached you will find the DFSR, two Interconnect Single Line drawings (21D-64299, sheets 1 & 2), a Dietrich Substation Yard Plan (21D-64340) and Single Line drawing (21D-17076).

Please note that the interconnection voltage is 12.5 kV. Also, note that the estimated time to complete this project is 34 months from the time that funding is received. This includes the anticipated time required to obtain a BLM right-of-way (ROW) grant. As you know, a portion of the line reconstruction work is on BLM land. Obtaining a ROW grant from the BLM is never guaranteed and is now typically a 20-30 month process. I am available to discuss any questions you might have regarding this information.

In order to proceed with this project, please provide your comments to the Facility Study Report to me by April 6, 2012 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 the final design and 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,

Edward Kosydar, PE
Project Leader

Attach: Notch Butte DFSR, Dwgs 21D-64299 sheets 1 & 2, 21D-64340, 21D-17076

Cc: IPC - R Bishop, A Sloan, R Bauer, D Angell, D Walker, M Patterson, T Schultz



Generator Interconnection Draft Facility Study Report

Notch Butte Wind Park – Projects #349 & #359

for

Exergy Development Group of Idaho

in

Boise, ID

March 6, 2012

DRAFT FACILITY STUDY REPORT (DFSR)

Notch Butte Wind Park

Projects #349 & #359

March 6, 2012

1. General Facility Description

The Notch Butte Wind Park project includes both Projects #349 and #359 for a total of 18 MW of power provided by nine 2.0 MW Gamesa wind turbines. The Interconnection Customer (IC) will provide all generation and station equipment required to deliver power at 12.5 kV to the Point of Interconnection (POI) which is located at the coordinates North 42° 53.12948' West 114° 10.57'. The IC will provide one POTS line and one DDS circuit to the POI for communication. Two 12.5 kV feeders will run from the POI four miles west to the IPCo Dietrich substation where the station will be expanded to accommodate the two new feeders. The power will be converted to 138 kV via a 12.5 kV to 138 kV power circuit transformer. A new double circuit transmission line, consisting of a new 138 kV line and the existing 46 kV line, will run four miles due north our of the Dietrich substation. The new 138 kV line will connect to the existing Midpoint-Silver 138 kV line.

Interconnection Customer:
Mr. Dustin Shively
Exergy Development Group of Idaho
802 W. Bannock Suite 1200
Boise, ID 83702
208 336-9793

A Standard Generator Interconnection Agreement(s) 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 Notch Butte Wind Park, specifically Generator Interconnection Project #359, will need to be prepared for this project.

1.1 Interconnection Point

The Interconnection Point for the Notch Butte Wind Park Project will be the generator side of the disconnect switches labeled Disconnect Switches A-13 and A-14 (one for each feeder) as shown on the attached Single Line drawings 21D-64299, sheets 1 & 2. This Interconnection Point is in Lincoln County, ID - T6S, R19E, SW corner of Section 22.

1.2 Point of Change of Ownership

The Point of Change of Ownership for the Notch Butte Wind Park Project is electrically the same as the Interconnection Point.

1.3 Customer's Interconnection Facilities

The Interconnection Customer will install all generation and station equipment required to deliver power at 12.5 kV to the interconnection point. Transmitting 18 MW of power at 12.5 kV requires two distribution feeders. The Interconnection Customer needs to balance the generation between these two feeder connections with no more than 11 MW of power flowing on either

feeder. The Interconnection Customer will own and maintain facilities electrically located on the Interconnection Customer side of the Point of Change of Ownership. Idaho Power will own and maintain the facilities electrically located on the IPCo side of the Point of Change of Ownership.

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 Twin Falls Service Building (273 Blue Lakes Blvd. S., Twin Falls, ID 83301) 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 Meteorological Data

In order to integrate the wind energy into the Idaho Power system, the Interconnection Customer will provide weather data to IPCO from the proposed Facility Site or from a location within two miles of the Facility site consisting of the following near real-time weather parameters that will be collected via each meteorological observation tower at 10 m & 80 m above ground: Wind Speed (m/s), Wind Direction, Air Temperature (degrees Cent), along with Relative Humidity, and Barometric Pressure. This data shall be provided to IPCo hourly via commonly accepted electronic web service standards or similar communication method. Specific meteorological data must also be sent over the DDS communication circuit as identified in Appendix A. The Customer will provide relevant historical meteorological data to IPC. Additionally, the Customer shall submit to Idaho Power the physical and technical specifications for all meteorological measurement devices, geographic locations and technical specifications of all turbines. The associated cost for obtaining this data is the Customers responsibility and therefore not included in the Facility Study estimate.

1.4.3 Ground Fault Equipment

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

1.4.4 Easements

The Interconnection Customer will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities at the Interconnection Point. 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.

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

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 and Appendix A.

1.4.6 Local Service

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

1.4.7 Monitoring Information

If the Interconnection Customer requires the ability to monitor information related to the Idaho Power reclosers in the generation interconnection package they are required to supply their own communications circuit to the control box.

1.5 Idaho Power Company's Interconnection Facilities at the Site

Idaho Power will install two standard generation interconnection packages, one for each feeder. For each package, 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 packages each will include four distribution poles to mount a local service transformer, solid blade disconnects, primary metering package, recloser, relays, RTU, fuses and riser necessary for the package. The interconnection will be controlled by a SEL-311C line protection relay and a GE iBox RTU. The relay and RTU will be located in a pole mounted enclosure and will also contain a test switch (TS4), SLSS, dialup modem, DDS CSU/DSU, isolation interface, power supply, DC converter, control switch and surge protector.

Concrete barriers may be necessary to protect this equipment from local area traffic.

A 2" conduit will be installed alongside the underground primary to facilitate information exchange to the customer about the recloser. (The Interconnection Customer is responsible for providing and installing the appropriate cable.)

1.5.1 Communications

The Interconnection Customer is providing the communication circuits necessary for Idaho Power system protection, revenue metering, power quality, and SCADA as indicated above in the Telecommunications section. Any additional communications requirements for Interconnection Customer owned equipment is the responsibility of the Interconnection Customer.

1.5.2 Metering

Idaho Power will install two 12.5 kV metering packages at the point of interconnection – one for each feeder.

1.6 Interconnection Facilities Cost Estimate

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Packages (2)	IPC	\$440,000
SUBTOTAL		\$440,000
<i>See Section 6 for Total Estimate Costs</i>		

2. Timeline

Idaho Power requires approximately thirty-four (34) months to complete design, procurement, construction, permitting, and commissioning of the necessary interconnection facilities and required upgrades associated with the Notch Butte Wind Park Project prior to the Commercial Operation Date. This timeframe will be further detailed and specified in the Generator Interconnection Agreement and assumes that material can be procured, labor resources are available, and that outages to the existing system are available to be scheduled.

There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit (ROW grant) will be required from the BLM in order to re-build this portion of the line for the double circuit transmission as well as the 138 kV transmission line switches where the new 138 kV line connects to the existing transmission line. Obtaining a ROW grant from the BLM is never guaranteed and is typically a 20-30 month process at this point in time. Please recognize that this is outside of Idaho Power's control. If the ROW grant is denied then a new interconnection solution would be required and this could drastically alter project costs and timeline.

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.

Notch Butte Wind Park 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 accomplished with a setpoint and discrete output control from Idaho Power to the Project indicating maximum output allowed. For more detail see Appendix A.

Low Voltage Ride Through: 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 Interconnection Point with no impact upon the operation of the transmission or distribution system whenever the generation facilities are electrically isolated from the system via the air break switches A-13 and A-14 and a terminal clearance is issued by Idaho Power Company’s Grid Operator.

Please see Appendix B for details on a Limited Generation Output request made by the Interconnect Customer.

4. Reactive Power

Notch Butte Wind Park must be controlled to operate as a VAr neutral system with a total ± 500 kVAr operating band.

5. Upgrades

5.1 Upgrades to Distribution Facilities

A new double circuit (DTRC-013 and 014) 12.5 kV distribution line from Dietrich substation to the point of interconnection (4 miles). This new distribution line will be built with 795 AAC conductor on both circuits with ADSS underbuild.

5.2 Upgrades to Station Facilities

- Two new 12.5 kV feeder bays with associated switches, breakers, relays etc at Dietrich substation
- A new 138:12.5 kV power transformer and associated equipment at Dietrich substation with protection package, control building.
- Line relay and microwave upgrades at Midpoint substation
- DTRC-MPSN microwave reflector site (near Notch Butte)

5.3 Upgrades to Transmission Facilities

Idaho Power will rebuild 4 miles of the existing 46 kV transmission line (T-128) with a double circuit transmission line that will accommodate both the existing 46 kV line as well as the new 138 kV line. The new 138 kV line will then tap into the existing Midpoint-Silver 138 kV line with line switches on all three sides of the tap.

6. Total Estimated Costs

The following good faith estimates are provided in 2012 dollars:

Description	Ownership	Cost Estimate
<i>Interconnection Facilities:</i>		
Interconnection Packages (2)	IPC	\$440,000
<i>Distribution Upgrades:</i>		
Distribution Feeders to Dietrich Substation (DTRC-013 & DTRC-014) with ADSS fiber	IPC	\$965,000
<i>Substation Upgrades:</i>		
Dietrich Substation Additions	IPC	\$2,835,000
Midpoint Relay upgrades	IPC	\$65,000
Midpoint Microwave upgrades	IPC	\$190,000
DTRC-MPSON Microwave Reflector Site	IPC	\$325,000
<i>Transmission Upgrades:</i>		
Remove 4 miles of 46 kV line with underbuild	IPC	\$130,000
Build 4 miles of line to double circuit	IPC	\$2,550,000
3 – 138 kV Line Switches	IPC	\$300,000
*BLM Permitting/ROW Grant	IPC	\$75,000
GRAND TOTAL		\$7,875,000

*There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit will be required from the BLM in order to rebuild this portion of the line to double circuit as well as install the transmission line switches. The costs for this permitting can vary widely and have been estimated at a combined \$75K.

Note Regarding Transmission Service:

This Facility Study is a Network Resource Interconnection Facility Study. This study identifies the facilities necessary to integrate the Generating Facility into Idaho Power's network to serve load within Idaho Power's balancing area. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery.

Appendix A

Generation Interconnection Control Requirements

A.1 Generator Output Limit Control (GOLC)

A.1.1 IPC requires Interconnected Power Producers to accept GOLC signals from our EMS.

A.1.2 The GOLC signals will consist of two points shared between the IPC EMS and the Customer's Generator Controller:

A.1.2.1 GOLC Setpoint: An analog output that contains the MW value the Customer should curtail to, should a GOLC request be made via the GOLC On/Off discrete output Control point.

A.1.2.1.1 An Analog Input feedback point must be updated (to reflect the GOLC setpoint value) by the Customer Controller upon the Controller's receipt of the GOLC setpoint change, with no intentional delay.

A.1.2.2 GOLC On/Off: A discrete output (DO) control point with latching Off/On states. Following a "GOLC On" control, the Customer Controller will run power output back to the MW value specified in the GOLC Setpoint. Following a "GOLC Off" control, the Customer is free to run to maximum possible output.

A.1.2.2.1 A Discrete Input feedback point must be updated (to reflect the GOLC DO state) by the Customer Controller upon the Controller's receipt of the GOLC DO state change, with no intentional delay.

A.1.3 If a GOLC control is issued, it is expected to see MW reductions start within 1 minute and plant output to be below the GOLC Setpoint value within 10 minutes.

A.2 Voltage Control - Does not Apply to a Distribution connection.

A.3 Generation Interconnection Data Points Requirements

Digital Inputs to IPCo (DNP Obj. 01, Var. 2)			
Index	Description	State (0/1)	Comments:
0	52A Customer Capacitor Breaker (if present)	Open/Closed	Sourced at substation
1	GOLC Off/On Control Received (Feedback)	Off/On	Provided by Customer

Digital Outputs to Customer (DNP Obj. 10, Var. 1)		
Index	Description	Comments:
0	GOLC Off/On	Provided by IPCO
NOTE: GOLC Setpoint indicates MW value to curtail to when GOLC Off/On DO is ON.		

Analog Inputs to IPCo (DNP Obj. 30, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint Value Received (Feedback)	32767	- 32768	TBD	TBD	MW	Provided by Customer
1	Voltage Control Setpoint Value Rec'd (Feedback)	32767	- 32768	TBD	TBD	kV	Provided by Customer
2	Maximum Park Generating Capacity*	32767	- 32768	TBD	TBD	MW	Provided by Customer
3	Number of Turbines In High Speed Cutout*	32767	- 32768	32767	-32768	Units	Provided by Customer
4	Ambient Temperature*	32767	- 32768	327.67	-327.68	F or C	Provided by Customer
5	Wind Direction*	32767	- 32768	3276.7	-3276.8	Deg	Provided by Customer
6	Wind Speed*	32767	- 32768	327.67	-327.68	MPH or m/s	Provided by Customer

Analog Outputs to Customer (DNP Obj. 40, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint	32767	- 32768	TBD	TBD	MW	Provided by IPCO
1	Voltage Control Setpoint	32767	- 32768	TBD	TBD	kV	Provided by IPCO
NOTE: Curtailment Setpoint indicates MW value to Curtail to when Curtailment Off/On DO is ON.							

* - Data required from Wind Customers

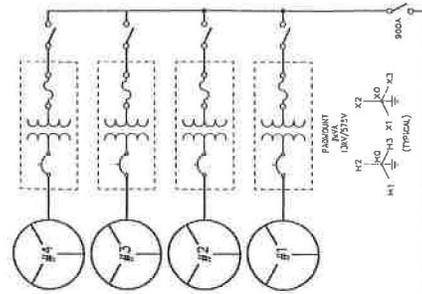
Appendix B

Limited Generation Output

In response to the Interconnection Customer's (IC) request to come on line by the end of the year with a limited generation output, IPC conducted additional power flow models. It was determined that acceptable voltage on the 46 kV system could be maintained with 4.0 MW of generation from Notch Butte Wind Park if the generators have the ability to absorb 3.0 MVar. The installation of a 46 kV potential transformer transfer/trip package would have to be added to the scope/costs of the work at Dietrich substation. The IC will be responsible for absorbing the VAr (3.0 maximum) necessary to maintain a 1.075 p.u. maximum 46 kV bus voltage at Dietrich substation. A voltage level above 1.075 p.u. will cause the generator to be tripped offline.

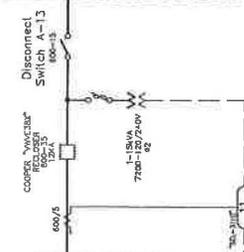
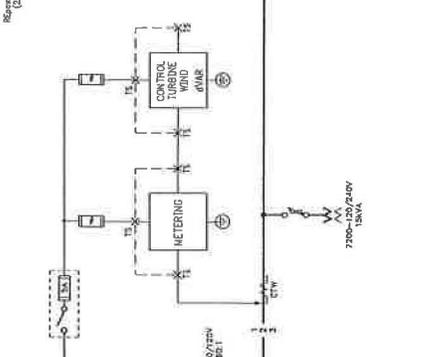
IPC will need 8 months to get the resources and materials necessary to design and construct that portion of the interconnection facilities necessary to accommodate this limited generation output.

REVISION	DATE	BY	DESCRIPTION
1	11/17	JL	Initial Interconnection is complete project
2			



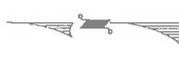
G-#
80 MW
2300V
(2300V min)

POINT OF INTERCONNECTION
BY IPCO ← BY GENERATOR



SCADA NOTE:
SCADA CONTROL IS PROCESSED THROUGH THE SELTIC RELAY. THIS RELAY OUTPUTS ALL METERING QUANTITIES

IPCO LOCAL SERVICE FOR SELTIC BOX

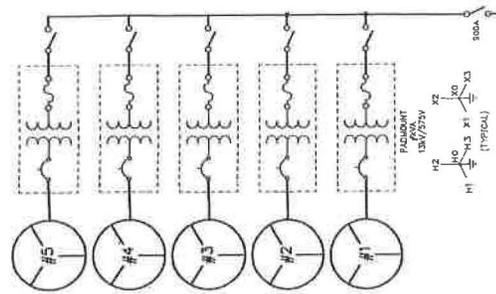


PROJECT LOCATION:
TES, RISE, SECTIONS 72
Lincoln County

REFERENCE DRAWINGS	
D-11078-1	DTRC STATION SINGLE LINE
DRAFT	
NOTCH BUTTE WIND PARK 8.0MW - DTRC 013 GENERATION SINGLE LINE	
IDAH0 POWER COMPANY	BOISE, IDAHO
SCALE: NONE	DATE: 1-20-11
SHEET APPROVED	210-64299
REV. NO. #	SPT. 1
	01

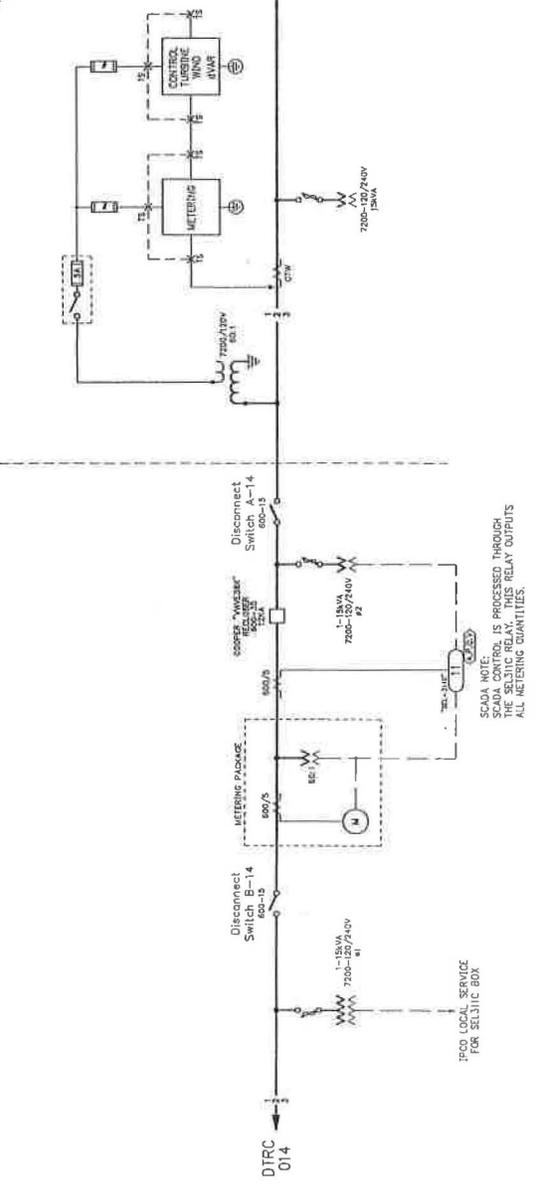
VAULT NO. 210-64299-1

REVISION	
1	Initial Design
2	Final Design
3	Final Design
4	Final Design
5	Final Design



C-#
1000 A @ 275V AC
600V (2.25MVA each)

POINT OF INTERCONNECTION
BY IPCO ← → BY GENERATOR



IPC0 LOCAL SERVICE FOR RELAYING BOX

SCADA NOTE:
SCADA CONTROL IS PROCESSED THROUGH THE RELAYING PANELS RELAY OUTPUTS ALL METERING QUANTITIES.

PROJECT LOCATION:
T6S, R19E, SECTION 22
Lincoln County

REFERENCE DRAWINGS
DTRC STATION SINGLE LINE

DRAFT

VAULT NO. 21D-64299-2

NOTCH BUTTE WIND PARK
10.0MW - DTRC 014
GENERATION
SINGLE LINE

IDAHO POWER COMPANY BOISE, IDAHO
SCALE: NONE DATE: 9-13-11
APPROVED: 21D-64299
REV. No. 1 SH. 2 01

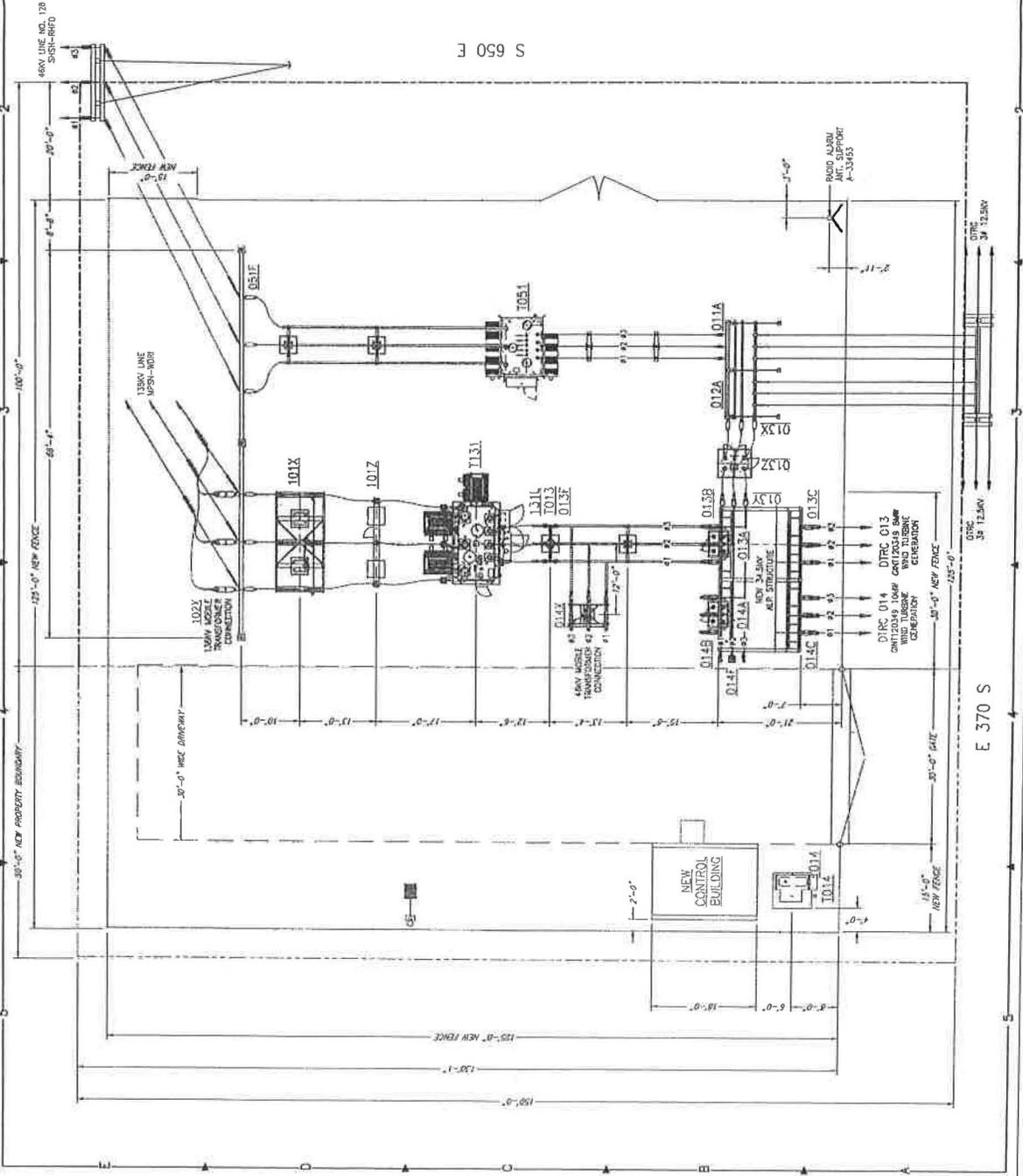
REVISION	
1	02-04-2011 ADD 100' NEW PROPERTY BOUNDARY ADD 100' NEW FENCE ADD 100' NEW DRIVEWAY ADD 100' NEW FENCE ADD 100' NEW FENCE ADD 100' NEW FENCE



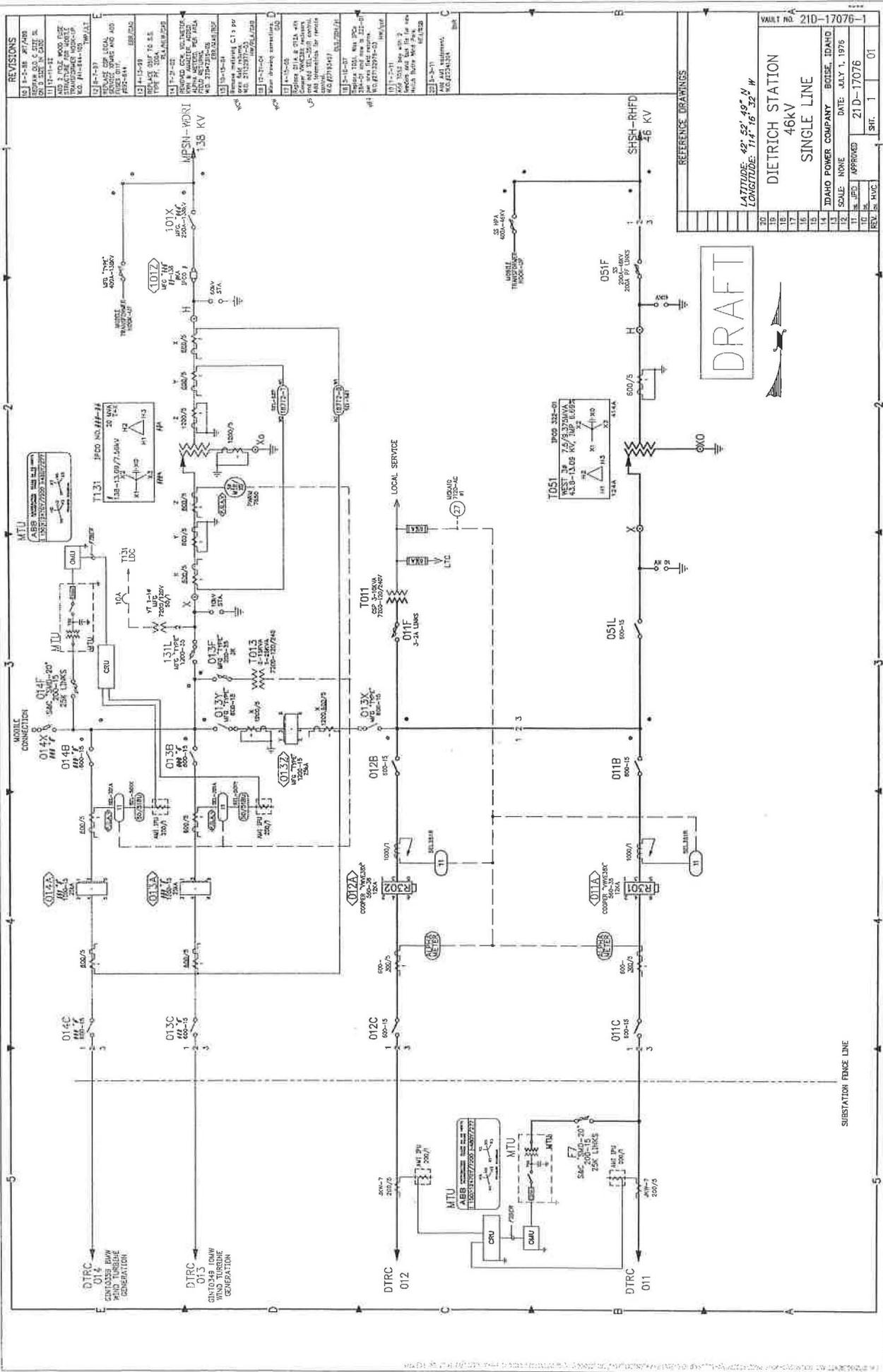
S 650 E

REFERENCE DRAWINGS
DRAFT

WALLET NO. 210-64340-1	
DIETRICH STATION REV. 2 46KV YARD PLAN	
IDAHO POWER COMPANY	BOISE, IDAHO
SCALE: 1/8" = 1'-0"	DATE: 02-04-2011
APPROVED: [Signature]	210-64340
REV. BY: [Signature]	SHT. 1
	60



E 370 S



REVISIONS

NO.	DATE	BY	DESCRIPTION
1	11-11-87
2	11-11-87
3	11-11-87
4	11-11-87
5	11-11-87
6	11-11-87
7	11-11-87
8	11-11-87
9	11-11-87
10	11-11-87
11	11-11-87
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25	11-11-87
26	11-11-87
27	11-11-87
28	11-11-87
29	11-11-87
30	11-11-87

DRAFT

VAULT NO. 21D-17076-1

LATITUDE: 42° 50' 49" N
 LONGITUDE: 114° 16' 32" W

DIETRICH STATION
 46KV
 SINGLE LINE

IDaho POWER COMPANY BOISE, IDAHO
 DATE: JULY 1, 1976
 SCALE: NONE
 APPROVED: 21D-17076
 REV. NO. E.V.C. SHEET 1 OF 01

REFERENCE DRAWINGS

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 48

Walker, Donovan

From: Kosydar, Ed
Sent: Monday, April 09, 2012 3:18 PM
To: 'Josh Gunderson'
Cc: Bauer, Rich; Harris, Joshua; Schultz, Trevor; Arjona, Daniel; Williams, Jason; James Carkulis; Dustin Shively; Walker, Donovan; Cyr, Nancy; Patterson, Marc; Patteson, Morgan; Simons, Patrick; Stewart, Darrin
Subject: RE: Notch Butte Wind Park - Appendix B

Josh,

When the GIA is signed and the project is funded, I will execute this project with all haste!!

☺Ed

From: Josh Gunderson [mailto:jgunderson@exergydevelopment.com]
Sent: Monday, April 09, 2012 1:28 PM
To: Kosydar, Ed
Cc: Bauer, Rich; Harris, Joshua; Schultz, Trevor; Arjona, Daniel; Williams, Jason; James Carkulis; Dustin Shively; Walker, Donovan; Cyr, Nancy; Patterson, Marc; Patteson, Morgan; Simons, Patrick; Stewart, Darrin
Subject: RE: Notch Butte Wind Park - Appendix B

Ed,

I would like to reiterate that we appreciate the work you have done to determine the available capacity and necessary equipment to facilitate a limited output scenario at Notch Butte prior to the end of the year. James had asked me last week to suggest a mid-October timeframe with the idea that we would all feel better about the consequences of any schedule slip if we were able to come up with a path to energizing earlier. I hear you loud and clear that 10/15/2012 is not achievable and I appreciate your desire to help me understand the constraints that you face. Would it be possible instead to set the energization date as 12/15/2012 so that we leave ourselves just a few weeks of cushion?

Best Regards,

-Josh



Joshua Gunderson
Project Engineer
802 W Bannock, 12th Floor Boise, ID 83702
Office: 208.336.9793 Cell: 208.230.2683
www.exergydevelopment.com

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From: Kosydar, Ed [mailto:EKosydar@idahopower.com]
Sent: Friday, April 06, 2012 2:25 PM
To: Josh Gunderson
Cc: Bauer, Rich; Harris, Joshua; Schultz, Trevor; Arjona, Daniel; Williams, Jason; James Carkulis; Dustin Shively; Walker,

Donovan; Cyr, Nancy; Patterson, Marc; Patteson, Morgan; Simons, Patrick; Stewart, Darrin
Subject: RE: Notch Butte Wind Park - Appendix B

Good Afternoon Josh,

This is not a temporary interconnection. I am building the facilities necessary to interconnect 18 MW per your request. In order to accommodate the limited output, we will need to add a 46 kV PT and transfer/trip controls at Dietrich substation. I expect this to add about \$75K to the project.

What you are asking of Idaho Power goes beyond standard industry practice in executing projects. We have a responsibility to maintain safe, reliable power to our customers. To this end, we have hundreds of projects that must be executed each year. Our resources are laid out to accomplish this. For you to come and push your project to the front of the line is not right or fair. What would be right and fair would be, once funding is received, to look at resource availability as well as project need from a customer standpoint (priority) and schedule the work accordingly. That is standard industry practice for executing projects. We have accommodated numerous modifications to your original request for this project. Each iteration taking more and more engineering and design resource time away from the care and feeding projects for our system. Then came the limited generation output in order to be on-line by the end of the request. Once again, we found a way to accommodate you. Now you want to help me find a way to make this happen by 10/15?

We want to meet your needs. We are bending over backwards to try to get a limited output interconnection constructed by the end of the year. To this end, I will be stealing Design and Engineering resources off of other projects in order to make this happen. This is true whether we design in-house or contract it out. Outsourcing design work is no easy feat and rarely saves time except on large projects. The design of this interconnection touches hundreds of our facility drawings. The process of identifying the work that needs to be done, conveying our standard design practices and equipment specifications, gathering up all the existing facility drawings that need to be worked on (in addition to the new drawings that will need to be created), iterations of reviewing and approving drawings, then compiling all the material lists so we can order them from our system (so they go into our Asset Database), etc. etc., - outsourcing the design is time consuming and rarely helps the schedule for smaller projects like this (but we can get more projects done).

My expectation is that I will finalize the Facility Study Report next week. A GIA will be produced based on this FSR. There will be a deadline for you to sign and fund the \$7,950,000 (\$7,875,000 + \$75,000). If you sign and fund the project before May 1st, then I will get you on line with limited generation output before December 31st, 2012. If it happens after May 1st, no guarantees. If the deadline passes without a signature and funding, then in my mind the project is cancelled.

Ed

From: Josh Gunderson [<mailto:jgunderson@exergydevelopment.com>]
Sent: Friday, April 06, 2012 12:24 PM
To: Kosydar, Ed
Cc: Bauer, Rich; Harris, Joshua; Schultz, Trevor; Arjona, Daniel; Williams, Jason; James Carkulis; Dustin Shively
Subject: RE: Notch Butte Wind Park - Appendix B

Ed,

Thank you for pulling together the estimate of the available capacity on the existing distribution system for a temporary interconnection in 2012. We have reviewed the information provided in Appendix B and would like to request that the following additional information be added to Appendix B prior to considering the Facility Study complete:

1. Good faith estimate of costs associated with the additional scope that would be necessary to facilitate the 4.0 MW temporary interconnection discussed in Appendix B.
2. Additional detail regarding schedule milestones and critical path items relating to the design/procurement/construction schedule for the temporary facilities. We believe that an expected temporary interconnection energization date of 10/15/2012 is feasible and we are prepared to cooperate with you with respect to design, procurement, and construction in order to address any perceived obstacles related to this energization date.

Please contact me with any questions.

Best Regards,

-Josh



Joshua Gunderson

Project Engineer

802 W Bannock, 12th Floor Boise, ID 83702

Office: 208.336.9793 Cell: 208.230.2683

www.exergydevelopment.com

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From: Kosydar, Ed [<mailto:EKosydar@idahopower.com>]

Sent: Thursday, April 05, 2012 3:52 PM

To: Josh Gunderson; Dustin Shively

Cc: Bauer, Rich; Harris, Joshua; Schultz, Trevor; Arjona, Daniel; Williams, Jason

Subject: Notch Butte Wind Park - Appendix B

Good Afternoon Josh and Dustin,

I added Appendix B to the DFSR in response to your request to come on-line by the end of the year with limited output. If you have any other comments on the DFSR, please send them over by EOB tomorrow. Looking to finalize the report on Monday.

Thanks,
Ed



This transmission may contain information that is privileged, confidential and/or exempt from disclosure under applicable law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or use of the information contained herein (including any reliance thereon) is STRICTLY PROHIBITED. If you received this transmission in error, please immediately contact the sender and destroy the material in its entirety, whether in electronic or hard copy format. Thank you.

Walker, Donovan

From: Kosydar, Ed
Sent: Thursday, March 08, 2012 11:49 AM
To: 'Dustin Shively'
Cc: Bishop, Rowena; Angell, Dave; Walker, Donovan; Sloan, Aubrae; Patterson, Marc; Schultz, Trevor; Arjona, Daniel; Stewart, Lance; James Carkulis; Elizabeth Woolstenhulme; Josh Gunderson; Bauer, Rich
Subject: RE: Draft Facility Study Report - GINT120349 Notch Butte

Good Morning Dustin,

Is 3:00 pm Friday going to work? Still hoping I can get the people I need to participate in this discussion.

Thanks,
ed

From: Kosydar, Ed
Sent: Wednesday, March 07, 2012 4:04 PM
To: 'Dustin Shively'
Subject: RE: Draft Facility Study Report - GINT120349 Notch Butte

How is 3:00 pm?

From: Dustin Shively [<mailto:dshively@exergydevelopment.com>]
Sent: Wednesday, March 07, 2012 3:16 PM
To: Kosydar, Ed
Cc: Bishop, Rowena; Angell, Dave; Walker, Donovan; Sloan, Aubrae; Patterson, Marc; Schultz, Trevor; Arjona, Daniel; Stewart, Lance; James Carkulis; Elizabeth Woolstenhulme; Josh Gunderson
Subject: RE: Draft Facility Study Report - GINT120349 Notch Butte

Ed:

I think it would be advantageous to discuss the situation in person, are you available for a meeting? I propose this Friday morning at 10:00am if you are available.

Please let us know,

Thanks,
Dustin



Dustin Shively
Energy Systems Engineer
802 W Bannock, 12th Floor Boise, ID 83702
Office: 208.336.9793
www.exergydevelopment.com

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From: Kosydar, Ed [<mailto:EKosydar@idahopower.com>]

Sent: Wednesday, March 07, 2012 1:31 PM

To: Dustin Shively

Cc: Bishop, Rowena; Angell, Dave; Walker, Donovan; Sloan, Aubrae; Patterson, Marc; Schultz, Trevor; Arjona, Daniel; Stewart, Lance; James Carkulis; Elizabeth Woolstenhulme; Josh Gunderson

Subject: RE: Draft Facility Study Report - GINT120349 Notch Butte

Dustin,

I will check with the Planning department, but this sounds like a new Feasibility Study needs to take place. Quite honestly, I don't believe that is how the Generation Interconnect process works. How much power can we feed into Dietrich substation via a 12.5 kV feeder such that 1) we can effectively operate our system and 2) no transmission line upgrades are required on the existing 46 kV system? Obviously this would require a completely different design compared to the previous versions of this project.

ed

From: Dustin Shively [<mailto:dshively@exergydevelopment.com>]

Sent: Wednesday, March 07, 2012 12:18 PM

To: Kosydar, Ed

Cc: Bishop, Rowena; Angell, Dave; Walker, Donovan; Sloan, Aubrae; Patterson, Marc; Schultz, Trevor; Arjona, Daniel; Stewart, Lance; James Carkulis; Elizabeth Woolstenhulme; Josh Gunderson

Subject: RE: Draft Facility Study Report - GINT120349 Notch Butte

Ed:

We do not want to reduce the generating capacity of Notch Butte to 6 MW, nor do we want to change the configuration for interconnection onto the 138kV line. While the permitting and construction is completed, what capacity is available for Notch Butte to interconnect and be energized?

Thank you,

Dustin



Dustin Shively

Energy Systems Engineer

802 W Bannock, 12th Floor Boise, ID 83702

Office: 208.336.9793

www.exergydevelopment.com

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From: Kosydar, Ed [<mailto:EKosydar@idahopower.com>]

Sent: Wednesday, March 07, 2012 11:48 AM

To: Dustin Shively

Cc: Bishop, Rowena; Angell, Dave; Walker, Donovan; Sloan, Aubrae; Patterson, Marc; Schultz, Trevor; Arjona, Daniel; Stewart, Lance; James Carkulis; Elizabeth Woolstenhulme; Josh Gunderson

Subject: RE: Draft Facility Study Report - GINT120349 Notch Butte

Good Morning Dustin,

Last Spring Idaho Power produced both a Feasibility Study Report (FeR) and Facility Study Report (FSR) looking at incorporating 6 MW of generation from Notch Butte Wind Park. Attached is a copy of the FSR dated May 3, 2011. The 6 MW of generation would come into the Dietrich Substation via a 12.5 kV distribution line and then would be stepped up to 46 kV. Adding this generation creates voltage issues for the 46 kV system. In order to resolve these issues, the 46 kV transmission line out of Dietrich which crosses BLM land, would need to be reconducted. This requires a BLM permit with the same estimated 20-30 month process - and no guaranteed result. Reducing the Notch Butte Wind Park generation to 6.0 MW will not allow the timeline of the interconnect to be shortened.

Your latest request was to connect to the 138 kV system and that is what the Draft FSR that I sent you yesterday spoke to. Until the 138kV system has been extended to the Dietrich Substation and the station work is completed, we won't be able to connect the generation from Notch Butte Wind Park to our system.

Ed

From: Dustin Shively [<mailto:dshively@exergydevelopment.com>]
Sent: Tuesday, March 06, 2012 4:00 PM
To: Kosydar, Ed
Cc: Bishop, Rowena; Angell, Dave; Walker, Donovan; Sloan, Aubrae; Patterson, Marc; Schultz, Trevor; Arjona, Daniel; Stewart, Lance; James Carkulis; Elizabeth Woolstenhulme; Josh Gunderson
Subject: RE: Draft Facility Study Report - GINT120349 Notch Butte

Ed:

Thank you for the Notch Butte Facility Study. We would like to make a request based off this DFSR in preparation for the draft GIA. Given the anticipated BLM permitting schedule of 20-30 months, we suggest that this project be allowed to interconnect at 12.5kV and go online with limited capacity until the permitting process is complete. Given the voltage and point of interconnection, this is estimated to be 6 MW of power. The project can accommodate an energization date of 12/12/2012.

Please let us know what information and specifications you need from Exergy to firm up the details for a situation such as this,

Thank you,
Dustin



Dustin Shively
Energy Systems Engineer
802 W Bannock, 12th Floor Boise, ID 83702
Office: 208.336.9793
www.exergydevelopment.com

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From: Kosydar, Ed [<mailto:EKosydar@idahopower.com>]
Sent: Tuesday, March 06, 2012 9:58 AM
To: Dustin Shively
Cc: Bishop, Rowena; Angell, Dave; Walker, Donovan; Sloan, Aubrae; Patterson, Marc; Schultz, Trevor; Arjona, Daniel;

Stewart, Lance

Subject: Draft Facility Study Report - GINT120349 Notch Butte

Good Morning Mr. Shively,

Attached is a cover letter, the Draft Facility Study Report (DFSR) and attachments for the interconnection of 18 MW of wind generation to the Idaho Power system through Dietrich substation. Please be mindful that part of the transmission upgrade requirements for this project are to reconstruct a portion of the T-128 transmission line (46 kV) as well as install transmission line switches - both of these activities are on BLM property . Obtaining a ROW grant (permit) from the BLM is never guaranteed and our recent experience indicates that this will be a 20-30 month process. If the ROW grant is denied by the BLM, then a new interconnection solution would be required which could drastically change both cost and schedule.

As stated in the cover letter, in order to proceed with this project, please provide your comments to the DFSR to me April 6, 2012 and indicate whether you wish to proceed with final design and construction.

Sincerely,

Edward Kosydar, PE
Project Leader
Idaho Power Company
ekosydar@idahopower.com
208-388-2747



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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 49

Walker, Donovan

From: Kosydar, Ed
Sent: Monday, April 09, 2012 6:15 PM
To: 'dshively@exergydevelopment.com'
Cc: Bishop, Rowena; Angell, Dave; Walker, Donovan; Sloan, Aubrae; Schultz, Trevor; Arjona, Daniel; Stewart, Lance; 'Josh Gunderson'; Harris, Joshua; Williams, Jason; Bauer, Rich
Subject: Final Facility Study Report - GINT120349 Notch Butte
Attachments: GINT120349 FSR.pdf; GINT120349 FSR Attachments.pdf

Good Afternoon Mr. Shively,

Attached is a cover letter, the final Facility Study Report (FSR) and attachments (dwgs 21D-64299 shts 1&2, 21D-64340, 21D-17076) for the interconnection of the 18 MW Notch Butte Wind Park project to the Idaho Power system. You will be working with Josh Harris (jharris@idahopower.com) to get a Generator Interconnect Agreement in place and Aubrae Sloan (asloan@idahopower.com) regarding project funding. As soon as funding has been received, we will proceed with final design and material acquisition.

Sincerely,

Edward Kosydar, PE
Project Leader
Idaho Power Company
ekosydar@idahopower.com
208-388-2747



April 9, 2012

Mr. Dustin Shively
Exergy Development Group of Idaho
802 W. Bannock Suite 1200
Boise, Idaho 83702

Re: Final Facility Study Report (FSR) for Notch Butte Wind Park – #349 & 359.

Dear Mr. Shively:

The estimated interconnection cost for this project is \$7,875,000 requiring approximately 34 months to complete the design, procurement, permitting, construction, and commissioning of these facilities. This includes the permitting of the transmission line across BLM land which is typically a 20-30 month process, with no guaranteed outcome.

The response to your request to interconnect with limited generation output and a shorter timeline is addressed in Appendix B. Idaho Power accommodated this irregular request. Please see Appendix B for the additional work (\$) and stipulations required of the Interconnection Customer to execute this scenario. The funding necessary to execute this project, including the work stipulated for the limited generation output, is \$7,950,000. If the Generation Interconnect Agreement (GIA) is signed and funding received by May 1, 2012, then the interconnection facilities will be ready for up to 4.0 MW of generation by December 31, 2012.

Attached is the final Facility Study Report (FSR). This final report will be used to prepare a draft Generator Interconnection Agreement(s) in preparation for construction. Josh Harris (208-388-2658) will be working with you to finalize the Interconnection Agreement(s).

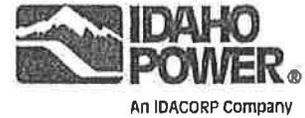
Before we can begin final design or order materials, you are responsible for contacting Idaho Power's credit department to discuss credit requirements for construction funding. Please contact Aubrae Sloan (208-388-5697) at your earliest convenience. Once we receive funding, or the credit requirement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

The actual construction and labor charges will be finalized approximately 90 days subsequent to project completion. Since you are obligated to pay actual costs, we will reconcile any over- or underpayment at that time.

Sincerely,

Edward Kosydar, PE
Project Leader

Attach: Notch Butte DFSR, Dwgs 21D-64299 shts 1 & 2, 21D-64340, 21D-17076
Cc: IPC – J Harris, A Sloan, R Bauer, D Angell, J Williams, D Arjona, T Schultz



Generator Interconnection Facility Study Report

Notch Butte Wind Park – Projects #349 & #359

for

Exergy Development Group of Idaho

in

Boise, ID

April 9, 2012

FACILITY STUDY REPORT (FSR)

Notch Butte Wind Park

Projects #349 & #359

April 9, 2012

1. General Facility Description

The Notch Butte Wind Park project includes both Projects #349 and #359 for a total of 18 MW of power provided by seven 2.5Mw Nordex Turbines. The Interconnection Customer (IC) will provide all generation and station equipment required to deliver power at 12.5 kV to the Point of Interconnection (POI) which is located at the coordinates North 42° 53.12948' West 114° 10.57'. The IC will provide two POTS lines and two DDS circuits to the POIs (one pair for each feeder connection) for communication. Two 12.5 kV feeders will run from the POI four miles west to the IPCo Dietrich substation where the station will be expanded to accommodate the two new feeders. The power will be converted to 138 kV via a 12.5 kV to 138 kV power circuit transformer. A new double circuit transmission line, consisting of a new 138 kV line and the existing 46 kV line, will run four miles due north our of the Dietrich substation. The new 138 kV line will connect to the existing Midpoint-Silver 138 kV line.

Interconnection Customer:
Mr. Dustin Shively
Exergy Development Group of Idaho
802 W. Bannock Suite 1200
Boise, ID 83702
208 336-9793

A Standard Generator Interconnection Agreement(s) 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 Notch Butte Wind Park, specifically Generator Interconnection Projects #349 and #359, will need to be prepared for this project.

1.1 Interconnection Point

The Interconnection Point for the Notch Butte Wind Park Project will be the generator side of the disconnect switches labeled Disconnect Switches A-13 and A-14 (one for each feeder) as shown on the attached Single Line drawings 21D-64299, sheets 1 & 2. This Interconnection Point is in Lincoln County, ID - T6S, R19E, SW corner of Section 22.

1.2 Point of Change of Ownership

The Point of Change of Ownership for the Notch Butte Wind Park Project is electrically the same as the Interconnection Point.

1.3 Customer's Interconnection Facilities

The Interconnection Customer will install all generation and station equipment required to deliver power at 12.5 kV to the interconnection point. Transmitting 18 MW of power at 12.5 kV requires two distribution feeders. The Interconnection Customer needs to balance the generation

between these two feeder connections with no more than 11 MW of power flowing on either feeder. The Interconnection Customer will own and maintain facilities electrically located on the Interconnection Customer side of the Point of Change of Ownership. Idaho Power will own and maintain the facilities electrically located on the IPCo side of the Point of Change of Ownership.

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. Two POTS (Plain Old Telephone Service) dial-up circuit for querying the revenue meter at the generation interconnection site. One for each 4-pole feeder connection.
2. Two leased DDS (Digital Data Service) circuit for SCADA between the generation interconnection site and Twin Falls Service Building (273 Blue Lakes Blvd. S., Twin Falls, ID 83301). One for each 4-pole feeder connection. These circuits must operate at 19.2 kbps data rate. 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 Meteorological Data

In order to integrate the wind energy into the Idaho Power system, the Interconnection Customer will provide weather data to IPCO from the proposed Facility Site or from a location within two miles of the Facility site consisting of the following near real-time weather parameters that will be collected via each meteorological observation tower at 10 m & 80 m above ground: Wind Speed (m/s), Wind Direction, Air Temperature (degrees Cent), along with Relative Humidity, and Barometric Pressure. This data shall be provided to IPCo hourly via commonly accepted electronic web service standards or similar communication method. Specific meteorological data must also be sent over the DDS communication circuit as identified in Appendix A. The Customer will provide relevant historical meteorological data to IPC. Additionally, the Customer shall submit to Idaho Power the physical and technical specifications for all meteorological measurement devices, geographic locations and technical specifications of all turbines. The associated cost

for obtaining this data is the Customers responsibility and therefore not included in the Facility Study estimate.

1.4.3 Ground Fault Equipment

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

1.4.4 Easements

The Interconnection Customer will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities at the Interconnection Point. 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.

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

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 and Appendix A.

1.4.6 Local Service

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

1.4.7 Monitoring Information

If the Interconnection Customer requires the ability to monitor information related to the Idaho Power reclosers in the generation interconnection package they are required to supply their own communications circuit to the control box.

1.5 Idaho Power Company's Interconnection Facilities at the Site

Idaho Power will install two standard generation interconnection packages, one for each feeder. For each package, 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 packages each will include four distribution poles to mount a local service transformer, solid blade disconnects, primary metering package, recloser, relays, RTU, fuses and riser necessary for the package. The interconnection will be controlled by a SEL-311C line protection relay and a GE iBox RTU. The relay and RTU will be located in a pole mounted enclosure and will also contain a test switch (TS4), SLSS, dialup modem, DDS CSU/DSU, isolation interface, power supply, DC converter, control switch and surge protector.

Concrete barriers may be necessary to protect this equipment from local area traffic.

A 2” conduit will be installed alongside the underground primary to facilitate information exchange to the customer about the recloser. (The Interconnection Customer is responsible for providing and installing the appropriate cable.)

1.5.1 Communications

The Interconnection Customer is providing the communication circuits necessary for Idaho Power system protection, revenue metering, power quality, and SCADA as indicated above in the Telecommunications section. Any additional communications requirements for Interconnection Customer owned equipment is the responsibility of the Interconnection Customer.

1.5.2 Metering

Idaho Power will install two 12.5 kV metering packages at the point of interconnection – one for each feeder.

1.6 Interconnection Facilities Cost Estimate

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Packages (2)	IPC	\$440,000
SUBTOTAL		\$440,000
<i>See Section 6 for Total Estimate Costs</i>		

2. Timeline

Idaho Power requires approximately thirty-four (34) months to complete design, procurement, construction, permitting, and commissioning of the necessary interconnection facilities and required upgrades associated with the Notch Butte Wind Park Project prior to the Commercial Operation Date. This timeframe will be further detailed and specified in the Generator Interconnection Agreement and assumes that material can be procured, labor resources are available, and that outages to the existing system are available to be scheduled.

There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit (ROW grant) will be required from the BLM in order to re-build this portion of the line for the double circuit transmission as well as the 138 kV transmission line switches where the new 138 kV line connects to the existing transmission line. Obtaining a ROW grant from the BLM is never guaranteed and is typically a 20-30 month process at this point in time. Please recognize that this is outside of Idaho Power’s control. If the ROW grant is denied then a new interconnection solution would be required and this could drastically alter project costs and timeline.

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.

Notch Butte Wind Park 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 accomplished with a setpoint and discrete output control from Idaho Power to the Project indicating maximum output allowed. For more detail see Appendix A.

Low Voltage Ride Through: 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 Interconnection Point with no impact upon the operation of the transmission or distribution system whenever the generation facilities are electrically isolated from the system via the air break switches A-13 and A-14 and a terminal clearance is issued by Idaho Power Company's Grid Operator.

Please see Appendix B for details on a Limited Generation Output request made by the Interconnect Customer.

4. Reactive Power

Notch Butte Wind Park must be controlled to operate as a VAR neutral system with a total ± 500 kVAR operating band.

5. Upgrades

5.1 Upgrades to Distribution Facilities

A new double circuit (DTRC-013 and 014) 12.5 kV distribution line from Dietrich substation to the point of interconnection (4 miles). This new distribution line will be built with 795 AAC conductor on both circuits with ADSS underbuild.

5.2 Upgrades to Station Facilities

- Two new 12.5 kV feeder bays with associated switches, breakers, relays etc at Dietrich substation
- A new 138:12.5 kV power transformer and associated equipment at Dietrich substation with protection package, control building.

- Line relay and microwave upgrades at Midpoint substation
- DTRC-MPSN microwave reflector site (near Notch Butte)

5.3 Upgrades to Transmission Facilities

Idaho Power will rebuild 4 miles of the existing 46 kV transmission line (T-128) with a double circuit transmission line that will accommodate both the existing 46 kV line as well as the new 138 kV line. The new 138 kV line will then tap into the existing Midpoint-Silver 138 kV line with line switches on all three sides of the tap.

6. Total Estimated Costs

The following good faith estimates are provided in 2012 dollars:

Description	Ownership	Cost Estimate
<i>Interconnection Facilities:</i>		
Interconnection Packages (2)	IPC	\$440,000
<i>Distribution Upgrades:</i>		
Distribution Feeders to Dietrich Substation (DTRC-013 & DTRC-014) with ADSS fiber	IPC	\$965,000
<i>Substation Upgrades:</i>		
Dietrich Substation Additions	IPC	\$2,835,000
Midpoint Relay upgrades	IPC	\$65,000
Midpoint Microwave upgrades	IPC	\$190,000
DTRC-MPSON Microwave Reflector Site	IPC	\$325,000
<i>Transmission Upgrades:</i>		
Remove 4 miles of 46 kV line with underbuild	IPC	\$130,000
Build 4 miles of line to double circuit	IPC	\$2,550,000
3 – 138 kV Line Switches	IPC	\$300,000
*BLM Permitting/ROW Grant	IPC	\$75,000
GRAND TOTAL		\$7,875,000

*There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit will be required from the BLM in order to rebuild this portion of the line to double circuit as well as install the transmission line switches. The costs for this permitting can vary widely and have been estimated at a combined \$75K.

Note Regarding Transmission Service:

This Facility Study is a Network Resource Interconnection Facility Study. This study identifies the facilities necessary to integrate the Generating Facility into Idaho Power's network to serve load within Idaho Power's balancing area. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery.

Appendix A

Generation Interconnection Control Requirements

A.1 Generator Output Limit Control (GOLC)

A.1.1 IPC requires Interconnected Power Producers to accept GOLC signals from our EMS.

A.1.2 The GOLC signals will consist of four points shared between the IPC EMS and the Customer's Generator Controller:

A.1.2.1 GOLC Setpoint: An analog output that contains the MW value the Customer should curtail to, should a GOLC request be made via the GOLC On/Off discrete output Control point.

A.1.2.1.1 An Analog Input feedback point must be updated (to reflect the GOLC setpoint value) by the Customer Controller upon the Controller's receipt of the GOLC setpoint change, with no intentional delay.

A.1.2.2 GOLC On/Off: A discrete output (DO) control point with latching Off/On states. Following a "GOLC On" control, the Customer Controller will run power output back to the MW value specified in the GOLC Setpoint. Following a "GOLC Off" control, the Customer is free to run to maximum possible output.

A.1.2.2.1 A Discrete Input feedback point must be updated (to reflect the GOLC DO state) by the Customer Controller upon the Controller's receipt of the GOLC DO state change, with no intentional delay.

A.1.3 If a GOLC control is issued, it is expected to see MW reductions start within 1 minute and plant output to be below the GOLC Setpoint value within 10 minutes.

A.2 Generation Interconnection Data Points Requirements

Digital Inputs to IPCo (DNP Obj. 01, Var. 2)			
Index	Description	State (0/1)	Comments:
0	52A Customer Capacitor Breaker (if present)	Open/Closed	Sourced at substation
1	GOLC Off/On Control Received (Feedback)	Off/On	Provided by Customer

Digital Outputs to Customer (DNP Obj. 10, Var. 1)		
Index	Description	Comments:
0	GOLC Off/On	Provided by IPCO
NOTE: GOLC Setpoint indicates MW value to curtail to when GOLC Off/On DO is ON.		

Analog Inputs to IPCo (DNP Obj. 30, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint Value Received (Feedback)	32767	32768	TBD	TBD	MW	Provided by Customer
1	<i>Spare – Reserved for Voltage Control Feedback</i>	32767	32768	TBD	TBD	kV	Provided by Customer
2	Maximum Park Generating Capacity	32767	-	TBD	TBD	MW	Provided by

			32768				Customer
3	Number of Turbines In High Speed Cutout	32767	32768	32767	-32768	Units	Provided by Customer
4	Ambient Temperature	32767	32768	327.67	-327.68	F or C	Provided by Customer
5	Wind Direction	32767	32768	3276.7	-3276.8	Deg	Provided by Customer
6	Wind Speed	32767	32768	327.67	-327.68	MPH or m/s	Provided by Customer

Analog Outputs to Customer (DNP Obj. 40, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint	32767	32768	TBD	TBD	MW	Provided by IPCO
1	<i>Spare – Reserved for Voltage Control Setpoint</i>	32767	32768	TBD	TBD	kV	Provided by IPCO
NOTE: Curtailment Setpoint indicates MW value to Curtail to when Curtailment Off/On DO is ON.							

Appendix B

Limited Generation Output

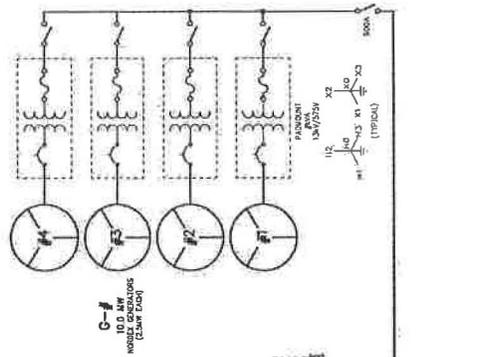
In response to the Interconnection Customer's (IC) request to come on line by the end of the year with a limited generation output, IPC conducted additional power flow models. It was determined that acceptable voltage on the 46 kV system could be maintained with 4.0 MW of generation from Notch Butte Wind Park if the generators have the ability to absorb 3.0 MVAR. The installation of a 46 kV potential transformer transfer/trip package would have to be added to the scope/costs of the work at Dietrich substation. The IC will be responsible for absorbing the VARs (3.0 maximum) necessary to maintain a 1.075 p.u. maximum 46 kV bus voltage at Dietrich substation. A voltage level above 1.075 p.u. will cause the generator to be tripped offline.

Idaho Power will provide the magnitude of the 46kV bus voltage at Dietrich station to the customer's control system. The voltage value will be made available to the customer's control system via the measurement device at Dietrich (e.g. meter or relay) and a direct, serial connection via the new feeder ADSS fiber optics. Data protocol and point formatting to be determined.

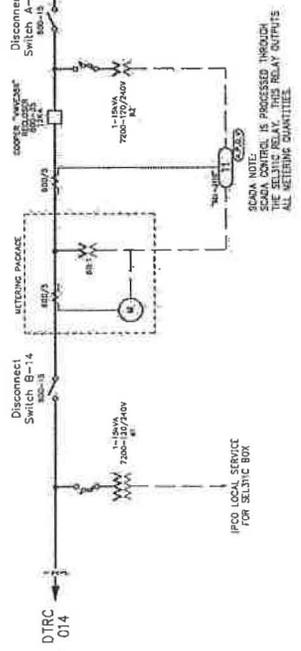
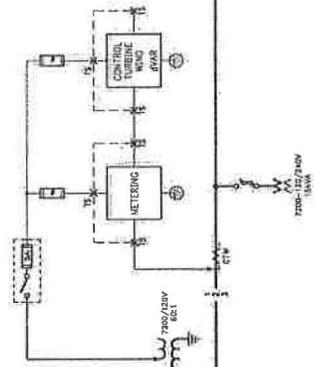
The estimated cost of this additional work is \$75,000. This brings the total estimated project cost to \$7,950,000. If the Generation Interconnection Agreement is signed and the project is funded before May 1st, 2012, then IPCo will have the facilities necessary for this limited generation output in place by December 31st, 2012.

NO.	REVISION
1	REVISION

NOTCH BUTTE WIND PARK
10.0 MW
WIND GENERATORS
(2x5.0 MW)



POINT OF INTERCONNECTION
BY IPCO ← BY GENERATOR



SCADA NOTE:
SCADA CONTROL IS PROCESSED THROUGH
THE RELAY OUTPUTS
ALL METERING QUANTITIES

IPCO LOCAL SERVICE
FOR SELFTIC BOX

DTRC
014

PROJECT LOCATION:
165. RISE SECTIONS 22
Lincoln County

REFERENCE DRAWINGS
DTRC 210-64299-2

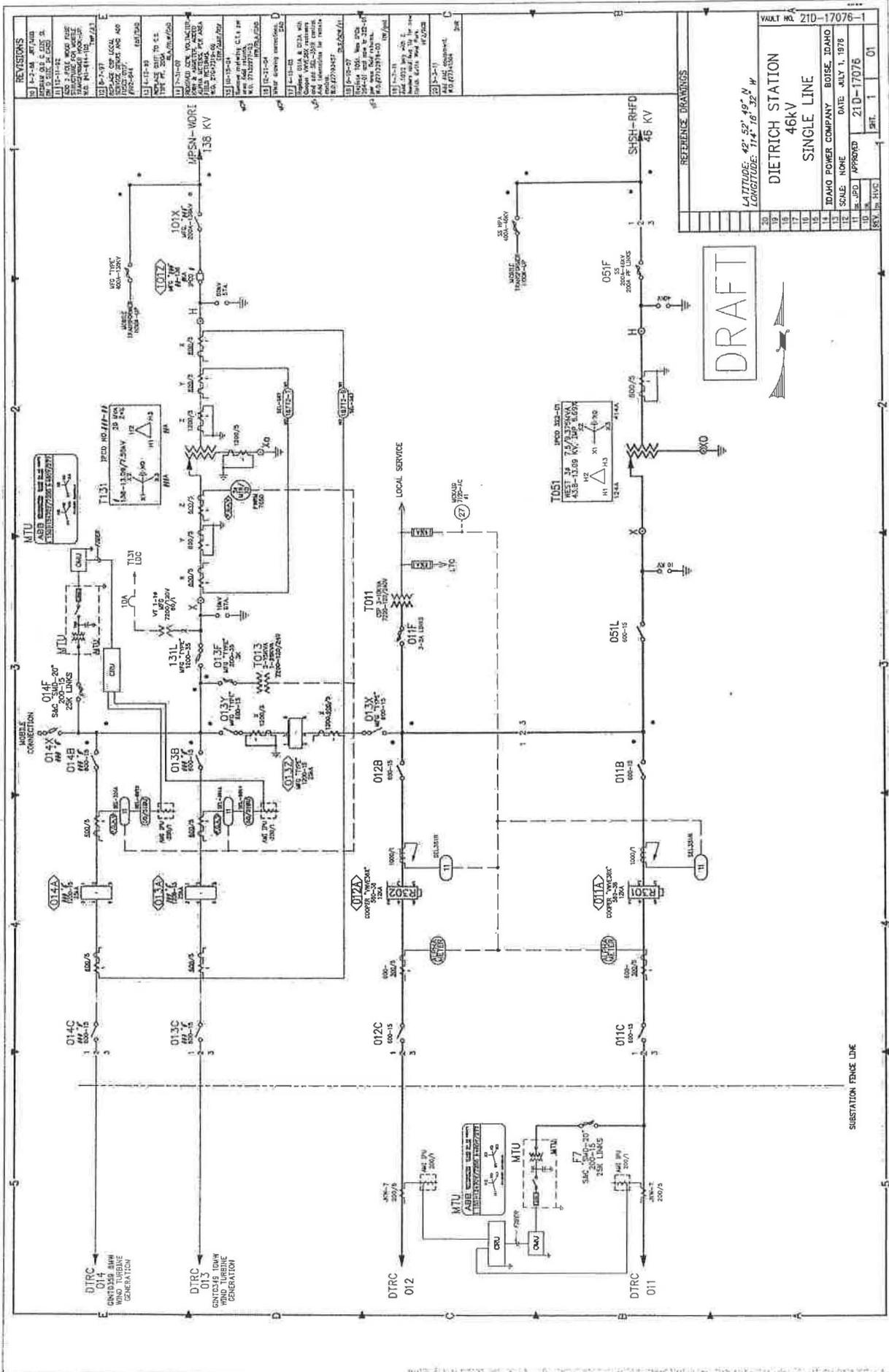
DRAFT

NOTCH BUTTE WIND PARK
10.0MW - DTRC 014
GENERATION
SINGLE LINE

DTRC POWER COMPANY BOSSIE IDAHO

DATE 9-13-11
SCALE NONE

APPROVED	210-64299
REV	1
REV	2
REV	01



REVISIONS	
1	1-1-58 46KV
2	1-1-58 46KV
3	1-1-58 46KV
4	1-1-58 46KV
5	1-1-58 46KV
6	1-1-58 46KV
7	1-1-58 46KV
8	1-1-58 46KV
9	1-1-58 46KV
10	1-1-58 46KV
11	1-1-58 46KV
12	1-1-58 46KV
13	1-1-58 46KV
14	1-1-58 46KV
15	1-1-58 46KV
16	1-1-58 46KV
17	1-1-58 46KV
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25	1-1-58 46KV
26	1-1-58 46KV
27	1-1-58 46KV
28	1-1-58 46KV
29	1-1-58 46KV
30	1-1-58 46KV

DRAFT

Vault No. 210-17076
 DIETRICH STATION
 46KV
 SINGLE LINE
 IDAHO POWER COMPANY BOISE, IDAHO
 DATE JULY 1, 1978
 SOLE NONE
 APPROVED 210-17076
 SHEET 1 OF 01

LATITUDE: 42° 52' 49" N
 LONGITUDE: 114° 16' 32" W

REFERENCE DRAWINGS

SUBSTATION FENCE LINE

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 50



April 20, 2012
Via email & Certified Mail#7010278000090951625

Mr. Dustin Shively
Exergy Development Group of Idaho
802 W. Bannock Suite 1200
Boise, Idaho 83702

Re: Draft GIA for Notch Butte Wind Park Project – GI# 349 & 359

Dear Mr. Shively:

Attached please find a copy of the final Facility Study Report (FSR) dated April 9, 2012, and a draft Generator Interconnection Agreement (GIA) for your Generator Interconnection project. The GIA 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: <http://www.idahopower.com/aboutus/regulatoryinfo/tariffs.asp> The GIA Attachments are based on the Facility Study Report. Please review the GIA Attachments to make sure they are comprehensive and accurate and advise me of any changes as soon as possible.

Although the preferred method of funding is full payment 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.

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

1. Your requested in service date to complete Attachment 3 of the GIA.
2. Proof of Site Control for the project
3. Insurance certification pursuant to Section 7 of the GIA (certificate, 1 endorsement for Additional insured, and 1 for the cancellation notice)
4. Financial arrangements approved by Idaho Power credit department, or full payment for construction

Please note the dates in Attachment 3 to the GIA. In order for you to come on line with limited output by December 15, 2012 we must have this agreement executed by May 1, 2012.

Failure to submit all of the requested items above by May 21, 2012 will cause your Generator Interconnection request to have been deemed withdrawn and terminated. Please contact me at your earliest convenience with any questions.

Sincerely,

Josh Harris
Operations Analyst
jharris@idahopower.com

Dustin Shively, Exergy

Page 2 of 2

April 20, 2012

Encl: Final Facility Study Report
Draft GIA for Notch Butte Project # 349 & 359

Cc: (via email) Ed Kosydar Project Leader/IPC
Rich Bauer/IPC
Aubrae Sloan/IPC

April 20, 2012

GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

Notch Butte Wind Parks PROJECTS #349 & #359
6.5 / 11.5 MW

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This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the 19 day of April, 2012 between Exergy Development Group of Idaho, ("Seller", "Customer" or "The Project") and Idaho Power Company ("Company", "Transmission Owner", "Idaho Power", "IPC" or "IPCO").

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

Attachment 7 – Generator Interconnection Control Requirements

5. Effective Date, Term, Termination and Disconnection.

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

5.2 Termination.

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

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

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

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

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

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

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

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

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

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

5.3.7 Modification of the Generation Facility. The Seller must receive written authorization from the Company before making any change to the Generation Facility that may have a material impact on the safety or reliability of the Company's transmission/distribution system. Such authorization shall not be unreasonably withheld.

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

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

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

5.4 Land Rights.

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

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

5.4.3 Joint Use of Facilities. Subject to Idaho Power's compliance with Paragraph 15.4.4, Idaho Power may use and attach its distribution and/or transmission facilities to Seller's Interconnection Facilities, may reconstruct Seller's Interconnection Facilities to accommodate Idaho Power's usage or Idaho Power may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to Paragraph 5.4.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by Paragraph 5.4.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this Paragraph 5.4.3.

5.4.4 Conditions of Use. It is the intention of the Parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior

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

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

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

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

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

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

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

6.3 Indemnity.

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

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

6.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and

reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim. Failure to defend is a Material Breach.

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

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

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

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

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

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

6.5 Default and Material Breaches.

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

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

7. Insurance.

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

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

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

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

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

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

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

8. Miscellaneous.

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

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

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

9. Notices.

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

If to the Seller:

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.

Seller's Operating Representative:

Seller: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Company's Operating Representative:

Idaho Power Company - Delivery
Attention: Outage Coordinator – System/Regional Dispatch
1221 W. Idaho Street
Boise, Idaho 83702
Over 138kV phone 208 388 2861 during regular business hours
Under 138kV Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
After hours – System Dispatch 388 2826
Regional Dispatch
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

Interconnection Details

Type of Interconnection Service: Studied as an Idaho Power Network Resource under PURPA
Full Output: 18 MW (both projects)
Nominal Delivery Voltage: 12.5 kV

General Facility Description

The Notch Butte Wind Park project includes both Projects #349 and #359 for a total of 18 MW of power provided by seven 2.5Mw Nordex Turbines. The Interconnection Customer (IC) will provide all generation and station equipment required to deliver power at 12.5 kV to the Point of Interconnection (POI) which is located at the coordinates North 42° 53.12948' West 114° 10.57'. The Seller will provide two POTS lines and two DDS circuits to the POIs (one pair for each feeder connection) for communication. Two 12.5 kV feeders will run from the POI four miles west to the IPCo Dietrich substation where the station will be expanded to accommodate the two new feeders. The power will be converted to 138 kV via a 12.5 kV to 138 kV power circuit transformer. A new double circuit transmission line, consisting of a new 138 kV line and the existing 46 kV line, will run four miles due north out of the Dietrich substation. The new 138 kV line will connect to the existing Midpoint-Silver 138 kV line.

Interconnection Point

The Interconnection Point for the Notch Butte Wind Park Project will be the generator side of the disconnect switches labeled Disconnect Switches A-13 and A-14 (one for each feeder) as shown on the attached Single Line drawings 21D-64299, sheets 1 & 2. This Interconnection Point is in Lincoln County, ID - T6S, R19E, SW corner of Section 22.

A drawing identifying the Point of Interconnection is included as Attachment 2. The Point of Change of Ownership is electrically the same as the Interconnection Point.

Seller's Interconnection Facilities

The Seller will install all generation and station equipment required to deliver power at 12.5 kV to the interconnection point. Transmitting 18 MW of power at 12.5 kV requires two distribution feeders. The Seller shall balance the generation between these two feeder connections with no more than 11 MW of power flowing on either feeder. The Seller will own and maintain facilities electrically located on the Interconnection Customer side of the Point of Change of Ownership. Idaho Power will own and maintain the facilities electrically located on the IPCo side of the Point of Change of Ownership.

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.

The Seller will provide a DNP 3.0 serial data connection to the local Idaho Power Company SCADA RTU when any communication with Seller-owned and maintained equipment is required for GOLC, voltage control or other plant monitoring or control. Preliminary points lists and functional description were provided to the Seller in the Facility Study Report.

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

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

Two POTS (Plain Old Telephone Service) dial-up circuit for querying the revenue meter at the generation interconnection site. One for each 4-pole feeder connection.

Two leased DDS (Digital Data Service) circuit for SCADA between the generation interconnection site and Twin Falls Service Building (273 Blue Lakes Blvd. S., Twin Falls, ID 83301). One for each 4-pole feeder connection. These circuits must operate at 19.2 kbps data rate. Please note that Frame Relay service is not acceptable.

The Interconnection Customer/communications provider shall provide a demarcation box and terminate the specified communications circuits at the demarcation box. The location of the demarcation box will be determined by Idaho Power. The demarcation box shall meet the following requirements:

- Be accessible by both the communications provider and Idaho Power
- The location shall be near Idaho Power's equipment and shall be subject to approval by Idaho Power
- The communications cable pairs shall be labeled/tagged accordingly (i.e. circuit number, phone number, transmit, receive, etc.)

The Seller 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 Seller 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 Seller. 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 trouble-shooting of Idaho Power owned equipment.

Ground Fault Equipment

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

Monitoring Information

If the Seller requires the ability to monitor information related to the Idaho Power reclosers in the generation interconnection package they are required to supply their own communications circuit to the control box.

Easements

The Seller will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities at the Interconnection Point. 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 Seller will return the signed easement to IPCO for recording.

Generator Output Limit Control

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

Local Service

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

Idaho Power Company's Interconnection Facilities

Idaho Power will install two standard generation interconnection packages, one for each feeder. For each package, if the Seller 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 Seller 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 packages each will include four distribution poles to mount a local service transformer, solid blade disconnects, primary metering package, recloser, relays, RTU, fuses and riser necessary for the package. The interconnection will be controlled by a SEL-311C line protection relay and a GE iBox RTU. The relay and RTU will be located in a pole mounted enclosure and will also contain a test switch (TS4), SLSS, dialup modem, DDS CSU/DSU, isolation interface, power supply, DC converter, control switch and surge protector.

Concrete barriers may be necessary to protect this equipment from local area traffic.

A 2" conduit will be installed alongside the underground primary to facilitate information exchange to the customer about the recloser. (The Interconnection Customer is responsible for providing and installing the appropriate cable.)

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.

Maintenance Coordination Exception

The Seller's protective relays will not provide back-up protection for Idaho Power facilities, therefore the last 2 sentences in Section 5.3.4 of this Generator Interconnection Agreement do not apply to this Generation Facility.

Estimated Cost & Ownership

The following good faith estimates are provided in 2011 dollars:

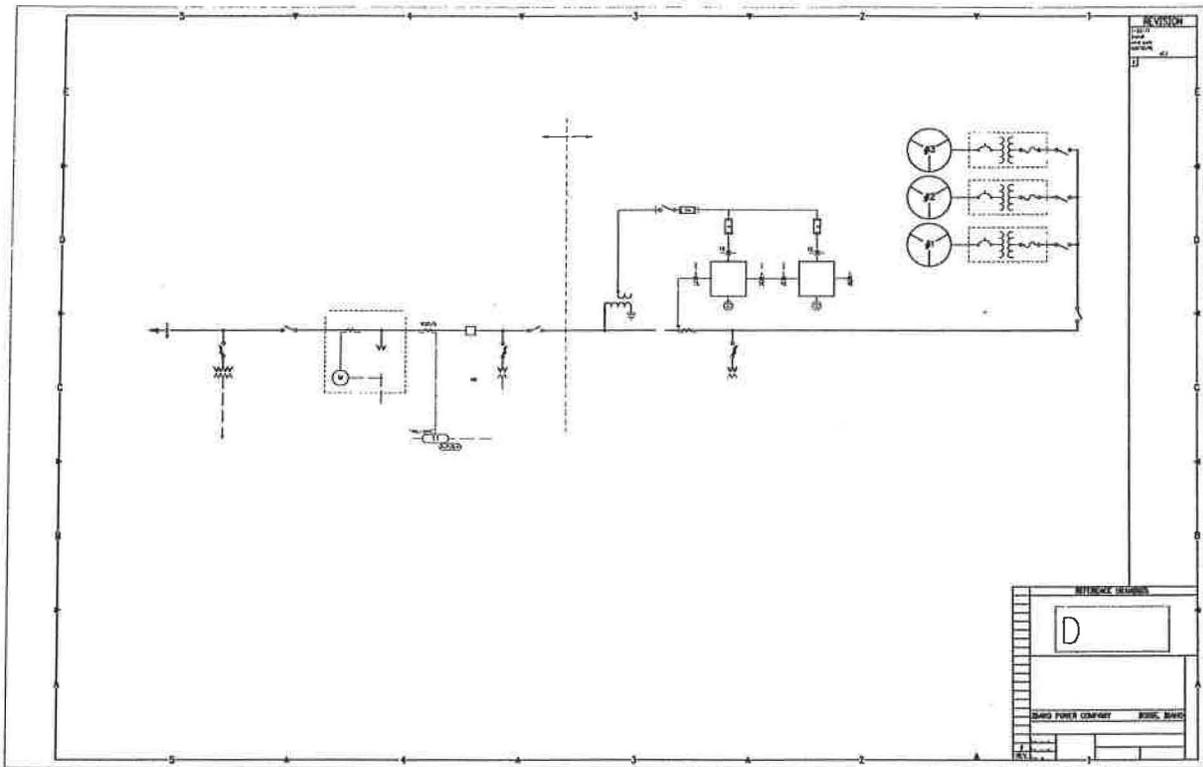
Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Packages (2)	IPC	\$440,000
SUBTOTAL		\$440,000
<i>See Attachment 6 for Total Estimate Costs</i>		

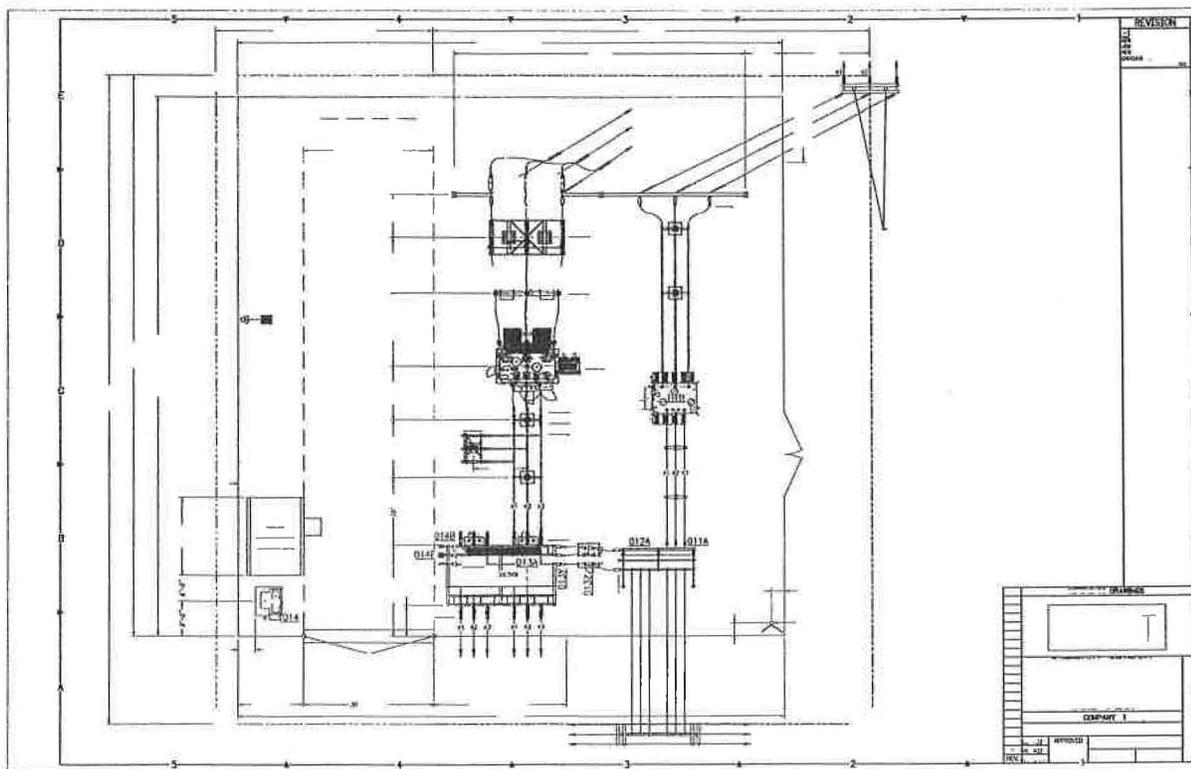
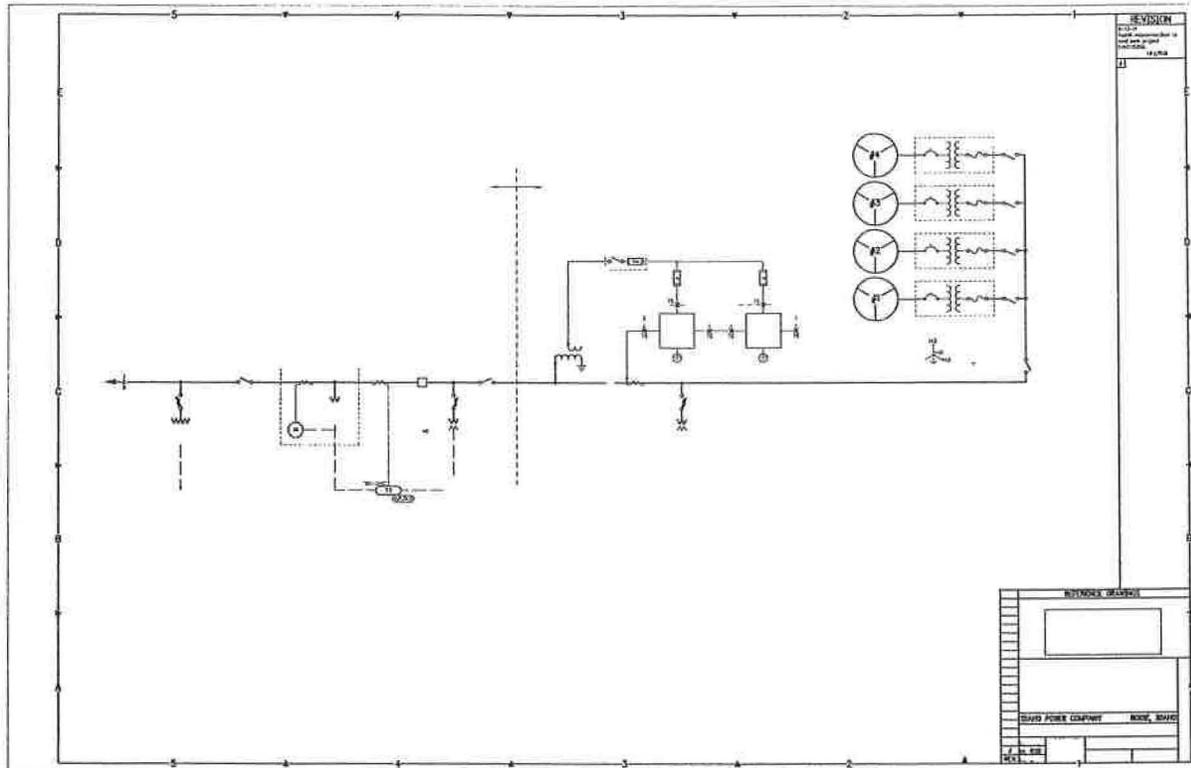
Full payment is required up front in accordance with Schedule 72, unless payment arrangements are made in advance with Idaho Power Operations Finance (see Attachment 3).

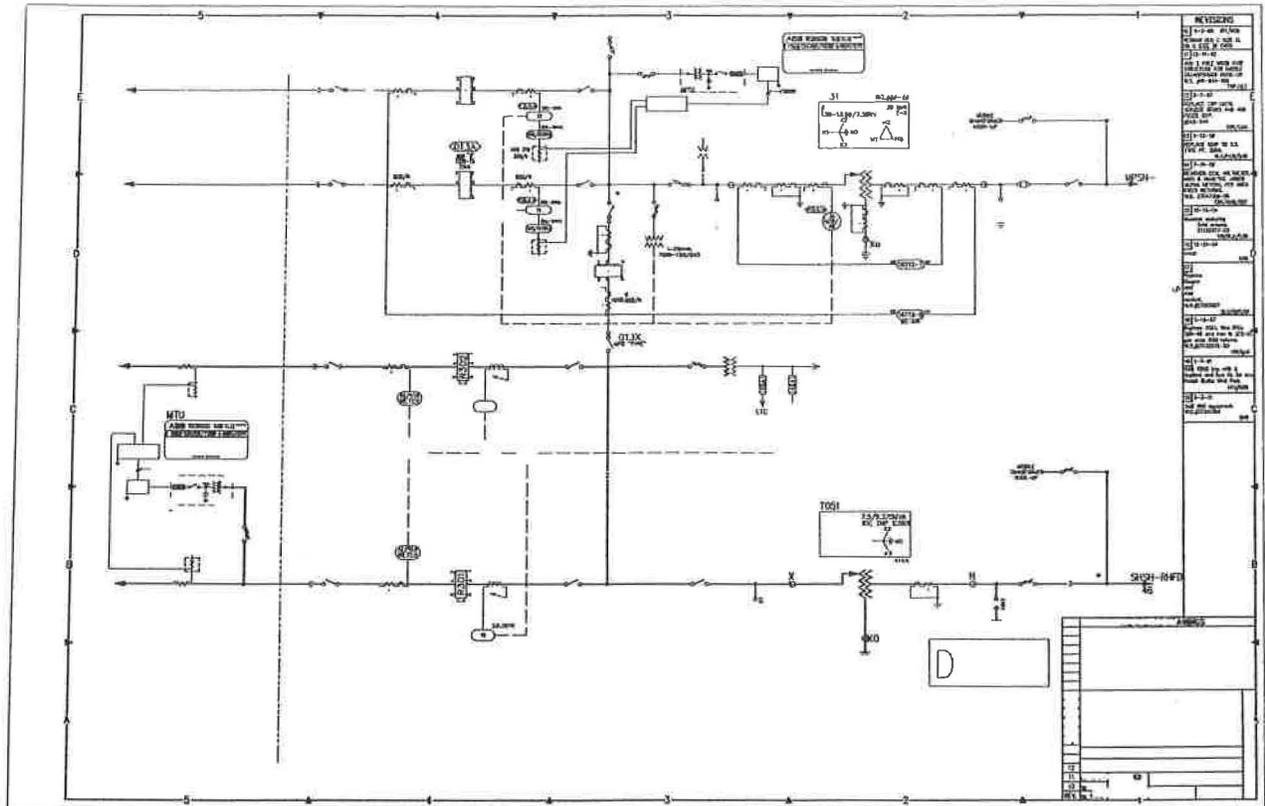
Billing for construction activities will be based upon actual expenditures.

Attachment 2

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







Attachment 3

Milestones for Interconnecting to the Generation Facility

Idaho Power Company agrees only to the Construction timelines under its direct control provided in the Facility Study Report for this Project.

These milestones will begin, and the construction schedule referenced below, will only be valid upon receipt of funding in full from the Seller or their authorized third party no later than the date set forth below for such payment. Additionally, failure by Seller to make the required payments as set forth in this Agreement by the date(s) specified below will be a material breach of this Agreement, which may result in any or all of the following: (i) loss of milestone dates and construction schedules set forth below; (ii) immediate termination of this Agreement by Idaho Power; (iii) removal from the generator interconnection queue.

Limited Generation Output

In response to the Seller's request to come on line by the end of the year with a limited generation output, IPC conducted additional power flow models. It was determined that acceptable voltage on the 46 kV system could be maintained with 4.0 MW of generation from Notch Butte Wind Park if the generators have the ability to absorb 3.0 MVAR. The installation of a 46 kV potential transformer transfer/trip package would have to be added to the scope/costs of the work at Dietrich substation. The Seller will be responsible for absorbing the VARs (3.0 maximum) necessary to maintain a 1.075 p.u. maximum 46 kV bus voltage at Dietrich substation. A voltage level above 1.075 p.u. will cause the generator to be tripped offline.

Idaho Power will provide the magnitude of the 46kV bus voltage at Dietrich station to the customer's control system. The voltage value will be made available to the seller's control system via the measurement device at Dietrich (e.g. meter or relay) and a direct, serial connection via the new feeder ADSS fiber optics. Data protocol and point formatting to be determined.

The estimated cost of this additional work is \$75,000. This brings the total estimated project cost to \$7,950,000. If the Generation Interconnection Agreement is signed and the project is funded before **May 1st, 2012**, then IPCo will have the facilities necessary for this limited generation output in place by December 15th, 2012.

Critical milestones and responsibility as agreed to by the Parties:

Under limited output as per above

Date	Responsible Party	Milestones
5/1/2012	Seller	IPCO receives the remaining balance of Construction estimate \$7,950,000 OR Credit arrangements are approved by IPCO
12/1/2012	Seller	Customer GOLC ready to connect & customer telecomm requirements are complete
12/15/2012	IPCO	IPCO Construction Complete
12/15/2012	IPCO	IPCO Commissioning Complete
12/15/2012	IPCO	Project Leader issues Construction Complete Letter
12/15/2012	IPCO	Manager of Grid Operations authorizes project to be energized, upon verification that Seller has previously met Schedule 72, Sec 7 Insurance requirements
12/15/2012	Seller	Customer testing begins

TBP by Seller-usually 1 month later, or longer	Seller	Customer's requested In-Service Date
--	--------	--------------------------------------

**Critical milestones and responsibility as agreed to by the Parties:
Under full output**

Date	Responsible Party	Milestones
6/1/2012	Seller	IPCO receives the remaining balance of Construction estimate \$XXX OR Credit arrangements are approved by IPCO
3/15/2015	Seller	Customer GOLC ready to connect & customer telecomm requirements are complete
4/1/2015	IPCO	IPCO Construction Complete
3/4/2015	IPCO	IPCO Commissioning Complete
4/15/2015	IPCO	Project Leader issues Construction Complete Letter
4/15/2015	IPCO	Manager of Grid Operations authorizes project to be energized, upon verification that Seller has previously met Schedule 72, Sec 7 Insurance requirements
4/15/2015	Seller	Customer testing begins
TBP by Seller-usually 1 month later, or longer	Seller	Customer's requested In-Service Date

Idaho Power requires approximately thirty-four (34) months to complete design, procurement, construction, permitting, and commissioning of the necessary interconnection facilities and required upgrades associated with the Notch Butte Wind Park Project prior to the Commercial Operation Date for full output. This timeframe will be further detailed and specified in the Generator Interconnection Agreement and assumes that material can be procured, labor resources are available, and that outages to the existing system are available to be scheduled.

There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit (ROW grant) will be required from the BLM in order to re-build this portion of the line for the double circuit transmission as well as the 138 kV transmission line switches where the new 138 kV line connects to the existing transmission line. Obtaining a ROW grant from the BLM is never guaranteed and is typically a 20-30 month process at this point in time. This is outside of Idaho Power's control. If the ROW grant is denied then a new interconnection solution would be required and this could drastically alter project costs and timeline.

Agreed to by:

For the Seller: _____ Date _____

For the Transmission Provider
Idaho Power Company _____ 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

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 A-13 and A-14 switches and a terminal clearance is issued by Idaho Power Company's Grid Operator.

Generator Output Limit Control ("Re-dispatch" or "GOLC") The Project will be subject to reductions directed by Idaho Power Company 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 have equipment capable of receiving signals from Idaho Power for GOLC. Generator Output Limit Control will be a setpoint from Idaho Power to the Project indicating maximum output allowed. See Attachment 7 for details.

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point. It is preferable to bring each generating unit online separately to minimize voltage flicker on the distribution system.

Low Voltage Ride Through

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 interconnect 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.

Ground Fault Equipment

The Seller will install transformer configurations that are Grounded-Wye to Grounded-Wye and will limit the contribution of the ground fault current to 20 amps or less at the Interconnection Point.

Meteorological Data

Historical wind data – Within 60 days after execution of this Agreement, the Seller shall provide Idaho Power with the following:

- a) historical wind data in an electronic format from the proposed Facility site or for a location within two miles of the Facility site.
- b) a third party wind assessment study report used by Seller to value investment in the Facility.

No later than 30 days prior to the Commercial Operation Date, the Seller shall have:

- a) Erected at the site at least one (1) high quality, approximate hub-height (plus or minus 20 meters), permanent, meteorological wind measurement tower(s) at location(s) on the site equipped with:

- (i) Two (2) anemometers per tower;
 - (ii) Two (2) air temperature sensors per tower;
 - (iii) One (1) barometric pressure sensor (with DCP sensor); and
 - (iv) Two (2) wind vanes per tower.
-

Facility availability status shall be provided as described in the Final Facility Study no later than within the calendar month following the month of the Commercial Operation Date. Failure by the Seller to operate and maintain this equipment to provide such meteorological and turbine availability data in a manner to provide reasonably accurate and dependable data for the full term of this Agreement shall be an event of Default under paragraph 6.5.1.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 500 kVar .

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point.

Attachment 6Company'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**Upgrades to Substation Facilities**

Two new 12.5 kV feeder bays with associated switches, breakers, relays etc at Dietrich substation
 A new 138:12.5 kV power transformer and associated equipment at Dietrich substation with protection package, control building.
 Line relay and microwave upgrades at Midpoint substation
 DTRC-MPSN microwave reflector site (near Notch Butte)

Upgrades to Distribution Facilities

A new double circuit (DTRC-013 and 014) 12.5 kV distribution line from Dietrich substation to the point of interconnection (4 miles). This new distribution line will be built with 795 AAC conductor on both circuits with ADSS underbuild.

Upgrades to Transmission Facilities

Idaho Power will rebuild 4 miles of the existing 46 kV transmission line (T-128) with a double circuit transmission line that will accommodate both the existing 46 kV line as well as the new 138 kV line. The new 138 kV line will then tap into the existing Midpoint-Silver 138 kV line with line switches on all three sides of the tap.

The following good faith estimates are provided in 2012 dollars:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Packages (2)	IPC	\$440,000
Distribution Upgrades:		
Distribution Feeders to Dietrich Substation (DTRC-013 & DTRC-014) with ADSS fiber	IPC	\$965,000
Substation Upgrades:		
Dietrich Substation Additions	IPC	\$2,835,000
Midpoint Relay upgrades	IPC	\$65,000
Midpoint Microwave upgrades	IPC	\$190,000
DTRC-MPSON Microwave Reflector Site	IPC	\$325,000
Transmission Upgrades:		
Remove 4 miles of 46 kV line with underbuild	IPC	\$130,000
Build 4 miles of line to double circuit	IPC	\$2,550,000
3 – 138 kV Line Switches	IPC	\$300,000
*BLM Permitting/ROW Grant	IPC	\$75,000
GRAND TOTAL		\$7,875,000

*There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit will be required from the BLM in order to rebuild this portion of the line to double circuit as well as install the transmission line switches. The costs for this permitting can vary widely and have been estimated at a combined \$75K.

Note Regarding Transmission Service:

This Facility Study is a Network Resource Interconnection Facility Study. This study identifies the facilities necessary to integrate the Generating Facility into Idaho Power's network to serve load within Idaho Power's balancing area. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery.

Attachment 7

Generation Interconnection Control Requirements

Generator Output Limit Control (GOLC)

IPC requires Interconnected Power Producers to accept GOLC signals from our EMS.

The GOLC signals will consist of two points shared between the IPC EMS and the Customer's Generator Controller:

GOLC Setpoint: An analog output that contains the MW value the Customer should curtail to, should a GOLC request be made via the GOLC On/Off discrete output Control point.

An Analog Input feedback point must be updated (to reflect the GOLC setpoint value) by the Customer Controller upon the Controller's receipt of the GOLC setpoint change, with no intentional delay.

GOLC On/Off: A discrete output (DO) control point with latching Off/On states. Following a "GOLC On" control, the Customer Controller will run power output back to the MW value specified in the GOLC Setpoint. Following a "GOLC Off" control, the Customer is free to run to maximum possible output. A Discrete Input feedback point must be updated (to reflect the GOLC DO state) by the Customer Controller upon the Controller's receipt of the GOLC DO state change, with no intentional delay.

If a GOLC control is issued, it is expected to see MW reductions start within 1 minute and plant output to be below the GOLC Setpoint value within 10 minutes.

Voltage Control

Idaho Power Company requires Transmission-Interconnected Power Producers to accept Voltage Control signals from our EMS when they are connected to our transmission system.

The voltage control will consist of one setpoint shared between the IPC EMS and the Customer Controller.

The setpoint will contain the desired target voltage for the plant to operate at.

The control will always be active, there is no digital supervisory point like the Curtail On/Off control above.

When a setpoint change is issued an Analog Input feedback point must be updated (to reflect the Voltage Control setpoint value) by the Customer Controller upon the Controller's receipt of the Voltage Control setpoint change, with no intentional delay.

When a setpoint change is received by the Customer Controller, the Voltage Control system should react with no intentional delay.

The voltage control system should operate in a dead band of +/-5% of the control setting range.

The customer should supervise this control by setting up "reasonability limits", i.e. configure a reasonable range of values for this control to be valid. As an example, they will accept anything between .95 and 1.05 for the set point. In the case they are fed an erroneous value outside this range, their control system defaults to the last known, good value.

Generation Interconnection Data Points Requirements

Digital Inputs to IPCo (DNP Obj. 01, Var. 2)			
Index	Description	State (0/1)	Comments:
0	52A Customer Capacitor Breaker (if present)	Open/Closed	Sourced at substation
1	GOLC Off/On Control Received (Feedback)	Off/On	Provided by Customer

Digital Outputs to Customer (DNP Obj. 10, Var. 1)		
Index	Description	Comments:
0	GOLC Off/On	Provided by IPCO
NOTE: GOLC Setpoint indicates MW value to curtail to when GOLC Off/On DO is ON.		

Analog Inputs to IPCo (DNP Obj. 30, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint Value Received (Feedback)	32767	32768	TBD	TBD	MW	Provided by Customer
1	Voltage Control Setpoint Value Rec'd (Feedback)	32767	32768	TBD	TBD	kV	Provided by Customer
2	Maximum Park Generating Capacity	32767	32768	TBD	TBD	MW	Provided by Customer
3	Number of Turbines In High Speed Cutout	32767	32768	32767	-32768	Units	Provided by Customer
4	Ambient Temperature	32767	32768	327.67	-327.68	F or C	Provided by Customer
5	Wind Direction	32767	32768	3276.7	-3276.8	Deg	Provided by Customer
6	Wind Speed	32767	32768	327.67	-327.68	MPH or m/s	Provided by Customer

Analog Outputs to Customer (DNP Obj. 40, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint	32767	32768	TBD	TBD	MW	Provided by IPCO
1	Voltage Control Setpoint	32767	32768	TBD	TBD	kV	Provided by IPCO
NOTE: Curtailment Setpoint indicates MW value to Curtail to when Curtailment Off/On DO is ON.							

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 51

Walker, Donovan

From: Harris, Joshua
Sent: Thursday, July 26, 2012 1:18 PM
To: Walker, Donovan
Subject: FW: Draft GIA - Notch Butte # 349 & 359
Attachments: DGIA349_Cover.pdf; DGIA349_359.doc; FSR349_359.pdf

Thanks,

Josh Harris
OPERATIONS ANALYST
Idaho Power | Generator Interconnection

208-388-5751

Email jharris@idahopower.com

From: Harris, Joshua
Sent: Friday, April 27, 2012 5:19 PM
To: 'dshively@exergydevelopment.com'
Cc: Kosydar, Ed
Subject: FW: Draft GIA - Notch Butte # 349 & 359

Dustin,

As per the email below and attached cover letter, we need this agreement executed by May 1, 2012 in order to have your project come on line with limited output by December 15, 2012. As of today, I have not heard from you regarding this GIA.

Thanks,

Josh Harris | Operations Analyst | Idaho Power Company
208.388.5751

From: Harris, Joshua
Sent: Friday, April 20, 2012 4:29 PM
To: 'dshively@exergydevelopment.com'
Cc: Kosydar, Ed; Bauer, Rich; Sloan, Aubrae
Subject: Draft GIA - Notch Butte # 349 & 359

Dustin,

The attached is being mailed to you today. Please provide the contact information for section 9 and the items listed in the cover letter to me by dates outlined. Please also note that we must have this agreement executed by May 1, 2012 in order for you to come on line with limited output by December 15, 2012.

I look forward to hearing from you soon.

Thanks,

Josh Harris | Operations Analyst | Idaho Power Company
1221 W. Idaho Street, Boise, Idaho 83702 | 📞: (208) 388-5751
📠: (208) 433-3571 | ✉: jharris@idahopower.com

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 52

Walker, Donovan

From: Harris, Joshua
Sent: Thursday, July 26, 2012 1:16 PM
To: Walker, Donovan
Subject: FW: Draft GIA - Notch Butte # 349 & 359

Thanks,

Josh Harris
OPERATIONS ANALYST
Idaho Power | Generator Interconnection

208-388-5751

Email jharris@idahopower.com

From: Dustin Shively [<mailto:dshively@exergydevelopment.com>]
Sent: Monday, April 30, 2012 7:11 AM
To: Harris, Joshua; Kosydar, Ed
Cc: James Carkulis; Elizabeth Woolstenhulme; Lawrence R. Leib; Josh Gunderson
Subject: RE: Draft GIA - Notch Butte # 349 & 359

Ed/Josh:

Before we continue forward to execute and fund the GIA, we need to inform IPCo of a configuration change for the Notch Butte Project. We will be moving the POI from the project site to the Dietrich substation and providing 34.5kV at that point.

Please let us know what steps need to be taken for this modification to be in place.

Thank you,
Dustin



Dustin Shively
Energy Systems Engineer
802 W Bannock, 12th Floor Boise, ID 83702
Office: 208.336.9793
www.exergydevelopment.com

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From: Harris, Joshua [<mailto:JHarris@idahopower.com>]
Sent: Friday, April 27, 2012 5:19 PM
To: Dustin Shively
Cc: Kosydar, Ed
Subject: FW: Draft GIA - Notch Butte # 349 & 359

Dustin,

As per the email below and attached cover letter, we need this agreement executed by May 1, 2012 in order to have your project come on line with limited output by December 15, 2012. As of today, I have not heard from you regarding this GIA.

Thanks,

Josh Harris | Operations Analyst | Idaho Power Company
208.388.5751

From: Harris, Joshua
Sent: Friday, April 20, 2012 4:29 PM
To: 'dshively@exergydevelopment.com'
Cc: Kosydar, Ed; Bauer, Rich; Sloan, Aubrae
Subject: Draft GIA - Notch Butte # 349 & 359

Dustin,

The attached is being mailed to you today. Please provide the contact information for section 9 and the items listed in the cover letter to me by dates outlined. Please also note that we must have this agreement executed by May 1, 2012 in order for you to come on line with limited output by December 15, 2012.

I look forward to hearing from you soon.

Thanks,

Josh Harris | Operations Analyst | Idaho Power Company
1221 W. Idaho Street, Boise, Idaho 83702 | 📞: (208) 388-5751
☎: (208) 433-3571 | ✉: jharris@idahopower.com



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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 53



May 23, 2012

Mr. Dustin Shively
Exergy Development Group of Idaho
802 W. Bannock, Suite 1200
Boise, Idaho 83702

Subject: Notch Butte Wind Park Projects – GI #349 & #359

Dear Mr. Shively,

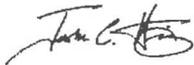
This letter is in response to your email dated April 30, 2012, requesting a change in both the Point of Interconnection and the interconnection voltage for the Notch Butte Wind Park Projects (GI 349 & GI 359). As you will recall, these projects are at the final facility study stage and Idaho Power included specific accommodations for this interconnection – at your request – to allow the projects to come online with limited output prior to completion of the remaining upgrades required to interconnect the entire project. We had informed you that in order to bring the limited output online by December 15, 2012, that you must execute the GIA and pay the required construction funding no later than May 1, 2012, to allow the necessary time to bring the limited output online prior to the end of the year. Rather than paying the required construction deposit and authorizing the work to move forward, Idaho Power received from you on April 30 your request to change the point of interconnection and to change the interconnection voltage, both of which are different than that which was contained in the facility study for the project. As you have been informed, the interconnection may be made to voltage levels that are present on, or planned for, on Idaho Power's system near the point of interconnection. The available interconnection voltages at Dietrich substation are 12.5 kV, 46 kV (both present) and 138 kV (planned for the future). Idaho Power is not planning for 34.5 kV voltage in this area, which you have now requested. Changing the Point of Interconnection and/or voltage level will require you to submit a new generation interconnection application.

As we have communicated to you previously, because you have not paid the required construction funding nor executed the required GIA, we are unable to bring your submitted project online by your requested date of December 15, 2012. As stated above, in order to have connected you by such date at reduced/limited output, we needed an executed GIA and funding by May 1, 2012. As of May 23, 2012, we do not have an executed GIA nor funding for this project. At this point your requested interconnection date of December 15, 2012, cannot be met - even under the limited output scenario described in the Facility Study Report.

I have included with this letter a final copy of the GIA for this project. Failure to submit an executed copy and have funding in place by **June 23, 2012** will result in Idaho Power terminating the present generator interconnection request and withdrawing the Notch Butte Wind Park Projects from the generator interconnection queue. If you wish to proceed forward with the interconnection as set forth in the final facility study, and GIA, you must execute the GIA by signing and submitting both copies and pay the required funding by June 23, 2012. In addition,

Idaho Power must receive your proof of site control and insurance certification pursuant to Section 7 of the agreement. Please let me know if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Harris".

Josh Harris
Operations Analyst
Idaho Power Company
208-388-5751

cc: Donovan Walker/IPC
Ed Kosydar/IPC
Tess Park/IPC

May 23, 2012

GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

Notch Butte Wind Park PROJECTS #349 & #359
6.5 / 11.5 MW

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This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the 19 day of April, 2012 between Exergy Development Group of Idaho, ("Seller", "Customer" or "The Project") and Idaho Power Company ("Company", "Transmission Owner", "Idaho Power", "IPC" or "IPCO").

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

Attachment 7 – Generator Interconnection Control Requirements

5. Effective Date, Term, Termination and Disconnection.

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

5.2 Termination.

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

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

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

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

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

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

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

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

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

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

5.3.7 Modification of the Generation Facility. *The Seller must receive written authorization from the Company before making any change to the Generation Facility that may have a material impact on the safety or reliability of the Company's transmission/distribution system. Such authorization shall not be unreasonably withheld.*

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

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

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

5.4 Land Rights.

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

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

5.4.3 Joint Use of Facilities. Subject to Idaho Power's compliance with Paragraph 15.4.4, Idaho Power may use and attach its distribution and/or transmission facilities to Seller's Interconnection Facilities, may reconstruct Seller's Interconnection Facilities to accommodate Idaho Power's usage or Idaho Power may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to Paragraph 5.4.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by Paragraph 5.4.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this Paragraph 5.4.3.

5.4.4 Conditions of Use. It is the intention of the Parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior

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

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

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

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

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

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

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

6.3 Indemnity.

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

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

6.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and

reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim. Failure to defend is a Material Breach.

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

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

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

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

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

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

6.5 Default and Material Breaches.

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

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

7. Insurance.

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

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

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

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

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

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

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

8. Miscellaneous.

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

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

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

9. Notices.

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

If to the Seller:

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.

Seller's Operating Representative:

Seller: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

Company's Operating Representative:

Idaho Power Company - Delivery
 Attention: Outage Coordinator – System/Regional Dispatch
 1221 W. Idaho Street
 Boise, Idaho 83702
 Over 138kV phone 208 388 2861 during regular business hours
 Under 138kV Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
 After hours – System Dispatch 388 2826
Regional Dispatch
 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: Director, Load Serving Operations – Idaho Power Company
 Date: _____

Attachment 1

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

Interconnection Details

Type of Interconnection Service: Studied as an Idaho Power Network Resource under PURPA
Full Output: 18 MW (both projects)
Nominal Delivery Voltage: 12.5 kV

General Facility Description

The Notch Butte Wind Park project includes both Projects #349 and #359 for a total of 18 MW of power provided by seven 2.5Mw Nordex Turbines. The Interconnection Customer (IC) will provide all generation and station equipment required to deliver power at 12.5 kV to the Point of Interconnection (POI) which is located at the coordinates North 42° 53.12948' West 114° 10.57'. The Seller will provide two POTS lines and two DDS circuits to the POIs (one pair for each feeder connection) for communication. Two 12.5 kV feeders will run from the POI four miles west to the IPCo Dietrich substation where the station will be expanded to accommodate the two new feeders. The power will be converted to 138 kV via a 12.5 kV to 138 kV power circuit transformer. A new double circuit transmission line, consisting of a new 138 kV line and the existing 46 kV line, will run four miles due north out of the Dietrich substation. The new 138 kV line will connect to the existing Midpoint-Silver 138 kV line.

Interconnection Point

The Interconnection Point for the Notch Butte Wind Park Project will be the generator side of the disconnect switches labeled Disconnect Switches A-13 and A-14 (one for each feeder) as shown on the attached Single Line drawings 21D-64299, sheets 1 & 2. This Interconnection Point is in Lincoln County, ID - T6S, R19E, SW corner of Section 22.

A drawing identifying the Point of Interconnection is included as Attachment 2. The Point of Change of Ownership is electrically the same as the Interconnection Point.

Seller's Interconnection Facilities

The Seller will install all generation and station equipment required to deliver power at 12.5 kV to the interconnection point. Transmitting 18 MW of power at 12.5 kV requires two distribution feeders. The Seller shall balance the generation between these two feeder connections with no more than 11 MW of power flowing on either feeder. The Seller will own and maintain facilities electrically located on the Interconnection Customer side of the Point of Change of Ownership. Idaho Power will own and maintain the facilities electrically located on the IPCo side of the Point of Change of Ownership.

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.

The Seller will provide a DNP 3.0 serial data connection to the local Idaho Power Company SCADA RTU when any communication with Seller-owned and maintained equipment is required for GOLC, voltage control or other plant monitoring or control. Preliminary points lists and functional description were provided to the Seller in the Facility Study Report.

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

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

Two POTS (Plain Old Telephone Service) dial-up circuit for querying the revenue meter at the generation interconnection site. One for each 4-pole feeder connection.

Two leased DDS (Digital Data Service) circuit for SCADA between the generation interconnection site and Twin Falls Service Building (273 Blue Lakes Blvd. S., Twin Falls, ID 83301). One for each 4-pole feeder connection. These circuits must operate at 19.2 kbps data rate. Please note that Frame Relay service is not acceptable.

The Interconnection Customer/communications provider shall provide a demarcation box and terminate the specified communications circuits at the demarcation box. The location of the demarcation box will be determined by Idaho Power. The demarcation box shall meet the following requirements:

- Be accessible by both the communications provider and Idaho Power
- The location shall be near Idaho Power's equipment and shall be subject to approval by Idaho Power
- The communications cable pairs shall be labeled/tagged accordingly (i.e. circuit number, phone number, transmit, receive, etc.)

The Seller 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 Seller 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 Seller. 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 trouble-shooting of Idaho Power owned equipment.

Ground Fault Equipment

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

Monitoring Information

If the Seller requires the ability to monitor information related to the Idaho Power reclosers in the generation interconnection package they are required to supply their own communications circuit to the control box.

Easements

The Seller will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities at the Interconnection Point. 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 Seller will return the signed easement to IPCO for recording.

Generator Output Limit Control

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

Local Service

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

Idaho Power Company's Interconnection Facilities

Idaho Power will install two standard generation interconnection packages, one for each feeder. For each package, if the Seller 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 Seller 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 packages each will include four distribution poles to mount a local service transformer, solid blade disconnects, primary metering package, recloser, relays, RTU, fuses and riser necessary for the package. The interconnection will be controlled by a SEL-311C line protection relay and a GE iBox RTU. The relay and RTU will be located in a pole mounted enclosure and will also contain a test switch (TS4), SLSS, dialup modem, DDS CSU/DSU, isolation interface, power supply, DC converter, control switch and surge protector.

Concrete barriers may be necessary to protect this equipment from local area traffic.

A 2" conduit will be installed alongside the underground primary to facilitate information exchange to the customer about the recloser. (The Interconnection Customer is responsible for providing and installing the appropriate cable.)

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.

Maintenance Coordination Exception

The Seller's protective relays will not provide back-up protection for Idaho Power facilities, therefore the last 2 sentences in Section **5.3.4** of this Generator Interconnection Agreement do not apply to this Generation Facility.

Estimated Cost & Ownership

The following good faith estimates are provided in 2011 dollars:

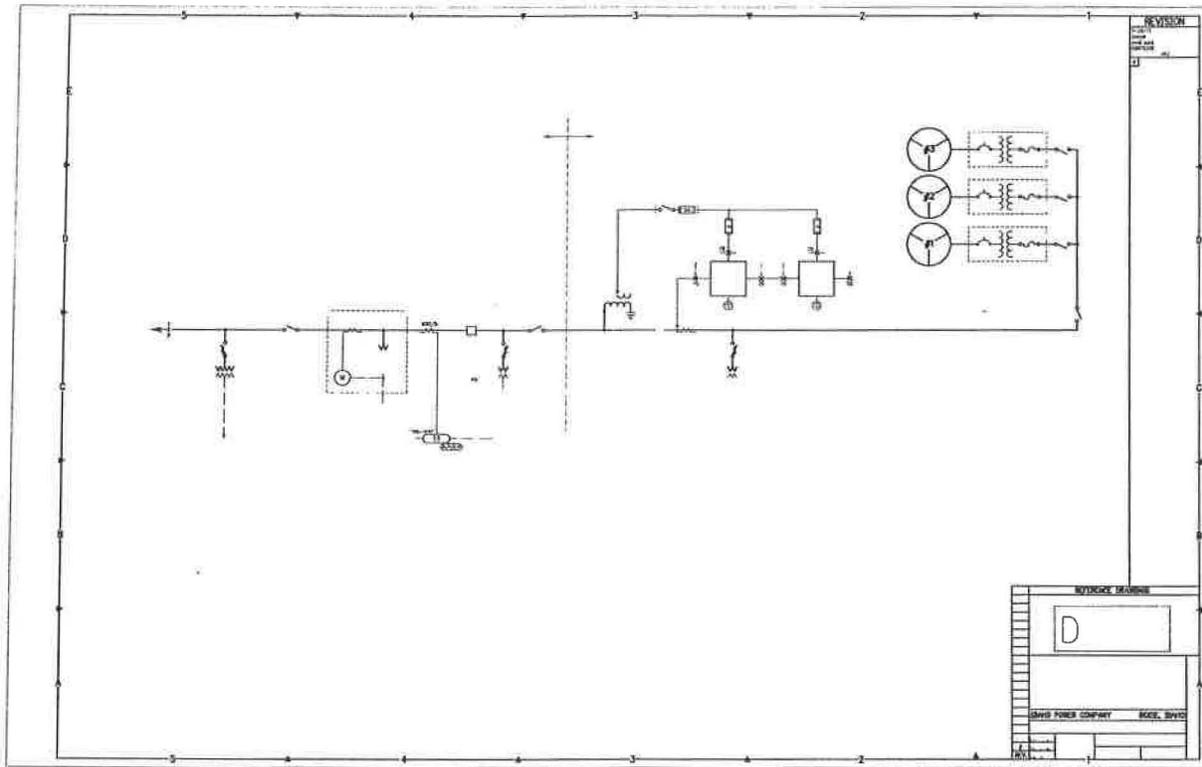
Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Packages (2)	IPC	\$440,000
SUBTOTAL		\$440,000
<i>See Attachment 6 for Total Estimate Costs</i>		

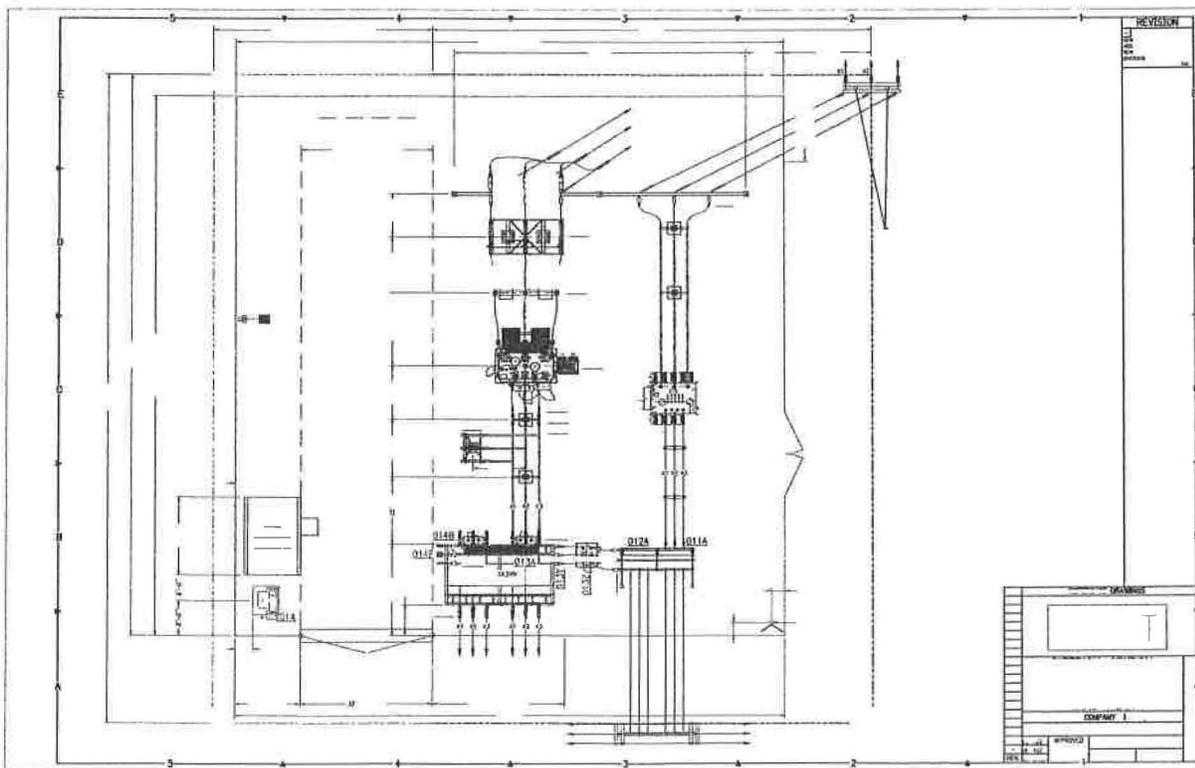
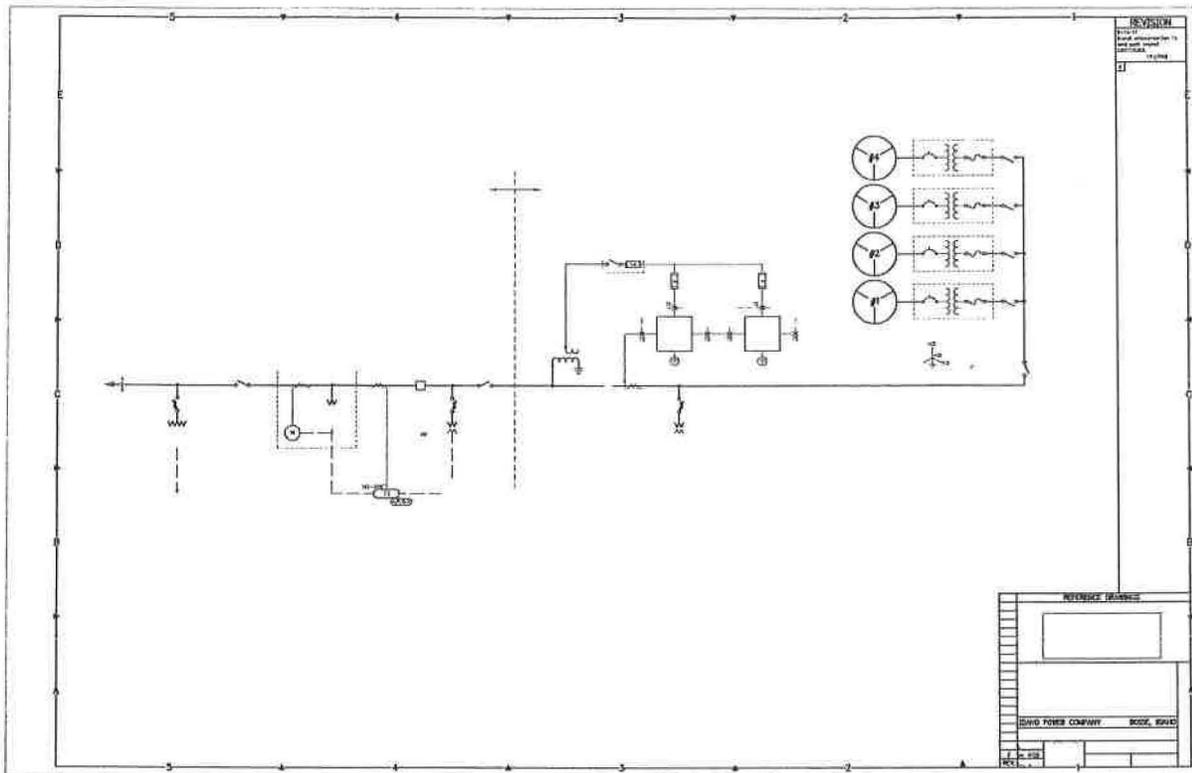
Full payment is required up front in accordance with Schedule 72, unless payment arrangements are made in advance with Idaho Power Operations Finance (see Attachment 3).

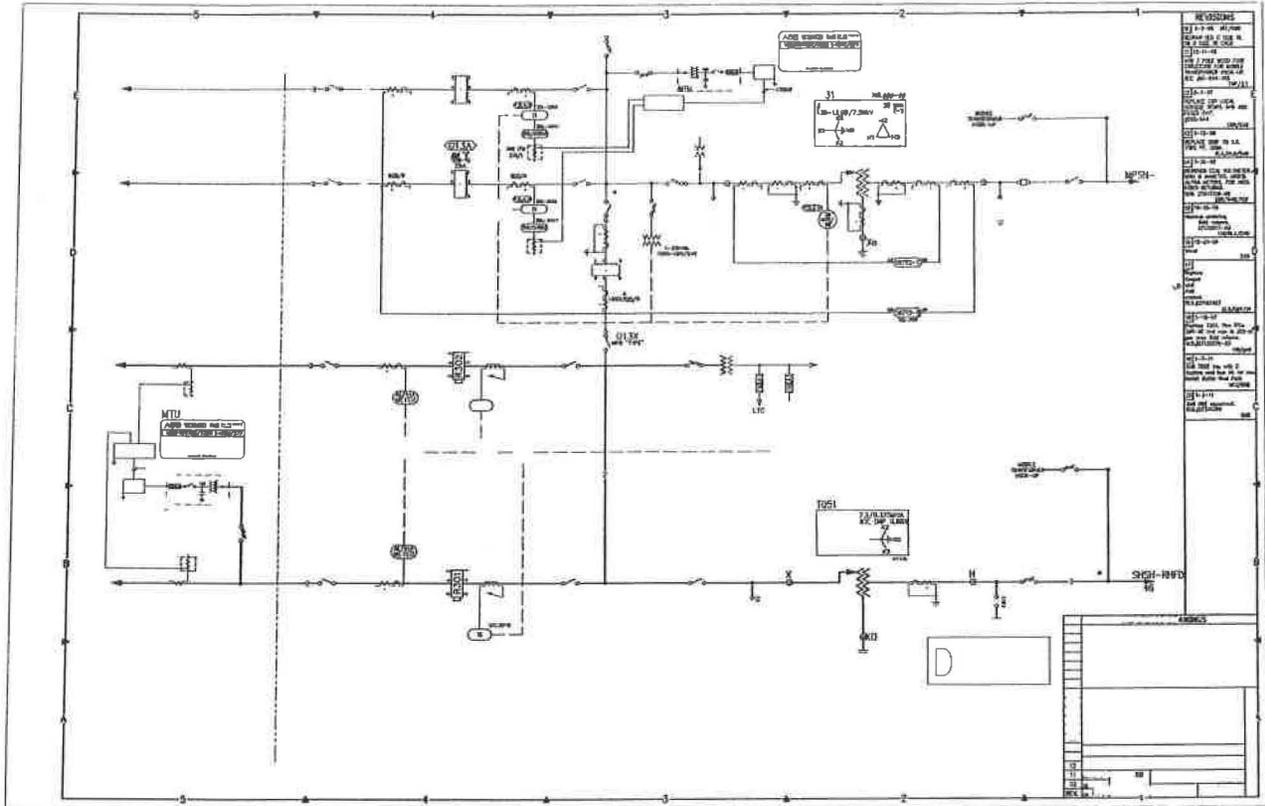
Billing for construction activities will be based upon actual expenditures.

Attachment 2

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







Attachment 3

Milestones for Interconnecting to the Generation Facility

Idaho Power Company agrees only to the Construction timelines under its direct control provided in the Facility Study Report for this Project.

These milestones will begin, and the construction schedule referenced below, will only be valid upon receipt of funding in full from the Seller or their authorized third party no later than the date set forth below for such payment. Additionally, failure by Seller to make the required payments as set forth in this Agreement by the date(s) specified below will be a material breach of this Agreement, which may result in any or all of the following: (i) loss of milestone dates and construction schedules set forth below; (ii) immediate termination of this Agreement by Idaho Power; (iii) removal from the generator interconnection queue.

Critical milestones and responsibility as agreed to by the Parties:

Date	Responsible Party	Milestones
6/23/2012	Seller	<i>IPCO receives the remaining balance of Construction estimate \$7,875,000 OR Credit arrangements are approved by IPCO</i>
3/15/2015	Seller	<i>Customer GOLC ready to connect & customer telecomm requirements are complete</i>
4/1/2015	IPCO	<i>IPCO Construction Complete</i>
4/15/2015	IPCO	<i>IPCO Commissioning Complete</i>
4/15/2015	IPCO	<i>Project Leader issues Construction Complete Letter</i>
4/15/2015	IPCO	<i>Manager of Grid Operations authorizes project to be energized, upon verification that Seller has previously met Schedule 72, Sec 7 Insurance requirements</i>
4/15/2015	Seller	<i>Customer testing begins</i>
6/20/2015	Seller	<i>Customer's requested In-Service Date</i>

Idaho Power requires approximately thirty-four (34) months to complete design, procurement, construction, permitting, and commissioning of the necessary interconnection facilities and required upgrades associated with the Notch Butte Wind Park Project prior to the Commercial Operation Date. This timeframe assumes that material can be procured, labor resources are available, and that outages to the existing system are available to be scheduled.

There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit (ROW grant) will be required from the BLM in order to re-build this portion of the line for the double circuit transmission as well as the 138 kV transmission line switches where the new 138 kV line connects to the existing transmission line. Obtaining a ROW grant from the BLM is never guaranteed and is typically a 20-30 month process at this point in time. This is outside of Idaho Power's control. If the ROW grant is denied then a new interconnection solution would be required and this could drastically alter project costs and timeline.

Agreed to by:

For the Seller: _____ Date _____

For the Transmission Provider
Idaho Power Company _____ 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

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 A-13 and A-14 switches and a terminal clearance is issued by Idaho Power Company's Grid Operator.

Generator Output Limit Control ("Re-dispatch" or "GOLC") The Project will be subject to reductions directed by Idaho Power Company 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 have equipment capable of receiving signals from Idaho Power for GOLC. Generator Output Limit Control will be a setpoint from Idaho Power to the Project indicating maximum output allowed. See Attachment 7 for details.

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point. It is preferable to bring each generating unit online separately to minimize voltage flicker on the distribution system.

Low Voltage Ride Through

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.

Ground Fault Equipment

The Seller will install transformer configurations that are Grounded-Wye to Grounded-Wye and will limit the contribution of the ground fault current to 20 amps or less at the Interconnection Point.

Meteorological Data

Historical wind data – Within 60 days after execution of this Agreement, the Seller shall provide Idaho Power with the following:

- a) historical wind data in an electronic format from the proposed Facility site or for a location within two miles of the Facility site.
- b) a third party wind assessment study report used by Seller to value investment in the Facility.

No later than 30 days prior to the Commercial Operation Date, the Seller shall have:

- a) Erected at the site at least one (1) high quality, approximate hub-height (plus or minus 20 meters), permanent, meteorological wind measurement tower(s) at location(s) on the site equipped with:
 - (i) Two (2) anemometers per tower;
 - (ii) Two (2) air temperature sensors per tower;
 - (iii) One (1) barometric pressure sensor (with DCP sensor); and
 - (iv) Two (2) wind vanes per tower.

Facility availability status shall be provided as described in the Final Facility Study no later than within the calendar month following the month of the Commercial Operation Date. Failure by the Seller to operate and maintain this equipment to provide such meteorological and turbine availability data in a manner to provide reasonably accurate and dependable data for the full term of this Agreement shall be an event of Default under paragraph 6.5.1.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 500 kVar .

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point.

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

Upgrades to Substation Facilities

Two new 12.5 kV feeder bays with associated switches, breakers, relays etc at Dietrich substation
A new 138:12.5 kV power transformer and associated equipment at Dietrich substation with protection package, control building.
Line relay and microwave upgrades at Midpoint substation
DTRC-MPSN microwave reflector site (near Notch Butte)

Upgrades to Distribution Facilities

A new double circuit (DTRC-013 and 014) 12.5 kV distribution line from Dietrich substation to the point of interconnection (4 miles). This new distribution line will be built with 795 AAC conductor on both circuits with ADSS underbuild.

Upgrades to Transmission Facilities

Idaho Power will rebuild 4 miles of the existing 46 kV transmission line (T-128) with a double circuit transmission line that will accommodate both the existing 46 kV line as well as the new 138 kV line. The new 138 kV line will then tap into the existing Midpoint-Silver 138 kV line with line switches on all three sides of the tap.

The following good faith estimates are provided in 2012 dollars:

Description	Ownership	Cost Estimate
<i>Interconnection Facilities:</i>		
Interconnection Packages (2)	IPC	\$440,000
<i>Distribution Upgrades:</i>		
Distribution Feeders to Dietrich Substation (DTRC-013 & DTRC-014) with ADSS fiber	IPC	\$965,000
<i>Substation Upgrades:</i>		
Dietrich Substation Additions	IPC	\$2,835,000
Midpoint Relay upgrades	IPC	\$65,000
Midpoint Microwave upgrades	IPC	\$190,000
DTRC-MPSON Microwave Reflector Site	IPC	\$325,000
<i>Transmission Upgrades:</i>		
Remove 4 miles of 46 kV line with underbuild	IPC	\$130,000
Build 4 miles of line to double circuit	IPC	\$2,550,000
3 – 138 kV Line Switches	IPC	\$300,000
*BLM Permitting/ROW Grant	IPC	\$75,000
GRAND TOTAL		\$7,875,000

*There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit will be required from the BLM in order to rebuild this portion of the line to double circuit as well as install the transmission line switches. The costs for this permitting can vary widely and have been estimated at a combined \$75K.

Note Regarding Transmission Service:

This Facility Study is a Network Resource Interconnection Facility Study. This study identifies the facilities necessary to integrate the Generating Facility into Idaho Power's network to serve load within Idaho Power's balancing area. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery.

Attachment 7

Generation Interconnection Control Requirements

Generator Output Limit Control (GOLC)

IPC requires Interconnected Power Producers to accept GOLC signals from our EMS.

The GOLC signals will consist of four points shared between the IPC EMS and the Customer's Generator Controller:

GOLC Setpoint: An analog output that contains the MW value the Customer should curtail to, should a GOLC request be made via the GOLC On/Off discrete output Control point.

An Analog Input feedback point must be updated (to reflect the GOLC setpoint value) by the Customer Controller upon the Controller's receipt of the GOLC setpoint change, with no intentional delay.

GOLC On/Off: A discrete output (DO) control point with latching Off/On states. Following a "GOLC On" control, the Customer Controller will run power output back to the MW value specified in the GOLC Setpoint. Following a "GOLC Off" control, the Customer is free to run to maximum possible output. A Discrete Input feedback point must be updated (to reflect the GOLC DO state) by the Customer Controller upon the Controller's receipt of the GOLC DO state change, with no intentional delay.

If a GOLC control is issued, it is expected to see MW reductions start within 1 minute and plant output to be below the GOLC Setpoint value within 10 minutes.

Voltage Control

Idaho Power Company requires Transmission-Interconnected Power Producers to accept Voltage Control signals from our EMS when they are connected to our transmission system.

The voltage control will consist of one setpoint and one feedback point shared between the IPC EMS and the Customer Controller.

The setpoint will contain the desired target voltage for the plant to operate at.

The control will always be active, there is no digital supervisory point like the Curtail On/Off control above.

When a setpoint change is issued an Analog Input feedback point must be updated (to reflect the Voltage Control setpoint value) by the Customer Controller upon the Controller's receipt of the Voltage Control setpoint change, with no intentional delay.

When a setpoint change is received by the Customer Controller, the Voltage Control system should react with no intentional delay.

The voltage control system should operate in a dead band of +/-5% of the control setting range.

The customer should supervise this control by setting up "reasonability limits", i.e. configure a reasonable range of values for this control to be valid. As an example, they will accept anything between .95 and 1.05 for the set point. In the case they are fed an erroneous value outside this range, their control system defaults to the last known, good value.

Generation Interconnection Data Points Requirements

Digital Inputs to IPCo (DNP Obj. 01, Var. 2)			
Index	Description	State (0/1)	Comments:
0	52A Customer Capacitor Breaker (if present)	Open/Closed	Sourced at substation
1	GOLC Off/On Control Received (Feedback)	Off/On	Provided by Customer

Digital Outputs to Customer (DNP Obj. 10, Var. 1)		
Index	Description	Comments:
0	GOLC Off/On	Provided by IPCO
NOTE: GOLC Setpoint indicates MW value to curtail to when GOLC Off/On DO is ON.		

Analog Inputs to IPCo (DNP Obj. 30, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint Value Received (Feedback)	32767	-	TBD	TBD	MW	Provided by Customer
1	Voltage Control Setpoint Value Rec'd (Feedback)	32767	-	TBD	TBD	kV	Provided by Customer
2	Maximum Park Generating Capacity	32767	-	TBD	TBD	MW	Provided by Customer
3	Number of Turbines In High Speed Cutout	32767	-	32767	-32768	Units	Provided by Customer
4	Ambient Temperature	32767	-	327.67	-327.68	F or C	Provided by Customer
5	Wind Direction	32767	-	3276.7	-3276.8	Deg	Provided by Customer
6	Wind Speed	32767	-	327.67	-327.68	MPH or m/s	Provided by Customer

Analog Outputs to Customer (DNP Obj. 40, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint	32767	-	TBD	TBD	MW	Provided by IPCO
1	Voltage Control Setpoint	32767	-	TBD	TBD	kV	Provided by IPCO
NOTE: Curtailment Setpoint indicates MW value to Curtail to when Curtailment Off/On DO is ON.							

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 54



June 20, 2012

Idaho Power Company
Attn: Josh Harris
1221 West Idaho Street
Boise, ID 83702

RE: Notch Butte Wind Park Projects – GI #349 and GI #359

Dear Mr. Harris,

Exergy has received your letter dated May 23, 2012 in which you explained that Idaho Power is unwilling to allow the Notch Butte project to interconnect at a common distribution voltage level of 34.5 kV. It was explained that 34.5 kV is not an available interconnection voltage because existing or planned 34.5 kV distribution is an undisclosed distance from the Notch Butte site and that this distance exceeds an undisclosed threshold, making 34.5 kV an unavailable interconnection voltage for our project. Your letter went on to explain that there are three available interconnection voltages at the current and accepted POI and that these are: 12.5 kV, 46 kV, and 138 kV. Your letter also stated that our request to move the POI closer to the substation, along the same route that was previously studied, would require a new Generation Interconnection Application. Exergy rightly believes your response regarding the slight change in POI to be prejudicial with respect to our request to move the POI to a point along the same distribution corridor studied previously and 4 miles closer to the substation that was also studied previously.

Policies regarding the relocation of project POI in the course of negotiating interconnection details between customers and transmission providers are intended to prevent serious material modification and resulting liabilities to providers – they are not intended to allow providers to arbitrarily impede the development of projects as appears to have occurred in the case of Notch Butte. Nevertheless, since it required twenty-three days to provide a response to our email of April 30 requesting this minor change in POI location, far exceeding the date given in your letter beyond which you stated that any guarantee of a December 15, 2012 In-Service Date would be infeasible, our team has worked to identify a solution that you may be willing to accept and that would also allow Notch Butte to successfully achieve a December 15, 2012 In-Service Date.

Exergy would like to accept your offer, extended in your May 23 letter, of a 138 kV interconnection at the current and accepted POI. In return for this concession, we kindly ask that Idaho Power expedite the drafting of a revised Generator Interconnection Agreement and avail themselves of all available means to provide a temporary and reduced connection to existing distribution at the current and accepted POI and not exceeding 4 MW. In the interest of time, Exergy requests also an Engineering and Procurement agreement from Idaho Power, the scope of which is limited to the work necessary to achieve the 4 MW temporary connection to existing 12.5 kV distribution at the current and accepted POI.

Exergy is fully capable of engineering and constructing a project substation to provide both 18 MW at 138 kV as well as 4 MW at 12.5 kV at the current and accepted POI prior to December 15, 2012. Furthermore, Exergy is willing to support Idaho Power with engineering and procurement activities to the extent Idaho Power will allow in order to facilitate the temporary connection with limited output of 4 MW no later than December 15, 2012.

Best Regards,

A handwritten signature in black ink, appearing to read "J. Gunderson", written over a light blue horizontal line.

Joshua Gunderson, Project Engineer
phone: 208.336.9793
email: jgunderson@exergydevelopment.com

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 55



DONOVAN E. WALKER
Lead Counsel
dwalker@idahopower.com

June 26, 2012

VIA ELECTRONIC & U.S. MAIL

Joshua Gunderson, Project Engineer
Exergy Development Group
802 West Bannock Street, 12th Floor
Boise, Idaho 83702

Re: Final Generator Interconnection Agreement for Notch Butte Wind Park –
GI#349 & 359

Dear Mr. Gunderson:

This letter responds to your letter to Idaho Power Company's ("Idaho Power") Josh Harris dated June 20, 2012, regarding the generator interconnection facilities for the Notch Butte Wind Park (the "Project").

As you are well aware, Idaho Power has been working diligently with Exergy Development Group ("Exergy") over an extended period of time to accommodate the interconnection and integration of the Project onto Idaho Power's system. On March 6, 2012, Exergy requested that Idaho Power explore ways in which a portion of the Project's generation could come on-line with limited output prior to the end of 2012. Idaho Power explored a number of options and, based upon the interconnection configuration requested by Exergy, Idaho Power was able to meet Exergy's request. Specifically, in a letter dated April 9, 2012, from Idaho Power's Ed Kosydar to Exergy's Dustin Shively, Idaho Power provided Exergy a Final Facility Study Report ("FSR") for the Project, which provided an option to bring a reduced and limited output of 4 megawatts ("MW") on-line by December 31, 2012, prior to completion of the remaining required upgrades and construction necessary to connect the Project's full output. More specifically, the letter and the FSR sent to Exergy clearly stated that the generator interconnection agreement ("GIA") must be executed and the approximately \$7.9 million in construction funding must be received by May 1, 2012, in order for the necessary work to proceed to bring the limited output on-line by December 31, 2012, prior to the other required facilities being completed.

Immediately thereafter, Idaho Power began preparing a GIA based upon the contents of the FSR so that Exergy would be in a position to meet its request to have limited output for the Project on-line prior to the end of 2012 with the remainder of the Project's output on-line after completion of the remaining necessary system upgrades. By letter dated April 20, 2012, Idaho Power sent Exergy a draft GIA, which reiterated

Joshua Gunderson, Project Engineer
June 26, 2012
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what was previously stated in Ed Kosydar's April 9 letter: "In order for you to come online with limited output by December 15, 2012 we must have this agreement executed by **May 1, 2012.**" (Emphasis in original.)

Instead of executing the GIA and making the necessary financial arrangements, on April 30, 2012, Exergy's Dustin Shively sent Idaho Power's Ed Kosydar and Josh Harris an e-mail stating that Exergy was going to "be moving the POI from the project site to the Dietrich substation and providing 34.5kV at that point." This is a request to change the point of interconnection and the voltage and is completely different than what Exergy had requested, what had been discussed previously, and, thus, completely different than what was contained in the FSR and the draft GIA provided to Exergy on April 20. In addition, Idaho Power had previously communicated to Exergy that 34.5 kilovolts ("kV") was not an available voltage at the Deitrich substation. By letter dated May 23, 2012, Idaho Power's Josh Harris sent Exergy a letter communicating once again that a voltage level of 34.5 kV at the Dietrich substation is not available.

As a result, Idaho Power provided a revised GIA to Exergy on May 23, 2012, which contained the original interconnection configuration requested by Exergy except that it removed the section in Attachment 3 related to "Limited Generation Output." Based on Idaho Power's extensive conversations with Exergy, Idaho Power was under the impression that Exergy did not desire to have the ability to do limited generation output if such output could not be achieved prior to the end of 2012. As Idaho Power has previously communicated in two separate, written communications, the only way for the Project to achieve limited generation output by the end of 2012 was if Idaho Power received a signed GIA and the necessary construction funding by May 1, 2012. Since Exergy did not sign the GIA, nor pay the construction funding, Idaho Power removed this language from the draft GIA and presented Exergy with a final GIA on May 23, 2012. That correspondence requested that Exergy sign the GIA and provide the necessary construction funding by no later than June 23, 2012, in order to proceed.

This leads us to your letter dated June 20, 2012. Idaho Power is compelled to respond to the inaccurate factual representations contained in that letter related to the current status of the discussions between Idaho Power and Exergy related to the Project. As an initial matter, Josh Harris's May 23 letter and the accompanying GIA was not an "offer . . . of a 138 kV interconnection at the current and accepted POI." It simply reiterated to Exergy what was previously communicated—i.e., that the currently available voltages at the Deitrich substation are 12.5 kV and 46 kV and that 138 kV would be available to the Dietrich substation in the future, which was part of the studied interconnection upgrades for the Project. As you know, Exergy's previous request, which was the request that was studied in the FSR and which was provided to Exergy in the April 20 draft GIA, was for the Project to interconnect at 12.5 kV with a point of interconnection ("POI") at the Project location. Double circuit 12.5 kV would need to be constructed from the POI to the Dietrich substation. Idaho Power would then "step-up" the power from 12.5 kV to 138 kV at the Deitrich substation, but the necessary transmission upgrades to move that power from the Deitrich substation to Idaho

Power's system (construction of 138 kV line from Dietrich to Idaho Power's existing 138 kV line) would require an estimated 34 months to complete.

Now, it appears from your June 20 correspondence that Exergy is requesting a 138 kV interconnection at the present POI, which is at the Project location. If this is indeed the case, this is a material change from what Exergy had originally requested, it has not been studied and, accordingly, if this is the configuration Exergy seeks, then Exergy will need to submit a new interconnection request and Idaho Power will need to conduct a new study for the Project.

If that is not the case and Exergy wishes to proceed with the original interconnection configuration that was requested by Exergy and studied by Idaho Power—i.e., connect with the POI at the Project location at a voltage of 12.5 kV—then Idaho Power is able to immediately proceed with designing, engineering, and constructing that interconnection configuration as soon as Exergy signs a GIA and provides the necessary construction funding. Since it appears (based on the June 20 letter) that Exergy is still seeking limited generation output as soon as possible, Idaho Power is enclosing a revised GIA which adds back the limited generation output language that was included in the April 20 draft GIA. Idaho Power has determined that it may still be possible to construct temporary facilities to enable the connection of the 4 MW of limited output by December 15, 2012, if Exergy authorizes Idaho Power to proceed with the studied interconnection configuration by executing the enclosed GIA and funding the construction.

In an additional effort to accommodate Exergy's request for limited output by December 15, 2012, and consistent with concessions Idaho Power has previously provided to Exergy for other projects and other similarly situated Qualifying Facilities ("QF"), Idaho Power has included language in the enclosed GIA which allows Exergy to authorize Idaho Power to incur additional expenses, including additional overtime, lodging, travel, and other expenses needed to bring in other Idaho Power resources and personnel from other Idaho Power regions, or to utilize third-party contractors, as necessary, to work on this interconnection.

Lastly, Idaho Power must respond to your unfounded accusation that Idaho Power has engaged in conduct "to arbitrarily impede the development of projects as appears to have occurred in the case of Notch Butte." Nothing could be further from the truth. Idaho Power has been nondiscriminatory and accommodating in the Project's many requests and different proposed configurations. Idaho Power has in no way acted arbitrarily in dealing with the Project or any other QF project or other generator connecting to its system nor has it acted with any intention or design to impede any project's development. On the contrary, Idaho Power has serious concerns with Exergy's course of conduct in dealing with generator interconnection issues. Exergy is engaged in a pattern of behavior that, from Idaho Power's perspective, appears to be an attempt to "game" the generator interconnection process by maintaining positions in the generator interconnection queue for its various projects, and to the detriment of other

Joshua Gunderson, Project Engineer
June 26, 2012
Page 4 of 4

generators in Idaho Power's interconnection queue, by making last-minute changes to interconnection configurations or unauthorized changes to generator interconnection agreements. Exergy must respect the integrity of Idaho Power's generator interconnection process so as to not disadvantage other generators in its interconnection queue and discontinue this pattern of behavior.

Enclosed is the final version of the GIA for the Project, which includes an option for temporary facilities that would allow the connection of limited output of 4 MW to be completed by December 15, 2012. Every day that passes without a signed GIA and the required funding is another day that places the December 15, 2012, date and Idaho Power's ability to complete the temporary limited output connection in jeopardy. As described above, this final GIA contains the interconnection configuration requested by Exergy and studied by Idaho Power. It also includes the same language Idaho Power has provided other Exergy projects and other QFs that wish to expedite the interconnection facilities process.

In order to meet your requested December 15, 2012, date for the connection of the 4 MW of limited output, and to maintain the schedule set forth in the GIA for the remaining required upgrades and facilities, you must authorize Idaho Power to move forward with the work identified in the GIA. Consequently, the enclosed GIA, including the milestone date estimates set forth therein, are contingent upon Idaho Power receiving an executed GIA, that has not been modified or changed unilaterally by Exergy, and the payment of the required construction deposit of approximately \$7.9 million by the close of business, 5:00 p.m. Mountain Time, on Monday, July 9, 2012. If Idaho Power does not receive an executed copy of this GIA, and the necessary financing arrangements for construction by this deadline, your generator interconnection request for this Project will be terminated and the Project will be withdrawn from the generator interconnection queue. As further explained above, if Exergy wishes to connect at a different voltage and location than what it has previously requested, Idaho Power will need to restudy the new requested configuration, which may also result in this generator interconnection request being terminated and Project moving back in the generator interconnection queue.

Sincerely,



Donovan E. Walker

DEW:csb

Enclosure: Final GIA

cc: James Carkulis, Exergy (w/encl.) – via e-mail ✓
Josh Harris, Idaho Power (w/encl.) – via e-mail ✓
Jason Williams, Idaho Power (w/encl.) – via e-mail ✓
Tess Park, Idaho Power (w/encl.) – via e-mail ✓
Ed Kosydar, Idaho Power (w/encl.) – via e-mail ✓

June 26, 2012

**GENERATOR INTERCONNECTION AGREEMENT
Schedule 72**

**Notch Butte Wind Park PROJECTS #349 & #359
6.5 / 11.5 MW**

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This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the 26 day of June, 2012 between Exergy Development Group of Idaho, ("Seller", "Customer" or "The Project") and Idaho Power Company ("Company", "Transmission Owner", "Idaho Power", "IPC" or "IPCO").

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

Attachment 7 – Generator Interconnection Control Requirements

5. Effective Date, Term, Termination and Disconnection.

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

5.2 Termination.

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

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

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

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

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

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

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

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

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

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

5.3.7 Modification of the Generation Facility. The Seller must receive written authorization from the Company before making any change to the Generation Facility that may have a material impact on the safety or reliability of the Company's transmission/distribution system. Such authorization shall not be unreasonably withheld.

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

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

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

5.4 Land Rights.

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

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

5.4.3 Joint Use of Facilities. Subject to Idaho Power's compliance with Paragraph 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.

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.

6.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and

reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim. Failure to defend is a Material Breach.

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

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

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

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

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

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

6.5 Default and Material Breaches.

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

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

7. Insurance.

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

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

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

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

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

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

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

8. Miscellaneous.

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

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

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

9. Notices.

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

If to the Seller:

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.

Seller's Operating Representative:

Seller: _____
 Attention: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone: _____ Fax: _____

Company's Operating Representative:

Idaho Power Company - Delivery
 Attention: Outage Coordinator – System/Regional Dispatch
 1221 W. Idaho Street
 Boise, Idaho 83702
 Over 138kV phone 208 388 2861 during regular business hours
 Under 138kV Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
 After hours – System Dispatch 388 2826
Regional Dispatch
 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: Director, Load Serving Operations – Idaho Power Company

Date: _____

Attachment 1

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

Interconnection Details

Type of Interconnection Service: Studied as an Idaho Power Network Resource under PURPA
Full Output: 18 MW (both projects)
Nominal Delivery Voltage: 12.5 kV

General Facility Description

The Notch Butte Wind Park project includes both Projects #349 and #359 for a total of 18 MW of power provided by seven 2.5Mw Nordex Turbines. The Interconnection Customer (IC) will provide all generation and station equipment required to deliver power at 12.5 kV to the Point of Interconnection (POI) which is located at the coordinates North 42° 53.12948' West 114° 10.57'. The Seller will provide two POTS lines and two DDS circuits to the POIs (one pair for each feeder connection) for communication. Two 12.5 kV feeders will run from the POI four miles west to the IPCo Dietrich substation where the station will be expanded to accommodate the two new feeders. The power will be converted to 138 kV via a 12.5 kV to 138 kV power circuit transformer. A new double circuit transmission line, consisting of a new 138 kV line and the existing 46 kV line, will run four miles due north out of the Dietrich substation. The new 138 kV line will connect to the existing Midpoint-Silver 138 kV line.

Interconnection Point

The Interconnection Point for the Notch Butte Wind Park Project will be the generator side of the disconnect switches labeled Disconnect Switches A-13 and A-14 (one for each feeder) as shown on the attached Single Line drawings 21D-64299, sheets 1 & 2. This Interconnection Point is in Lincoln County, ID - T6S, R19E, SW corner of Section 22.

A drawing identifying the Point of Interconnection is included as Attachment 2. The Point of Change of Ownership is electrically the same as the Interconnection Point.

Seller's Interconnection Facilities

The Seller will install all generation and station equipment required to deliver power at 12.5 kV to the interconnection point. Transmitting 18 MW of power at 12.5 kV requires two distribution feeders. The Seller shall balance the generation between these two feeder connections with no more than 11 MW of power flowing on either feeder. The Seller will own and maintain facilities electrically located on the Interconnection Customer side of the Point of Change of Ownership. Idaho Power will own and maintain the facilities electrically located on the IPCo side of the Point of Change of Ownership.

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.

The Seller will provide a DNP 3.0 serial data connection to the local Idaho Power Company SCADA RTU when any communication with Seller-owned and maintained equipment is required for GOLC, voltage control or other plant monitoring or control. Preliminary points lists and functional description were provided to the Seller in the Facility Study Report.

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

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

Two POTS (Plain Old Telephone Service) dial-up circuit for querying the revenue meter at the generation interconnection site. One for each 4-pole feeder connection.

Two leased DDS (Digital Data Service) circuit for SCADA between the generation interconnection site and Twin Falls Service Building (273 Blue Lakes Blvd. S., Twin Falls, ID 83301). One for each 4-pole feeder connection. These circuits must operate at 19.2 kbps data rate. Please note that Frame Relay service is not acceptable.

The Interconnection Customer/communications provider shall provide a demarcation box and terminate the specified communications circuits at the demarcation box. The location of the demarcation box will be determined by Idaho Power. The demarcation box shall meet the following requirements:

- Be accessible by both the communications provider and Idaho Power
- The location shall be near Idaho Power's equipment and shall be subject to approval by Idaho Power
- The communications cable pairs shall be labeled/tagged accordingly (i.e. circuit number, phone number, transmit, receive, etc.)

The Seller 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 Seller 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 Seller. 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 trouble-shooting of Idaho Power owned equipment.

Ground Fault Equipment

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

Monitoring Information

If the Seller requires the ability to monitor information related to the Idaho Power reclosers in the generation interconnection package they are required to supply their own communications circuit to the control box.

Easements

The Seller will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities at the Interconnection Point. 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 Seller will return the signed easement to IPCO for recording.

Generator Output Limit Control

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

Local Service

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

Idaho Power Company's Interconnection Facilities

Idaho Power will install two standard generation interconnection packages, one for each feeder. For each package, if the Seller 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 Seller 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 packages each will include four distribution poles to mount a local service transformer, solid blade disconnects, primary metering package, recloser, relays, RTU, fuses and riser necessary for the package. The interconnection will be controlled by a SEL-311C line protection relay and a GE iBox RTU. The relay and RTU will be located in a pole mounted enclosure and will also contain a test switch (TS4), SLSS, dialup modem, DDS CSU/DSU, isolation interface, power supply, DC converter, control switch and surge protector.

Concrete barriers may be necessary to protect this equipment from local area traffic.

A 2" conduit will be installed alongside the underground primary to facilitate information exchange to the customer about the recloser. (The Interconnection Customer is responsible for providing and installing the appropriate cable.)

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.

Maintenance Coordination Exception

The Seller's protective relays will not provide back-up protection for Idaho Power facilities, therefore the last 2 sentences in Section 5.3.4 of this Generator Interconnection Agreement do not apply to this Generation Facility.

Estimated Cost & Ownership

The following good faith estimates are provided in 2011 dollars:

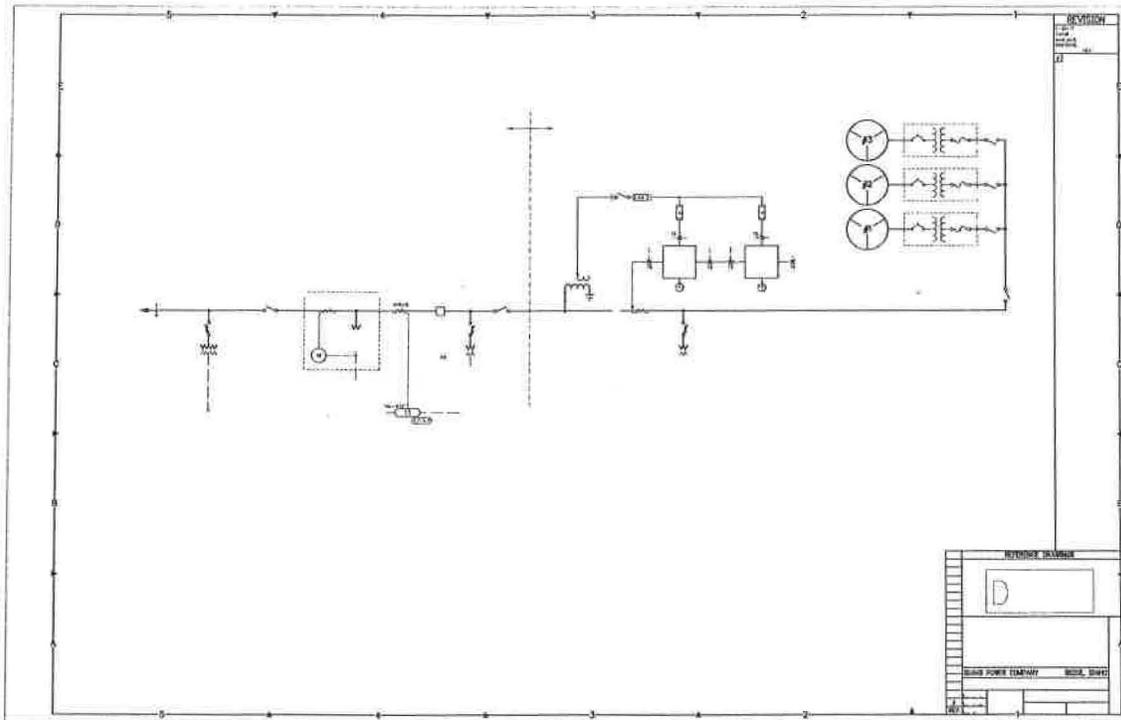
Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Packages (2)	IPC	\$440,000
SUBTOTAL		\$440,000
<i>See Attachment 6 for Total Estimate Costs</i>		

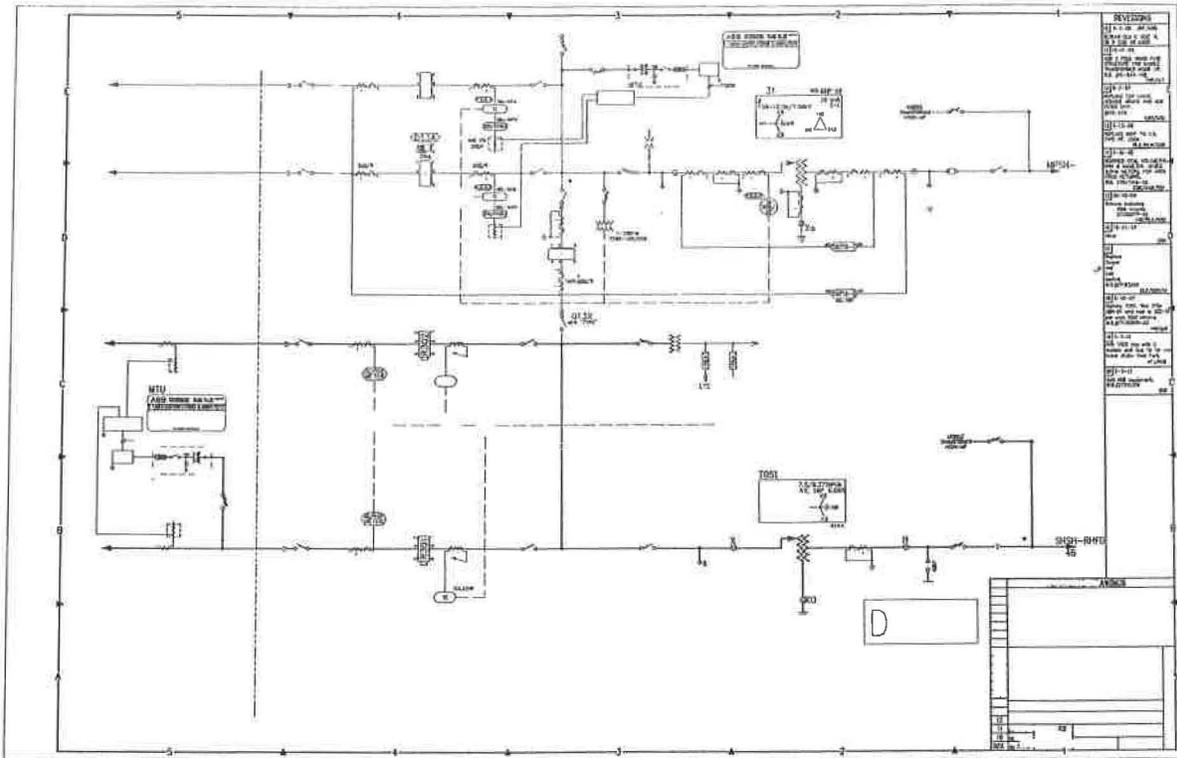
Full payment is required up front in accordance with Schedule 72, unless payment arrangements are made in advance with Idaho Power Operations Finance (see Attachment 3).

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 for Interconnecting to the Generation Facility

Idaho Power Company agrees only to the Construction timelines under its direct control provided in the Facility Study Report for this Project.

These milestones will begin, and the construction schedule referenced below, will only be valid upon receipt of funding in full from the Seller or their authorized third party no later than the date set forth below for such payment. Additionally, failure by Seller to make the required payments as set forth in this Agreement by the date(s) specified below will be a material breach of this Agreement, which may result in any or all of the following: (i) loss of milestone dates and construction schedules set forth below; (ii) immediate termination of this Agreement by Idaho Power; (iii) removal from the generator interconnection queue.

Limited Generation Output

In response to the Seller's request to come on line by December 15, 2012 with a limited generation output, IPC conducted additional power flow models. It was determined that acceptable voltage on the 46 kV system could be maintained with 4.0 MW of generation from Notch Butte Wind Park if the generators have the ability to absorb 3.0 MVAR. The installation of a 46 kV potential transformer transfer/trip package would have to be added to the scope/costs of the work at Dietrich substation. The Seller will be responsible for absorbing the VArS (3.0 maximum) necessary to maintain a 1.075 p.u. maximum 46 kV bus voltage at Dietrich substation. A voltage level above 1.075 p.u. will cause the generator to be tripped offline.

Idaho Power will provide the magnitude of the 46kV bus voltage at Dietrich station to the customer's control system. The voltage value will be made available to the seller's control system via the measurement device at Dietrich (e.g. meter or relay) and a direct, serial connection via the new feeder ADSS fiber optics. Data protocol and point formatting to be determined.

The estimated cost of this additional work is \$75,000. This brings the total estimated project cost to \$7,950,000. If the Generator Interconnection Agreement is signed and the project is funded before **July 9, 2012**, then temporary facilities can be constructed in order to bring project, at limited output of 4 MW, on line by December 15, 2012.

Critical milestones and responsibility as agreed to by the Parties under limited output:

Date	Responsible Party	Milestones
7/9/2012	Seller	IPCO receives the remaining balance of Construction estimate \$7,950,000 OR Credit arrangements are approved by IPCO
12/1/2012	Seller	Customer GOLC ready to connect & customer telecomm requirements are complete
12/15/2012	IPCO	IPCO Construction Complete
12/15/2012	IPCO	IPCO Commissioning Complete
12/15/2012	IPCO	Project Leader issues Construction Complete Letter
12/15/2012	IPCO	Manager of Grid Operations authorizes project to be energized, upon verification that Seller has previously met Schedule 72, Sec 7 Insurance requirements
12/15/2012	Seller	Customer testing begins
12/31/2012	Seller	Customer's requested In-Service Date

NOTE REGARDING LIMITED OUTPUT MILESTONES:

* Seller has requested an in-service date of 12/15/2012. Idaho Power will use reasonable efforts to have commissioning complete by this time if funding for project is received by July 9, 2012. This date is contingent upon all materials being delivered in a timely manner, as well as other factors, some of which are described above. The parties hereby acknowledge that Idaho Power shall not be liable to for any possible damages associated in any way with Renewable Energy Credits or Attributes, tax credits, the firm energy sales agreements, and the like, attributable to Customer, or any of the various projects named on page one of this GIA, should the 12/15/2012 date not be met.

Under normal efforts to bring the projects online a normal amount of overtime is utilized. Because of the Seller's desire to meet an IPC commissioning prior to 12/15/2012, Seller hereby authorizes IPC to incur additional expenses, including additional overtime, lodging, travel, and other expenses needed to bring in other IPC resources and personnel from other IPC regions, or to utilize third party contractors, as necessary to work on this interconnection.

Critical milestones and responsibility as agreed to by the Parties under full output:

Date	Responsible Party	Milestones
7/9/2012	Seller	IPCO receives the remaining balance of Construction estimate \$7,875,000 OR Credit arrangements are approved by IPCO
4/15/2015	Seller	Customer GOLC ready to connect & customer telecomm requirements are complete
5/1/2015	IPCO	IPCO Construction Complete
5/15/2015	IPCO	IPCO Commissioning Complete
5/15/2015	IPCO	Project Leader issues Construction Complete Letter
5/15/2015	IPCO	Manager of Grid Operations authorizes project to be energized, upon verification that Seller has previously met Schedule 72, Sec 7 Insurance requirements
5/15/2015	Seller	Customer testing begins
7/20/2015	Seller	Customer's requested In-Service Date

Idaho Power requires approximately thirty-four (34) months to complete design, procurement, construction, permitting, and commissioning of the necessary interconnection facilities and required upgrades associated with the Notch Butte Wind Park Project prior to the Commercial Operation Date. This timeframe assumes that material can be procured, labor resources are available, and that outages to the existing system are available to be scheduled.

There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit (ROW grant) will be required from the BLM in order to re-build this portion of the line for the double circuit transmission as well as the 138 kV transmission line switches where the new 138 kV line connects to the existing transmission line. Obtaining a ROW grant from the BLM is never guaranteed and is typically a 20-30 month process at this point in time. This is outside of Idaho Power's control. If the ROW grant is denied then a new interconnection solution would be required and this could drastically alter project costs and timeline.

Agreed to by:

For the Seller:

Date _____

For the Transmission Provider
Idaho Power Company

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

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 A-13 and A-14 switches and a terminal clearance is issued by Idaho Power Company's Grid Operator.

Generator Output Limit Control ("Re-dispatch" or "GOLC") The Project will be subject to reductions directed by Idaho Power Company 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 have equipment capable of receiving signals from Idaho Power for GOLC. Generator Output Limit Control will be a setpoint from Idaho Power to the Project indicating maximum output allowed. See Attachment 7 for details.

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point. It is preferable to bring each generating unit online separately to minimize voltage flicker on the distribution system.

Low Voltage Ride Through

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.

Ground Fault Equipment

The Seller will install transformer configurations that are Grounded-Wye to Grounded-Wye and will limit the contribution of the ground fault current to 20 amps or less at the Interconnection Point.

Meteorological Data

Historical wind data – Within 60 days after execution of this Agreement, the Seller shall provide Idaho Power with the following:

- a) historical wind data in an electronic format from the proposed Facility site or for a location within two miles of the Facility site.
- b) a third party wind assessment study report used by Seller to value investment in the Facility.

No later than 30 days prior to the Commercial Operation Date, the Seller shall have:

- a) Erected at the site at least one (1) high quality, approximate hub-height (plus or minus 20 meters), permanent, meteorological wind measurement tower(s) at location(s) on the site equipped with:
 - (i) Two (2) anemometers per tower;
 - (ii) Two (2) air temperature sensors per tower;
 - (iii) One (1) barometric pressure sensor (with DCP sensor); and
 - (iv) Two (2) wind vanes per tower.

Facility availability status shall be provided as described in the Final Facility Study no later than within the calendar month following the month of the Commercial Operation Date. Failure by the Seller to operate and maintain this equipment to provide such meteorological and turbine availability data in a manner to provide reasonably accurate and dependable data for the full term of this Agreement shall be an event of Default under paragraph 6.5.1.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 500 kVar.

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point.

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***Upgrades to Substation Facilities***

Two new 12.5 kV feeder bays with associated switches, breakers, relays etc at Dietrich substation
 A new 138:12.5 kV power transformer and associated equipment at Dietrich substation with protection package, control building.
 Line relay and microwave upgrades at Midpoint substation
 DTRC-MPSN microwave reflector site (near Notch Butte)

Upgrades to Distribution Facilities

A new double circuit (DTRC-013 and 014) 12.5 kV distribution line from Dietrich substation to the point of interconnection (4 miles). This new distribution line will be built with 795 AAC conductor on both circuits with ADSS underbuild.

Upgrades to Transmission Facilities

Idaho Power will rebuild 4 miles of the existing 46 kV transmission line (T-128) with a double circuit transmission line that will accommodate both the existing 46 kV line as well as the new 138 kV line. The new 138 kV line will then tap into the existing Midpoint-Silver 138 kV line with line switches on all three sides of the tap.

The following good faith estimates are provided in 2012 dollars:

Description	Ownership	Cost Estimate
<i>Interconnection Facilities:</i>		
Interconnection Packages (2)	IPC	\$440,000
<i>Distribution Upgrades:</i>		
Distribution Feeders to Dietrich Substation (DTRC-013 & DTRC-014) with ADSS fiber	IPC	\$965,000
<i>Substation Upgrades:</i>		
Dietrich Substation Additions	IPC	\$2,835,000
Midpoint Relay upgrades	IPC	\$65,000
Midpoint Microwave upgrades	IPC	\$190,000
DTRC-MPSON Microwave Reflector Site	IPC	\$325,000
<i>Transmission Upgrades:</i>		
Remove 4 miles of 46 kV line with underbuild	IPC	\$130,000
Build 4 miles of line to double circuit	IPC	\$2,550,000
3 – 138 kV Line Switches	IPC	\$300,000
*BLM Permitting/ROW Grant	IPC	\$75,000
GRAND TOTAL		\$7,875,000

*There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit will be required from the BLM in order to rebuild this portion of the line to double circuit as well as install the transmission line switches. The costs for this permitting can vary widely and have been estimated at a combined \$75K.

Note Regarding Transmission Service:

This Facility Study is a Network Resource Interconnection Facility Study. This study identifies the facilities necessary to integrate the Generating Facility into Idaho Power's network to serve load within Idaho Power's balancing area. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery.

Attachment 7

Generation Interconnection Control Requirements

Generator Output Limit Control (GOLC)

IPC requires Interconnected Power Producers to accept GOLC signals from our EMS.

The GOLC signals will consist of four points shared between the IPC EMS and the Customer's Generator Controller:

GOLC Setpoint: An analog output that contains the MW value the Customer should curtail to, should a GOLC request be made via the GOLC On/Off discrete output Control point.

An Analog Input feedback point must be updated (to reflect the GOLC setpoint value) by the Customer Controller upon the Controller's receipt of the GOLC setpoint change, with no intentional delay.

GOLC On/Off: A discrete output (DO) control point with latching Off/On states. Following a "GOLC On" control, the Customer Controller will run power output back to the MW value specified in the GOLC Setpoint. Following a "GOLC Off" control, the Customer is free to run to maximum possible output. A Discrete Input feedback point must be updated (to reflect the GOLC DO state) by the Customer Controller upon the Controller's receipt of the GOLC DO state change, with no intentional delay.

If a GOLC control is issued, it is expected to see MW reductions start within 1 minute and plant output to be below the GOLC Setpoint value within 10 minutes.

Voltage Control

Idaho Power Company requires Transmission-Interconnected Power Producers to accept Voltage Control signals from our EMS when they are connected to our transmission system.

The voltage control will consist of one setpoint and one feedback point shared between the IPC EMS and the Customer Controller.

The setpoint will contain the desired target voltage for the plant to operate at.

The control will always be active, there is no digital supervisory point like the Curtail On/Off control above.

When a setpoint change is issued an Analog Input feedback point must be updated (to reflect the Voltage Control setpoint value) by the Customer Controller upon the Controller's receipt of the Voltage Control setpoint change, with no intentional delay.

When a setpoint change is received by the Customer Controller, the Voltage Control system should react with no intentional delay.

The voltage control system should operate in a dead band of +/-5% of the control setting range.

The customer should supervise this control by setting up "reasonability limits", i.e. configure a reasonable range of values for this control to be valid. As an example, they will accept anything between .95 and 1.05 for the set point. In the case they are fed an erroneous value outside this range, their control system defaults to the last known, good value.

Generation Interconnection Data Points Requirements

Digital Inputs to IPCo (DNP Obj. 01, Var. 2)			
Index	Description	State (0/1)	Comments:
0	52A Customer Capacitor Breaker (if present)	Open/Closed	Sourced at substation
1	GOLC Off/On Control Received (Feedback)	Off/On	Provided by Customer

Digital Outputs to Customer (DNP Obj. 10, Var. 1)		
Index	Description	Comments:
0	GOLC Off/On	Provided by IPCO
NOTE: GOLC Setpoint indicates MW value to curtail to when GOLC Off/On DO is ON.		

Analog Inputs to IPCo (DNP Obj. 30, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint Value Received (Feedback)	32767	32768	TBD	TBD	MW	Provided by Customer
1	Voltage Control Setpoint Value Rec'd (Feedback)	32767	32768	TBD	TBD	kV	Provided by Customer
2	Maximum Park Generating Capacity	32767	32768	TBD	TBD	MW	Provided by Customer
3	Number of Turbines In High Speed Cutout	32767	32768	32767	-32768	Units	Provided by Customer
4	Ambient Temperature	32767	32768	327.67	-327.68	F or C	Provided by Customer
5	Wind Direction	32767	32768	3276.7	-3276.8	Deg	Provided by Customer
6	Wind Speed	32767	32768	327.67	-327.68	MPH or m/s	Provided by Customer

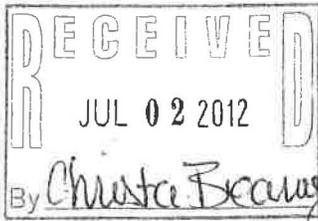
Analog Outputs to Customer (DNP Obj. 40, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint	32767	32768	TBD	TBD	MW	Provided by IPCO
1	Voltage Control Setpoint	32767	32768	TBD	TBD	kV	Provided by IPCO
NOTE: Curtailment Setpoint indicates MW value to Curtail to when Curtailment Off/On DO is ON.							

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 56



Received at 4:50 p.m.
Vice hand delivery

**NOTICE OF FORCE MAJEURE
UNDER**

FIRM ENERGY SALE AGREEMENTS DATED OCTOBER 14, 2005

RE:

LAVA BEDS PROJECT (#41455200) AND NOTCH BUTTE PROJECT (#31615300)

From Seller: Exergy Development Group of Idaho, LLC
802 W. Bannock Ste. 1200
Boise, ID 83702
Attn: James Carkulis, Managing Member
Email: jcarkulis@exergydevelopment.com

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

With copy to: Cogeneration and Small Power Production
Idaho Power Company
PO Box 70
Boise, Idaho 83707
Email: rallphin@idahopower.com

Date: July 2, 2012

VIA EMAIL, HAND DELIVERY AND REGULAR MAIL

In accordance with Article XVI (Force Majeure) of the Firm Energy Sale Agreements referenced above (hereinafter, collectively, the "FESA"), and Section 6.4 of their respective corresponding Generator Interconnection Agreements, Seller hereby gives Idaho Power written notice of the occurrence of Force Majeure events, in the following particulars:

1. This Notice of Force Majeure is directly tied to that certain other Notice of Force Majeure, dated June 28, 2012, e-mailed on June 29, 2012, and followed up my regular mail, regarding the JACK RANCH PROJECTS (DEEP CREEK - # 31721200; ROGERSON FLATS - #31721300; SALMON CREEK - #31721400; and COTTONWOOD - #31721100. A copy of that Notice of Force Majeure is attached hereto, and incorporated herein by this reference as if set forth in full.

2. Idaho Power, with the understanding, as communicated in various meetings and e-mails between Idaho Power and Seller, that both the Lava Beds Project and the Notch Butte Project are integrally related to the Jack Ranch Projects for purposes of combined financing, has caused the



interconnection facilities and upgrade construction completion dates for the Jack Ranch Projects to change to a date that is after Seller's Scheduled Operation Date under the FESA for the Jack Ranch Projects, thereby creating an impossibility of performance on the part of Seller, in a manner beyond the control of Seller, all as more fully set forth in the attached Notice of Force Majeure for Jack Ranch Project.

3. The impossibility of performance under the Jack Ranch Projects FESA creates an event of Force Majeure not only with respect to the Jack Ranch Projects, but also the Lava Beds Project and Notch Butte Project, as follows:

(i) Plainly and simply, without the Jack Ranch Project, both the Lava Beds Project and the Notch Butte Project are not financeable. All the Projects are packaged together for financing purposes. If one or the Projects is caused to be eliminated from the package, for reasons beyond the control of Seller, then all of the Projects will be eliminated, again for reasons beyond the control of Seller.

(ii) Because Idaho Power has moved the interconnection facilities and upgrade construction completion dates under the Jack Ranch Projects to a date that is after Seller's Scheduled Operation Date, Idaho Power has created impossibility of performance on the part of Seller, and, as a direct consequence, has also caused impossibility of performance and frustration of purpose under all the Projects.

4. Notwithstanding the foregoing, other events of Force Majeure have arisen, to wit:

(i) Per the IPUC docket, in a decision released June 30, 2012, the IPUC has denied Grand View Solar's request for a summary judgment ruling that a developer, not Idaho Power, owns RECs associated with a renewable project.

(ii) Also per the IPUC docket are the issues of pricing, size, duration and curtailment, all of which are pending.

Accordingly, as all of the foregoing will affect not only the Jack Ranch, Notch Butte and Lava Beds Projects, but also any other renewable energy project, the entire circumstance of continued viability of all renewable energy projects is undecided and beyond the control of Seller, the ultimate decisions upon which may render Seller wholly or in part unable to perform its obligations under the FESA.

Accordingly, by this written notice to Idaho Power, Idaho Power is advised that its actions have created a Force Majeure event, thereby creating a suspension of performance for the duration of the event, as further described in Article XVI of the FESA.

Further, pursuant to Section 19.1 (Disputes) of Article XXII of the FESA, if Idaho Power disputes this matter, Seller reserves the right to submit the same to the Idaho Public Utilities Commission and/or pursue any resolution to which it may be entitled before the appropriate Idaho district court, FERC and/or any other applicable tribunal or governing body.

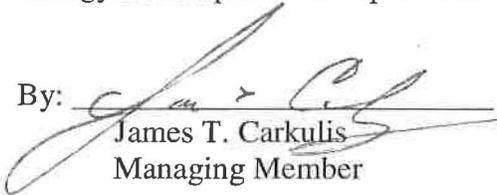


Further, Seller asserts that it is protected from any default under the FESA pending resolution of any the asserted Force Majeure issues, including, without limitation, any dispute or litigation as to whether said Force Majeure Event does protect Seller from any such default.

SELLER:

Exergy Development Group of Idaho, LLC

By:


James T. Carkulis
Managing Member

cc: Donovan E. Walker (hand delivery)
Peter J. Richardson (email)
Peter A. del Vecchio (email)
Walter J. Dunn (email)
Richard A. Riley (email)
Brian L. Ballard (email)



**NOTICE OF FORCE MAJEURE
UNDER
FIRM ENERGY SALE AGREEMENTS DATED DECEMBER 10, 2010
RE: JACK RANCH PROJECTS:**

**DEEP CREEK (# 31721200)
ROGERSON FLATS (#31721300)
SALMON CREEK (#31721400)
COTTONWOOD (#31721100)**

COPY

From Seller: Exergy Development Group of Idaho, LLC
802 W. Bannock Ste. 1200
Boise, ID 83702
Attn: James Carkulis, Managing Member
Email: jcarkulis@exergydevelopment.com

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

With copy to: Cogeneration and Small Power Production
Idaho Power Company
PO Box 70
Boise, Idaho 83707
Email: rallphin@idahopower.com

Date: June 28, 2012

VIA EMAIL AND REGULAR MAIL

In accordance with Article XIV (Force Majeure) of the Firm Energy Sale Agreements referenced above (hereinafter, collectively, the "FESA"), Seller hereby gives Idaho Power written notice of the occurrence of Force Majeure events, in the following particulars:

1. Pursuant to studies, Idaho Power established interconnection facilities and upgrade construction completion dates as occurring in December 2011. Idaho Power communicated same to Seller, and Seller, in reliance, and in discussions with Idaho Power, established June 20, 2012, as the Scheduled Operation Date under the FESA.



2. Unilaterally, Idaho Power then decided to conduct further studies and based thereon, unilaterally moved its interconnection facilities and upgrade construction completion dates forward, most recently settling on dates in June 2014.

3. Despite repeated requests from Seller, Idaho Power has refused to amend the FESA to allow Seller to change its Scheduled Operation Date to reasonably accommodate Idaho Power's change of its interconnection facilities and upgrade construction completion dates to June 2014.

4. Because Idaho Power has arbitrarily moved its interconnection facilities and upgrade construction completion dates to a date that is after Seller's Scheduled Operation Date, Idaho Power has unilaterally created the absolute impossibility of performance on the part of Seller. This intentional and intended consequence has been repeatedly brought to the attention of Idaho Power and is well known to Idaho Power.

5. The intentional and intended consequences of Idaho Power's unilateral manipulation of dates within its sole control, serves to have created, by Idaho Power's own actions, the cause of the looming, certain and impossible achievement by Seller of the Scheduled Operation Date of June 30, 2012. Idaho Power's refusal to agree to a reasonable change in the Scheduled Operation Date is clearly "beyond the control of the Seller...despite the exercise of due diligence...[that Seller] is unable to prevent or overcome..." and is, therefore within the definition of Force Majeure as set forth in Article XIV the FESA.

6. This is not a case of Seller failing to post delay security (such has been posted). This is not a case of Seller's reliance upon the actions of third party permitting agencies (such as, by way of example, and not limitation, the BLM). This is not a case where there are events or issues arising outside of the control of Idaho Power. To the contrary, this is a case where there has been, and continues to be, unilateral and intentional delay and manipulation by Idaho Power of events and issues solely with the control of Idaho Power, the intent of which is to cause the default to Seller. For example, Idaho Power could easily agree to amend the FESA to a reasonable date that correlates to the revised Idaho Power dates (changed after Seller has relied upon originally established dates). Idaho Power refuses to do so.

7. Further, Idaho Power has also set the stage for impossibility of performance on the part of Seller with respect to the condition imposed by Section 4.1.7 (Interconnection) of the FESA, that Seller provide written confirmation by Idaho Power to Idaho Power of the satisfaction of all interconnection requirements. Pursuant to the chain of letter correspondence attached (notwithstanding that there are fundamental disagreements between Seller and Idaho Power regarding the matters set forth therein), Idaho Power has chosen not to countersign the GIA signed and submitted to Idaho Power, thereby making satisfaction of this condition impossible. Seller reserves all rights to contest the position of Idaho Power regarding the GIA as set forth in the attached correspondence (in particular the incorrect recollection of Donovan Walker regarding the circumstances of how the insertion of the Section 8.3 Option to Build per OATT was brought to his attention). However, for purposes of describing with particularity the occurrence of an event of Force Majeure, the attached is submitted as such description, and as forming the basis for Seller's



notice to Idaho Power that Idaho Power's unilateral refusal to sign a contract creates an event beyond the control of Seller within the definition of Force Majeure as set forth in the FESA.

Accordingly, by this written notice to Idaho Power, Idaho Power is advised that its actions have created a Force Majeure event, thereby creating a suspension of performance for the duration of the event, as further described in Article XIV of the FESA.

Further, pursuant to Section 19.1 (Disputes) of Article XIX of the FESA, if Idaho Power disputes this matter, Seller reserves the right to submit the same to the Idaho Public Utilities Commission and/or pursue any resolution to which it may be entitled before the appropriate Idaho district court, FERC and/or any other applicable tribunal or governing body.

Further, Seller asserts that it is protected from any default under the FESA pending resolution of the asserted Force Majeure issues, including, without limitation, any dispute or litigation as to whether said Force Majeure Event does protect Seller from any such default.

SELLER:

Exergy Development Group of Idaho, LLC

By:


James T. Carkulis
Managing Member

cc (via email): Donovan E. Walker
Peter J. Richardson
Peter A. del Vecchio
Richard A. Riley
Brian L. Ballard



DONOVAN E. WALKER
Lead Counsel
dwalker@idahopower.com

June 18, 2012

VIA ELECTRONIC & U.S. MAIL

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

Re: Jack Ranch Projects – Your June 15, 2012, letter to Tess Park

Dear Mr. Richardson:

This letter responds to your letter of June 15, 2012, to Idaho Power's Tess Park. In that letter you represent that Mr. Carkulis did, "in fact" sign the Final GIA for the Jack Ranch Projects. This is factually incorrect. Mr. Carkulis delivered to Idaho Power, at 4:57 p.m. on Wednesday, June 13, 2012, versions of the Final GIA that had been modified, and then signed by Mr. Carkulis. The modification(s) to the document were not red-lined or otherwise identified in the document. In fact, the modification(s) were not even pointed out until the two representatives of Exergy that made the delivery were asked directly if there were any changes made to the documents. At that time the Exergy representatives pointed out some additional language that was added to the pro-forma portion of the Final GIA, in Section 8, where a subsection 8.3 was added to include language allowing Exergy to self build all required interconnection facilities and upgrades.

As you are well aware, this particular issue was expressly addressed in my June 12, 2012, letter to Mr. Carkulis, and was expressly discussed on the phone conference that you organized on June 13, 2012, attended by myself and Jason Williams for Idaho Power, as well as you and your associate, Greg Adams, several attorneys from McGuire Woods from across the country, and the two representatives of Exergy that hand delivered the modified documents directly after the call. The unambiguous communication from both the June 12, 2012, letter as well as the June 13 conference call is that the requested self-build language is not an appropriate, nor an acceptable term in the Final GIA. Contrary to these communications, Mr. Carkulis unilaterally inserted the inappropriate language into the Final GIA before signing and returning the

James Carkulis
June 12, 2012
Page 2 of 2

same to Idaho Power. Consequently, Mr. Carkulis failed to sign and return the Final GIA that was sent to Exergy on May 14, 2012, by the June 13, 2012, deadline. Additionally, Mr. Carkulis did not pay the required deposit by the close of business on June 13, 2012.

As previously communicated to Exergy by letter dated June 14, 2012, because Exergy did not return an executed copy of the Final GIA, nor pay the required deposit funds by the June 13, 2012, deadline, the Projects have been removed from Idaho Power's generator interconnection queue.

Sincerely,

Donovan E. Walker

DEW:csb

cc: Lisa Grow, Idaho Power (via e-mail)
Tess Park, Idaho Power (via e-mail)
Randy Allphin, Idaho Power (via e-mail)
Jason Williams, Idaho Power Corporate Counsel (via e-mail)
James Carkulis, Exergy (via e-mail)



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

June 15, 2012

Tess Park, Load Serving Operations Director
Idaho Power Company
1221 West Idaho Street
Boise, Idaho 83702
HAND DELIVERY

Re: Jack Ranch Projects, Project No. 325/327

Dear Ms. Park:

I am in receipt of your letter dated June 14, 2012 addressed to Mr. Carkulis. You must have realized by now that your statement that "Exergy did not provide Idaho Power an executed copy of the Final GIA, nor was a deposit for the Projects received" is in error. An Exergy employee delivered a signed GIA directly and personally to Mr. Donovan Walker at five minutes of five p.m. on Wednesday the 13th. That GIA was, in fact executed by Mr. Carkulis and Mr. Carkulis is prepared to post the deposit when the agreement is fully executed by Idaho Power.

I therefore respectfully request that you replace these projects to their rightful place in the queue.

Sincerely yours:

A handwritten signature in black ink, appearing to read "Peter Richardson", written over a horizontal line.

Peter Richardson

Cc: Donovan Walker, Senior Attorney – Idaho Power Company



June 14, 2012
VIA email & Certified Mail # 70113500000156449112

James Carkulis
Exergy Development Group
802 West Bannock Street, 12th Floor
Boise, Idaho 83702

Subject: Jack Ranch Projects Project # 325/327 – FINAL NOTICE

Dear James Carkulis:

By letter dated May 14, 2012, Idaho Power Company (“Idaho Power”) provided the Exergy Development Group (“Exergy”) with a Final Generator Interconnection Agreement (“Final GIA”) for the proposed Jack Ranch Projects (“Projects”) to be interconnected in Twin Falls County, Idaho. Exergy was to execute and return the Final GIA with the required deposit by June 13, 2012. That time period has now expired. Exergy did not provide Idaho Power an executed copy of the Final GIA, nor was a deposit for the Projects received. Therefore, the Projects have been removed from Idaho Power’s generator interconnection queue.

Should you wish to continue to pursue generator interconnection for the Projects, you may re-submit an application that can be found on www.idahopower.com.

Sincerely,

A handwritten signature in cursive script that reads "Tess Park".

Tess Park
Load Serving Operations Director
Ph 208.388.2360

cc (via email):
Donovan Walker/IPC
Nancy Cyr/IPC
Aubrae Sloan/IPC
Josh Harris/IPC

McGuireWoods LLP
600 Travis Street
Suite 7500
Houston, TX 77002-2906
Phone: 713.571.9191
Fax: 713.571.9652
www.mcguirewoods.com

Peter A. del Vecchio
Direct: 713.353.6672

McGUIREWOODS

pdelvecchio@mcguirewoods.com
Direct Fax: 832.214.9929

June 13, 2012

Donovan Walker
Legal Department
Idaho Power Company
1221 West Idaho Street
Boise, ID 83702

RE: Exergy Development Group of Idaho, LLC's Jack Ranch Projects

Dear Donovan:

I am writing on behalf of Exergy Development Group of Idaho, LLC, in response to your letter to Mr. James Carkulis dated June 12, 2012. That letter rejected Exergy's ongoing attempts to seek from Idaho Power reasonable use of fair and well-established interconnection procedures that Exergy believes would allow it to interconnect its projects in a timely manner. Idaho Power's position has placed Exergy in a very difficult position, and may compel Exergy to pursue all available legal and equitable remedies for what amounts to a breach of good faith and fair dealing under Idaho contract law, as well as discriminatory treatment under implementing rules of the Public Utilities Regulatory Policy Act of 1978.

As you know, Exergy is the developer of four qualifying facility (QF) projects referred to as the Deep Creek, Rogerson Flats, Cottonwood, and Salmon Creek projects (the "Projects"). Exergy executed firm energy sales agreements (FESAs) with Idaho Power for each of these Projects in late 2010. Idaho Power required the inclusion in these FESAs of a delay liquidated damages provision that required Exergy to post \$45/kilowatt of nameplate capacity to ensure that the Projects would meet a Scheduled Operation Date of June 30, 2012. Idaho Power included in the delay default provision the requirement in Article 4.1.7 that Exergy be able to "Provide written confirmation from Idaho Power's delivery business unit that Seller has satisfied all interconnection requirements." Idaho Power drafted those provisions and – other than the projected date itself – provided Exergy with no opportunity for input.

As Exergy has communicated to Idaho Power, Exergy believed it would be able to achieve the interconnection component by the Scheduled Operation Date by interconnecting these four Projects at the point of interconnection on the 345 kV line used in Interconnection Request No. 327. From the well-advanced interconnection process initiated under Idaho Power Open Access Transmission Tariff (OATT) for Interconnection No. 327, Exergy expected that there would be no issue with completing the interconnection of the lesser 80-MW output by the required date. Your accusations that the Projects had been moved forward by Exergy with a blind eye to

interconnection risk is simply wrong. The interconnect feasibility study for this interconnect request was completed by Idaho Power on July 28, 2010. That study, which was completed six months PRIOR to execution of the Jack Ranch FESAs, provides: "The proposed in-service date is December 2011." The Projects, in reliance on Idaho Power's own study, then requested an on line date in July 2012, on the assumption that the interconnection work to be performed by Idaho Power would take no more than a year. This assumption was collaborated by the System Impact Study which was completed in December of 2010. That study also states that: "The proposed in-service date for this Project is December 2011." Exergy reasonably and in good faith relied upon Idaho Power to make an informed decision as to the appropriate on line date.

Idaho Power worked with Exergy under the terms of the OATT to make modifications to the initial 200MW Energy Resource designation for Interconnection Request No. 327 to allow for these four QF Projects to interconnect at the same location on the applicable 345 kV line. Exergy consequently understood Idaho Power to be proceeding under the terms of the OATT for this interconnection. Exergy considers the terms of the OATT to allow for a quicker progression to a fully completed interconnection process. Exergy maintains that, had Idaho Power consistently adhered to the principles of the OATT, it could have progressed much more quickly to a reasonable and fully executed Large Generator Interconnection Agreement. But Idaho Power has failed to do so.

For example, the OATT section 32.1 requires that if the Transmission Provider determines that a system impact study is necessary, it shall so inform the transmission customer "as soon as practicable," but in any event will provide a system impact study agreement within 30 days of a completed application for network resource designation. Exergy's letter initiating the revised network transmission request from the revised point of interconnection was sent June 3, 2011, and it took 75 days for Idaho Power to respond on August 17, 2011 that a system impact study would be needed. For a much more complicated process of actually completing a system impact study or a facility study, the OATT only allows only 60 days, and under sections 19.9 and 32.5 requires Idaho Power to file a notice and possibly incur penalties with FERC if a significant number of studies for non-affiliates exceed that 60-day deadline. Additionally, Idaho Power's August 17, 2011 letter provided Exergy with six days to execute the included network transmission study agreement regarding the system impact study and deposit \$10,000, but Idaho Power's OATT section 32.1 provides a transmission customer with 15 days to execute a system impact study agreement.

The 75-day response period for Idaho Power (compared to 30 days in the OATT) and the 6-day response requirement for Exergy (compared to 15 days in the OATT) are flatly discriminatory to Exergy's QF Projects as compared to others who are attempting to use the transmission system. This is only one such example of Idaho Power's delays and unreasonable requirements placed upon Exergy with regard to the interconnection and network transmission components of these Projects.

In fact, Idaho Power has unilaterally imposed short response times for Exergy and allowed itself generous amounts of time achieve various tasks throughout this process. To put it simply,

Donovan Walker
June 13, 2012
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Exergy has made clear its intent to proceed under the reasonable timelines set forth in the OATT in order to avoid being in default of Idaho Power's unreasonable delay damages provision in the FESAs. Yet Idaho Power has refused to follow that process, and instead has materially frustrated Exergy's ability to complete the interconnection.

Your letter sent June 12, 2012 is yet another example. Idaho Power Transmission apparently believes it is not capable of having the interconnection complete in time for the deadline in the FESAs, or the 90 days thereafter Idaho Power has provided for Exergy to cure any delay "default" prior to Idaho Power's right (again, under the FESAs it drafted) to terminate the FESAs. Exergy reasonably proposed to use a common procedure from Section 5.1.3 of Idaho Power's OATT to self build the interconnection. That would at least place Exergy in control of the interconnection construction, and consequently the related ability to achieve online status accordance with the FESAs. There is no basis for denial of this request. Exergy and its partners clearly have the capacity to self construct the interconnection process.

Your reliance on the terms and provisions of a state-jurisdictional Schedule 72 are unavailing. First, Idaho Power has consented to use the procedures of the OATT by course of conduct. Those provisions were used in correspondence between Exergy and Idaho Power to make the necessary modifications to the Interconnection Request No. 327 beginning in April 2011. You claim that Exergy failed to adhere to some "comment period" that Idaho Power has created. However, even if Idaho Power could foist an unfair process on an interconnecting generator for some failure to provide comments, we understand that Exergy has communicated its intent to use the OATT provisions consistently from the start. Idaho Power cannot indiscriminately "cherry pick", using some provisions of the OATT favorable to itself at some points and completely ignoring OATT at other times whenever Idaho Power chooses.

Second, and more importantly, the Schedule 72 process as applied is inconsistent with federal and state QF regulations. Idaho Power is discriminating against and providing less protection to the interconnection rights of QFs than those available for non-QF generators. As you are well aware, "a state may only take action under PURPA to the extent that that action is consistent with [FERC's] rules." *Cedar Creek Wind, LLC*, 137 FERC 61,006, ¶ 27 (2011). Federal Energy Regulatory Commission (FERC) regulations and case precedent is abundantly clear that well-established interconnection protections afforded under PURPA are intended to prevent the type of discriminatory treatment exhibited by Idaho Power here (e.g. 18 C.F.R. § 292.301 - 314). By prohibiting Exergy from self-building its QFs' interconnection in the same manner Idaho Power is required to allow non-QF generators under the OATT, Idaho Power is using the Schedule 72 process as an unreasonable shield to discriminate against Exergy, subverting and contorting the very purpose of Schedule 72.

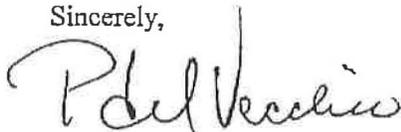
Finally, a duty of good faith and fair dealing is implied in any contract. *Indep. Sch. Dist. of Boise City v. Harris Family Ltd. P'ship*, 150 Idaho 583, 589, 249 P.3d 382, 388 (2011). The four FESAs at issue here are no exception. Idaho Power has unreasonably demanded that, in order for Exergy to exercise its state and federal right to sell to Idaho Power as a QF, Exergy must agree to a delay default damages provision that required Exergy to post substantial security in

Donovan Walker
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excess of three million dollars for these Projects. Idaho Power claims in other forums that it does not need the output from wind projects at this time. Yet here Idaho Power refuses to slightly extend the online date in Exergy's FESAs. For Idaho Power to insist upon building the interconnection itself under deadlines that will not meet the deadlines Idaho Power refuses to move in the FESA is a transparent attempt to terminate the FESAs. Idaho Power cannot pretend as though it is two different entities. Idaho Power's intent is clear. No court would view Idaho Power's conduct as anything other than a monopolist utility's attempt to terminate the FESAs. As such, Idaho Power's actions are a clear breach of the implied covenant of good faith and fair dealing.

Idaho Power's entire course of conduct including its actions, inactions and interactions with Exergy regarding the interconnection procedures with respect to its four QF Projects and the related FESAs has the potential to cause tremendous harm to Exergy and seriously threatens the viability of these Projects. Earlier today, Exergy had delivered to Idaho Power executed counterparts of the relevant Interconnection Agreements. We are expecting Idaho Power to execute and deliver counterparts of Interconnection Agreement to Exergy as soon as possible. If this is not completed by the close of business on Monday, June 18th or if Idaho Power formally or informally removes any of the Projects from its interconnection queue, Exergy intends to pursue all available legal and equitable remedies against Idaho Power for all direct and indirect costs associated with these Projects, including the return of all security payments made under the FESAs, all hard and soft development and construction costs associated with the Projects, the value of all non-refundable deposits placed on wind turbines and other equipment, as well as other consequential and punitive damages.

Sincerely,



Peter A. del Vecchio

cc. James Carkulis, Exergy Development Group of Idaho, LLC
Peter Richardson, Richardson & O'Leary



DONOVAN E. WALKER
Lead Counsel
dwalker@idahopower.com

June 12, 2012

**VIA ELECTRONIC & U.S. CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

James Carkulis
Exergy Development Group
802 West Bannock Street, 12th Floor
Boise, Idaho 83702

Re: Jack Ranch Projects – Your June 12, 2012, E-Mail to Josh Harris

Dear Mr. Carkulis:

This letter responds to your e-mail of June 12, 2012, to Idaho Power's Josh Harris. As we have discussed several times and as you are fully aware, Idaho Power's Tariff Schedule 72 is the governing Tariff/document for PURPA QF Generator Interconnections to Idaho Power's system. Schedule 72 provides that "The Company [Idaho Power] will construct, own, operate and maintain all equipment, Upgrades and Relocations on the Company's electrical side of the Interconnection Point." IPUC No. 29, Tariff No. 101, Sheet No. 72-7. Schedule 72 does incorporate many provisions of the FERC-approved Large Generator and Small Generator Interconnection Procedures in the State Schedule 72 process. See IPUC No. 29, Tariff No. 101, Sheet No. 72-3, sub. 2. Only those provisions of the LGIA and SGIA that are not addressed by Schedule 72 are applicable in this state jurisdictional generator interconnection process. Any provisions of the LGIA and/or SGIA that purport to allow a QF project to construct any facilities used in any way to serve any other Idaho Power customer "on the Company's electrical side of the Interconnection Point" are not applicable as Schedule 72 requires such facilities to be constructed, owned, operated, and maintained by Idaho Power. We have specifically discussed this requirement on more than one occasion in our face-to-face meetings regarding your Jack Ranch projects, as well as several of your other projects with Idaho Power.

Additionally, the provision you cite to in the LGIA (5.1.3) – if it were applicable in this situation – applies only to Stand Alone Network Upgrades. As mentioned above, and as discussed with you previously, any facilities that are involved with the provision of service by Idaho Power to any other customers are not Stand Alone Upgrades, and

James Carkulis
June 12, 2012
Page 2 of 4

must be constructed by Idaho Power pursuant to Schedule 72. This includes the interconnection facilities and upgrades for the Jack Ranch projects.

Further, as we discussed and as you requested, specific language consistent with what Idaho Power has contracted for with other QF interconnections – specifically the Thousand Springs GIA – was included in the final GIA, which we provided to you on May 14, 2012. Those additional provisions would allow Idaho Power to work cooperatively with you and bring to bear the assistance of third-party contractors and other methods to reasonably expedite the required work for your interconnection and upgrades. The Thousand Springs GIA language that you referenced is as follows:

This is a revised date, upward in time from 1/15/11, based upon Interconnection Customer's needs and requests. Idaho Power will use reasonable efforts to have IPC's commissioning completed by 12/31/10. This revised completion date is contingent upon all materials being delivered on their scheduled delivery dates, the transmission line outage occurring as scheduled, receiving all necessary local, state and federal permits, including FERC and NEPA, and construction & regional resources being available.

The parties hereby acknowledge that Idaho Power shall not be liable for any possible damages associated in any way with Renewable Energy Credits or Attributes, the firm energy sales agreements, and the like, attributable to Interconnection Customer, or any of the various projects named on page one of the GIA, should the 12/30/10 date not be met.

Under normal efforts to bring the projects online a normal amount of overtime is utilized. Because of the Interconnection Customer's desire to meet an IPC commissioning date of 12/31/10, Interconnection Customer hereby authorizes IPC to incur additional expenses, including additional overtime, lodging, travel, and other expenses needed to bring in other IPC resources and personnel from other IPC regions as necessary to work on this interconnection.

The corresponding language that appears in the Jack Ranch GIA is as follows:

Customer has requested an in-service date of 12/15/2012. Idaho Power does not commit to this date but will use reasonable efforts to have commissioning complete by

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June 12, 2012
Page 3 of 4

6/9/2014. This date is contingent upon all materials being delivered in a timely manner, as well as other factors, some of which are described above. The parties hereby acknowledge that Idaho Power shall not be liable for any possible damages associated in any way with Renewable Energy Credits or Attributes, tax credits, the firm energy sales agreements, and the like, attributable to Customer, or any of the various projects named on page one of this GIA, should the 6/9/2014 date not be met.

Under normal efforts to bring the projects online a normal amount of overtime is utilized. Because of the Customer's desire to meet an IPC commissioning prior to 6/9/2014, Customer hereby authorizes IPC to incur additional expenses, including additional overtime, lodging, travel, and other expenses needed to bring in other IPC resources and personnel from other IPC regions, or to utilize third party contractors, as necessary to work on this interconnection.

As evidenced by the language quoted above and included in the Final GIA for the Jack Ranch projects, as long as Exergy is willing to pay the associated additional cost, Idaho Power will use commercially reasonable efforts – including additional resources of its own, third-party contractors, and other steps to expedite the required interconnection work. However, as has been previously communicated to you in writing, even with the use of such measures to expedite, Idaho Power's estimate is a minimum of 18 months from payment of funds and execution of the Final GIA to complete the necessary system upgrades and interconnection facilities. As stated in Idaho Power's April 13, 2012, letter to you:

As stated, Idaho Power will use commercially reasonable efforts, and work with you to expedite the construction of your interconnection facilities, including the use of third-party contractors – and including additional costs – if authorized and borne entirely by Exergy – to expedite the work required to interconnect your project to Idaho Power's system, allowing its energization. However, so as to be clear, I must reiterate that this does not change Idaho Power's estimate of a minimum of 18 months from payment of funds and execution of the GIA to complete the necessary system upgrades and interconnection facilities required to energize your project on Idaho Power's system, and even given the other uncertainties involved, it could take longer than 18 months still.

James Carkulis
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Your comment and request to include a provision consistent with the Thousand Springs GIA was received by Idaho Power during the appropriate 30-day comment period on the Jack Ranch Draft GIA. Idaho Power has incorporated your requested language into the Jack Ranch Final GIA to extent that Schedule allows. Your additional request at this late hour to include language from Idaho Power's LGIA is not only inappropriate, as the time for comment on the Draft GIA has passed, but it also has been previously and specifically discussed, addressed, resolved. Unfortunately, your request in your most recent e-mail appears to be another transparent attempt to now set up legal claims against Idaho Power that have no merit, while purporting to proceed in good faith and in a commercially reasonable manner – similar to those referenced in Idaho Power's June 8 letter to you.

Finally, as a reminder, pursuant to the May 14, 2012, letter to you from Idaho Power's Tess Park, and confirmed by Idaho Power's letter dated June 8, 2012, and now this letter as well, "Failure to submit an executed copy of the enclosed Final GIA, which includes the estimated milestones for the completion of construction, and complete the necessary financing arrangements for the Jack Ranch Projects **by June 13, 2012**, will result in Idaho Power terminating your generator interconnection request and withdrawing the Jack Ranch Projects from the generator interconnection queue."

Sincerely,



Donovan E. Walker

DEW:csb

cc: Lisa Grow, Idaho Power (via e-mail)
Tess Park, Idaho Power (via e-mail)
Randy Allphin, Idaho Power (via e-mail)
Jason Williams, Idaho Power Corporate Counsel (via e-mail)



DONOVAN E. WALKER
Lead Counsel
dwalker@idahopower.com

June 8, 2012

**VIA ELECTRONIC & U.S. CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

James Carkulis
Exergy Development Group
802 West Bannock Street, 12th Floor
Boise, Idaho 83702

Re: Jack Ranch Projects – Your Letter Dated June 1, 2012

Dear Mr. Carkulis:

This letter responds to your letter dated June 1, 2012, to Lisa Grow wherein you again make a request that Idaho Power Company ("Idaho Power") agree to extend the June 30, 2012, Scheduled Operation Dates that you selected and obligated your projects to in the Firm Energy Sales Agreements ("FESAs") for each of the Jack Ranch Projects (i.e., Cottonwood Wind Park, Deep Creek Wind Park, Rogerson Flats Wind Park, and Salmon Creek Wind Park). As we have previously communicated to you, Idaho Power does not agree to extend those dates.

Your most recent allegation that Idaho Power agreed to a December 2011 on-line date from a generator interconnection standpoint and that you relied on Idaho Power's representation of a December 2011 generator interconnection date is absolutely without merit. December 2011 was the date selected by the Exergy Development Group ("Exergy") when it submitted its Small Generator Interconnection Request Application Forms and the Interconnection Request for a Large Generating Facility on March 12, 2010. Importantly, Exergy submitted five generator interconnection requests on March 12, 2010. GI 322, 223, 324, and 235 were each for 20 megawatt ("MW") projects and GI 327 was for a single 200 MW project. Exergy subsequently withdrew the requests for GI 322, 323, and 324, leaving GI 325 and GI 327.

The Generator Interconnection Feasibility Study provided to Exergy for GI 325 and 327 by Idaho Power on July 28, 2010 ("Feasibility Study"), states "The proposed in-service date is December, 2011." This statement is merely a factual recital of the in-

James Carkulis
June 8, 2012
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service date requested by Exergy when it submitted its generator interconnection application forms for the Jack Ranch Projects. The same is true with the Generator Interconnection System Impact Study provided to you by Idaho Power on December 29, 2010 ("System Impact Study"), which states, "The proposed in-service date for this project is December, 2011." Again, this language was included as a mere recitation of what Exergy requested when it submitted its generator interconnection forms. Nowhere in those documents does Idaho Power represent, let alone agree, that the generator interconnection facilities for the Jack Ranch Projects would be constructed and on-line by December 2011. Indeed, Idaho Power has never represented to Exergy that the Jack Ranch Projects would be on-line by December 2011.

In fact, Idaho Power communicated to you on multiple occasions, both verbally and in writing, that Exergy was proceeding at its own risk in signing FESAs in December 2010 with a Scheduled Operation Date of June 30, 2012, prior to Idaho Power completing the necessary generator interconnection and transmission studies to determine how long it would take to construct and/or upgrade such facilities as well as the cost of such facilities. Specifically, in a letter dated November 17, 2010 (nearly one month prior to you executing the FESAs) to Exergy's attorney, Peter J. Richardson, Idaho Power told Exergy that:

It was Idaho Power's understanding that Mr. Carkulis wished to get the results of the required interconnection and transmission studies, which will identify the need for and cost of interconnection facilities and possible transmission upgrades, prior to the time at which he would sign a Firm Energy Sales Agreement ("FESA") which would obligate the projects to a Scheduled Operation Date. As you are aware, the FESA contains provisions providing for delay damages should the projects fail to meet the Scheduled Operation Date set forth in the FESA. These delay damages are secured by the requirement to post liquid delay damage security thirty (30) days subsequent to IPUC approval of the FESA. As you are also aware, it is your client's 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 set forth in the FESA. As Mr. Carkulis has previously been advised, 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. It was for this

James Carkulis
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reason that Idaho Power was of the understanding that your client was not yet ready to commit to the execution of a FESA.

If this is not the case, and if your client wishes to proceed forward with the execution of a FESA prior to completion of the interconnection and transmission studies and accept the associated risk thereto, then Idaho Power can send you a draft PURPA Wind FESA that contains the most recent and up-to-date "standard" terms and conditions that have been approved by the IPUC.

Letter from Donovan E. Walker to Peter J. Richardson dated November 17, 2010, at pp. 1-2.

On November 23, 2010, Exergy's attorney responded to Idaho Power's November 17, 2010, letter by stating:

As you requested, I write to confirm that Exergy, as the developer for [the Jack Ranch Projects], is willing to sign contracts including the standard \$45/kw delay liquidated damages clause prior to completion of the entire interconnection and transmission process for these projects, including Idaho Power internal processes required to designate the resource as a network resource. Exergy understands that, under the current standard contract Idaho Power would agree to enter into, a delay in achieving the online date caused by the interconnection or transmission processes is a delay which will not excuse a possible trigger in the delay damages clause.

Letter from Peter J. Richardson to Donovan E. Walker dated November 23, 2010.

The very next day, on November 24, 2010, Idaho Power sent draft FESAs to Exergy's attorney, including a cover letter which stated, in part:

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

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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 and 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.

Letter from Donovan E. Walker to Peter J. Richardson dated November 24, 2010.

In response, Exergy's attorney sent a letter stating, in part:

Exergy is fully aware of the contracts' provisions and, as you know has successfully developed many projects using the standard Idaho Power contract. Exergy is also fully aware of transmission and interconnection risks, as well as the liquid security provision.

Letter from Peter J. Richardson to Donovan E. Walker dated November 29, 2010.

This series of correspondence demonstrates that not only did Exergy have actual notice of the risks associated with selecting a Scheduled Operation Date in the FESAs without knowing the time frames or costs associated with interconnection and transmission facilities for the Jack Ranch Projects, Exergy affirmatively acknowledged and accepted those risks. With actual knowledge and affirmative acceptance of these risks, Exergy selected a Scheduled Operation Date of June 30, 2012, in each of the FESAs, which Exergy executed on December 10, 2010, and which were ultimately approved by the Idaho Public Utilities Commission on February 11, 2011.

In addition, as a sophisticated developer of generation projects and having previously developed more than a dozen other PURPA QF wind projects on Idaho Power's system, Exergy is fully aware of the studies Idaho Power must conduct as well as the processes necessary for generators, such as the Jack Ranch Projects, to connect to Idaho Power's system. In addition, Exergy is fully aware from its previous

James Carkulis
June 8, 2012
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development projects with Idaho Power that the factual recitation of the proposed dates by a generator contained in the Feasibility Study and System Impact Study are in no way a guarantee by Idaho Power nor even a representation by Idaho Power as to when generator interconnection facilities will be on-line.

Further, after executing the FESAs, but prior to Idaho Power issuing the Facilities Study for the Jack Ranch Projects, Exergy requested that Idaho Power make significant changes to the generator interconnection facilities configuration for the Jack Ranch Projects, which required Idaho Power to restudy a large portion of the Jack Ranch Projects. Specifically, on April 12, 2011, Exergy sent Idaho Power a letter requesting several revisions to the Jack Ranch Projects, including reducing Exergy's GI 327 from 200 MW to 84 MW with an option to reduce the interconnection even further to 63 MW at some point in the future. Further, Exergy requested that the point of interconnection for the Cottonwood Wind Park, Deep Creek Wind Park and Rogerson Flats Wind Park be changed from an Idaho Power 138 kilovolt ("kV") line to a 345 kV line. Idaho Power responded via letter dated April 27, 2011, that a request of this type required Idaho Power to conduct a material modification review under Idaho Power's Large Generator Interconnection Procedures. Idaho Power further clarified that the change in the voltages from 138 kV to 345 kV for three of the four Jack Ranch Projects would require a restudy of the Facilities Study that was then in progress due to the different integration voltages and the associated different Idaho Power transmission lines. See letter dated May 20, 2011, from Dave Angell to James Carkulis. These significant changes requested by Exergy caused delays in the Jack Ranch Project's generator interconnection process.

Idaho Power is disappointed in reviewing your June 1, 2012, letter in that it contains many known misstatements of fact in an attempt to contend that Idaho Power, and not Exergy, was responsible for any delay that has occurred and the ultimate failure of Exergy to meet the Scheduled Operation Date that Exergy set for itself. Your letter is a transparent attempt to now, at this late hour, set up legal claims against Idaho Power that have no merit, while purporting to proceed in good faith and in a commercially reasonable manner. For example, at the end of your June 1 letter you state "each of the Project Companies has made, in good faith and based on the information provided by Idaho Power Company in the aforementioned studies, the applicable security deposits with the assumption that Idaho Power Company would be able to construct the interconnection facilities on the schedule originally set by the interconnection studies." This statement is incorrect.

First, Exergy has completely failed to, and has not to this day, paid the required construction deposit, nor executed the required Generator Interconnection Agreement ("GIA") in order for Idaho Power to proceed with any of the required detailed design, engineering, ordering of materials, and construction of the interconnection facilities and/or transmission upgrades. What Exergy has paid are the required deposits for Idaho Power to conduct the mandatory studies (Feasibility Study, System Impact Study,

James Carkulis
June 8, 2012
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and Facilities Study), none of which provide a valid time line unless and until Exergy executes the required GIA and pays the requisite construction deposit for work to begin. Second, as stated above, as a sophisticated developer of generation projects and having previously developed more than a dozen other PURPA QF wind projects on Idaho Power's system, Exergy is fully aware of the studies Idaho Power must conduct as well as the processes necessary for generators, such as the Jack Ranch Projects, to connect to Idaho Power's system. Exergy is fully aware that the recitation in Section 4 of the Feasibility Study Report of what Exergy requested as an on-line date in its Generator Interconnection Application (December 2011) is not a representation by Idaho Power that the required work – which at the Feasibility Study stage is still unknown – can be accomplished by any date certain.

Additionally, even if Idaho Power were to agree, which it certainly does not, to change the Scheduled Operation Date in the FESAs, you have requested December 1, 2012, as the new Scheduled Operation Date. Further you state that this December 2012 date is consistent with the interconnection agreements applicable to each Project. The December 2012 date is most definitely NOT consistent with the anticipated time line, construction, and upgrades required of the interconnection of the Jack Ranch Projects. As clearly stated in the final GIA transmitted to you on May 14, 2012, "Idaho Power does not commit to this date [December 15, 2012] but will use reasonable efforts to have commissioning complete by 6/9/2014." Consequently, your requested change in the Scheduled Operation Date, even if agreeable to Idaho Power, would not resolve the problem that exists today, with Exergy insisting upon a Scheduled Operation Date that is before the time at which the Jack Ranch Projects' interconnection could be completed.

Lastly, as a reminder, per the May 14, 2012, letter to you from Idaho Power's Tess Park, "Failure to submit an executed copy of the enclosed Final GIA, which includes the estimated milestones for the completion of construction, and complete the necessary financing arrangements for the Jack Ranch Projects **by June 13, 2012**, will result in Idaho Power terminating your generator interconnection request and withdrawing the Jack Ranch Projects from the generator interconnection queue."

Sincerely,



Donovan E. Walker

DEW:csb

cc: Lisa Grow, Idaho Power (via e-mail)
Tess Park, Idaho Power (via e-mail)
Randy, Allphin, Idaho Power (via e-mail)
Jason Williams, Idaho Power Corporate Counsel (via e-mail)

01 June 2012

Lisa A. Grow
Senior Vice President, Power Supply
Idaho Power Company
PO Box 70
Boise, Idaho 83707

Re: Cottonwood Wind Park – Project #31721100, Deep Creek Wind Park – Project # 31721200,
Rogerson Flats Wind Park – Project # 31721300 and Salmon Creek Wind Park – Project # 31721400

Dear Ms. Grow,

Each of Cottonwood Wind Park, LLC, Deep Creek Wind Park, LLC, Rogerson Flats Wind Park, LLC and Salmon Creek Wind Park LLC (collectively, the “Project Companies”) has entered into an individual Firm Energy Sales Agreement with Idaho Power Company dated December 10, 2010 (collectively, the “Project PPAs”).

I am writing this letter on behalf of the Project Companies to ask that Idaho Power Company amend Appendix B (Facility and Point of Delivery) of each of the Project PPAs such that Section B – 3 (Scheduled First Energy and Operation Date) reads as follows:

“Seller has selected November 1, 2012 as the Scheduled First Energy Date
Seller has selected December 1, 2012 as the Scheduled Operation Date”

The current schedule given by Idaho Power Transmission is December 2013.

This amendment will result in the schedule of the Project PPAs being consistent with each of the interconnection agreements applicable to each of the projects.

The parties originally agreed to June 30, 2012 as the Scheduled Operation Date because Idaho Power Company had originally provided the Project Companies with an initial on-line date of December 31, 2011 based on the interconnection studies. Specifically, the Generator Connector Feasibility Study final report dated July 28, 2010 for projects queue # 325 and queue #327 completed by Idaho Power Company is premised upon a proposed in-service date of December 2011 (See Section 4.0 of the final report). Moreover, the Generator Connector System Impact Study final report dated December 29, 2010 for projects queue #325 and queue #327 completed by Idaho Power Company is also based on the same proposed in-service date of December 2011 (See Section 4.0 of the final report).

Exergy Development Group 802 W Bannock, 12th Floor Boise, ID 83702 P 208.336.9793
F 208.336.9431

The information we've received from Idaho Power Company in these studies has triggered many events. The project companies left sufficient room to build from the energization date of December 2011 of the substation to completion under the PPA. The project companies have been in continuous construction of these projects since December of 2011 based in large part on the information from Idaho Power Company contained in these studies. For example, the project companies have ordered substation equipment, readied the transformer to ship, built roads and excavated foundations, among other things. It was reasonable for the project companies to take these actions based on the fact that we were getting this information from Idaho Power Company. We hope that we have not relied on this information to our detriment.

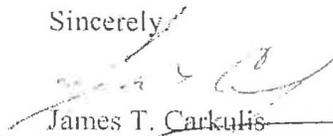
Based on the results the studies delivered from Idaho Power Company, the parties included six months of contingency (should Idaho Power Company experience any delays in the construction of the necessary interconnection facilities) and, thus, the June 30, 2012 date was included in each of the Project PPAs. The Project Companies entered into the Project PPAs (with the aforementioned dates) based in large part on the information provided by Idaho Power Company. The Project Companies acted in good faith and in a commercially reasonable manner based on the information that Idaho Power Company provided.

Now that Idaho Power Company has made the Project Companies aware that the interconnection facilities will not be completed in order to allow the Project Companies to meet the Scheduled Operation Date, I am asking simply to have the dates in the Project PPAs reflect what Idaho Power Company is telling us that they will accomplish regarding the interconnection facilities.

Please note, each of the Project Companies has made, in good faith and based on the information provided by Idaho Power Company in the aforementioned studies, the applicable security deposits with the assumption that Idaho Power Company would be able to construct the interconnection facilities on the schedule originally set by the interconnection studies. The Project Companies have been diligently trying to work with Idaho Power Company to overcome this delay, but it is beyond the control of the Project Companies.

If you agree with the amendment, please respond appropriately and I will have the appropriate amendments drafted for each of the Project PPAs. I am very appreciative of your consideration and would ask for a resolution as soon as possible.

Sincerely,



James T. Carkulis

Manager of each of the Project Companies

Cc: Idaho Power Company, Cogeneration and Small Power Production

Exergy Development Group 802 W Bannock, 12th Floor Boise, ID 83702 P 208.336.9793
F 208.336.9441

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 57



July 9, 2012

Idaho Power Company
Attn: Josh Harris
1221 West Idaho Street
Boise, ID 83702

RE: Notch Butte Wind Park – GI #349 & #359

Dear Mr. Harris,

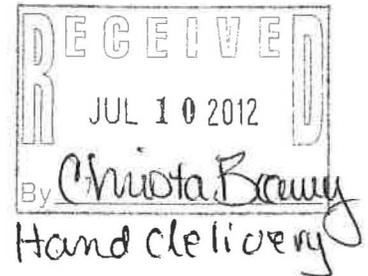
Exergy has received and executed the final Generator Interconnection Agreement (GIA) prepared by Idaho Power and dated June 26, 2012. Exergy is pleased to submit the enclosed and executed GIA and will submit the funds described in the enclosed GIA at such time as Idaho Power countersigns and returns a copy of the document to our office.

Best Regards,

A handwritten signature in black ink, appearing to read "JGunderson".

Joshua Gunderson, Project Engineer
phone: 208.336.9793
email: jgunderson@exergydevelopment.com

June 26, 2012



GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

Notch Butte Wind Park PROJECTS #349 & #359
6.5 / 11.5 MW

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This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the 26 day of June, 2012 between Exergy Development Group of Idaho, ("Seller", "Customer" or "The Project") and Idaho Power Company ("Company", "Transmission Owner", "Idaho Power", "IPC" or "IPCO").

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

Attachment 7 – Generator Interconnection Control Requirements

5. Effective Date, Term, Termination and Disconnection.

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

5.2 Termination.

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

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

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

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

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

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

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

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

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

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

5.3.7 Modification of the Generation Facility. *The Seller must receive written authorization from the Company before making any change to the Generation Facility that may have a material impact on the safety or reliability of the Company's transmission/distribution system. Such authorization shall not be unreasonably withheld.*

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

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

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

5.4 Land Rights.

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

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

5.4.3 Joint Use of Facilities. Subject to Idaho Power's compliance with Paragraph 15.4.4, Idaho Power may use and attach its distribution and/or transmission facilities to Seller's Interconnection Facilities, may reconstruct Seller's Interconnection Facilities to accommodate Idaho Power's usage or Idaho Power may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to Paragraph 5.4.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by Paragraph 5.4.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this Paragraph 5.4.3.

5.4.4 Conditions of Use. It is the intention of the Parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior

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

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

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

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

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

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

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

6.3 Indemnity.

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

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

6.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and

reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim. Failure to defend is a Material Breach.

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

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

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

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

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

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

6.5 Default and Material Breaches.

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

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

7. Insurance.

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

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

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

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

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

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

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

8. Miscellaneous.

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

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

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

9. Notices.

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

If to the Seller:

Seller: Exergy Development Group of Idaho, LLC
 Attention: Elizabeth Woolstenhulme
 Address: 802 West Bannock, 12th Floor
 City: Boise State: Idaho Zip: 83702
 Phone: 208-336-9793 Fax: 208-336-9431

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: Exergy Development Group of Idaho, LLC
 Attention: Elizabeth Woolstenhulme
 Address: 802 West Bannock, 12th Floor
 City: Boise State: Idaho Zip: 83702
 Phone: 208-336-9793 Fax: 208-336-9431

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.

Seller's Operating Representative:

Seller: Exergy Development Group of Idaho, LLC
 Attention: Elizabeth Woolstenhulme
 Address: 802 West Bannock, 12th Floor
 City: Boise State: Idaho Zip: 83702
 Phone: 208-336-9793 Fax: 208-336-9431

Company's Operating Representative:

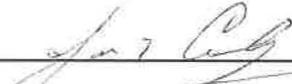
Idaho Power Company - Delivery
 Attention: Outage Coordinator – System/Regional Dispatch
 1221 W. Idaho Street
 Boise, Idaho 83702
 Over 138kV phone 208 388 2861 during regular business hours
 Under 138kV Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
 After hours – System Dispatch 388 2826
Regional Dispatch
 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.

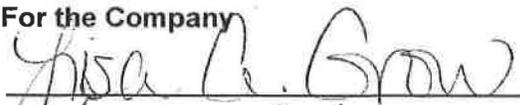
10. Signatures.

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

For the Seller,

Name: 
 Title: Managing Member
 Date: July 9, 2012

For the Company

Name: 
 Title: for Fess Park
 Director, Load Serving Operations – Idaho Power Company
 Date: 7-11-12

Attachment 1

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

Interconnection Details

Type of Interconnection Service: Studied as an Idaho Power Network Resource under PURPA
Full Output: 18 MW (both projects)
Nominal Delivery Voltage: 12.5 kV

General Facility Description

The Notch Butte Wind Park project includes both Projects #349 and #359 for a total of 18 MW of power provided by seven 2.5Mw Nordex Turbines. The Interconnection Customer (IC) will provide all generation and station equipment required to deliver power at 12.5 kV to the Point of Interconnection (POI) which is located at the coordinates North 42° 53.12948' West 114° 10.57'. The Seller will provide two POTS lines and two DDS circuits to the POIs (one pair for each feeder connection) for communication. Two 12.5 kV feeders will run from the POI four miles west to the IPCo Dietrich substation where the station will be expanded to accommodate the two new feeders. The power will be converted to 138 kV via a 12.5 kV to 138 kV power circuit transformer. A new double circuit transmission line, consisting of a new 138 kV line and the existing 46 kV line, will run four miles due north out of the Dietrich substation. The new 138 kV line will connect to the existing Midpoint-Silver 138 kV line.

Interconnection Point

The Interconnection Point for the Notch Butte Wind Park Project will be the generator side of the disconnect switches labeled Disconnect Switches A-13 and A-14 (one for each feeder) as shown on the attached Single Line drawings 21D-64299, sheets 1 & 2. This Interconnection Point is in Lincoln County, ID - T6S, R19E, SW corner of Section 22.

A drawing identifying the Point of Interconnection is included as Attachment 2. The Point of Change of Ownership is electrically the same as the Interconnection Point.

Seller's Interconnection Facilities

The Seller will install all generation and station equipment required to deliver power at 12.5 kV to the interconnection point. Transmitting 18 MW of power at 12.5 kV requires two distribution feeders. The Seller shall balance the generation between these two feeder connections with no more than 11 MW of power flowing on either feeder. The Seller will own and maintain facilities electrically located on the Interconnection Customer side of the Point of Change of Ownership. Idaho Power will own and maintain the facilities electrically located on the IPCo side of the Point of Change of Ownership.

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.

The Seller will provide a DNP 3.0 serial data connection to the local Idaho Power Company SCADA RTU when any communication with Seller-owned and maintained equipment is required for GOLC, voltage control or other plant monitoring or control. Preliminary points lists and functional description were provided to the Seller in the Facility Study Report.

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

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

Two POTS (Plain Old Telephone Service) dial-up circuit for querying the revenue meter at the generation interconnection site. One for each 4-pole feeder connection.

Two leased DDS (Digital Data Service) circuit for SCADA between the generation interconnection site and Twin Falls Service Building (273 Blue Lakes Blvd. S., Twin Falls, ID 83301). One for each 4-pole feeder connection. These circuits must operate at 19.2 kbps data rate. Please note that Frame Relay service is not acceptable.

The Interconnection Customer/communications provider shall provide a demarcation box and terminate the specified communications circuits at the demarcation box. The location of the demarcation box will be determined by Idaho Power. The demarcation box shall meet the following requirements:

- Be accessible by both the communications provider and Idaho Power
- The location shall be near Idaho Power's equipment and shall be subject to approval by Idaho Power
- The communications cable pairs shall be labeled/tagged accordingly (i.e. circuit number, phone number, transmit, receive, etc.)

The Seller 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 Seller 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 Seller. 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 trouble-shooting of Idaho Power owned equipment.

Ground Fault Equipment

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

Monitoring Information

If the Seller requires the ability to monitor information related to the Idaho Power reclosers in the generation interconnection package they are required to supply their own communications circuit to the control box.

Easements

The Seller will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities at the Interconnection Point. 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 Seller will return the signed easement to IPCO for recording.

Generator Output Limit Control

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

Local Service

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

Idaho Power Company's Interconnection Facilities

Idaho Power will install two standard generation interconnection packages, one for each feeder. For each package, if the Seller 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 Seller 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 packages each will include four distribution poles to mount a local service transformer, solid blade disconnects, primary metering package, recloser, relays, RTU, fuses and riser necessary for the package. The interconnection will be controlled by a SEL-311C line protection relay and a GE iBox RTU. The relay and RTU will be located in a pole mounted enclosure and will also contain a test switch (TS4), SLSS, dialup modem, DDS CSU/DSU, isolation interface, power supply, DC converter, control switch and surge protector.

Concrete barriers may be necessary to protect this equipment from local area traffic.

A 2" conduit will be installed alongside the underground primary to facilitate information exchange to the customer about the recloser. (The Interconnection Customer is responsible for providing and installing the appropriate cable.)

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.

Maintenance Coordination Exception

The Seller's protective relays will not provide back-up protection for Idaho Power facilities, therefore the last 2 sentences in Section 5.3.4 of this Generator Interconnection Agreement do not apply to this Generation Facility.

Estimated Cost & Ownership

The following good faith estimates are provided in 2011 dollars:

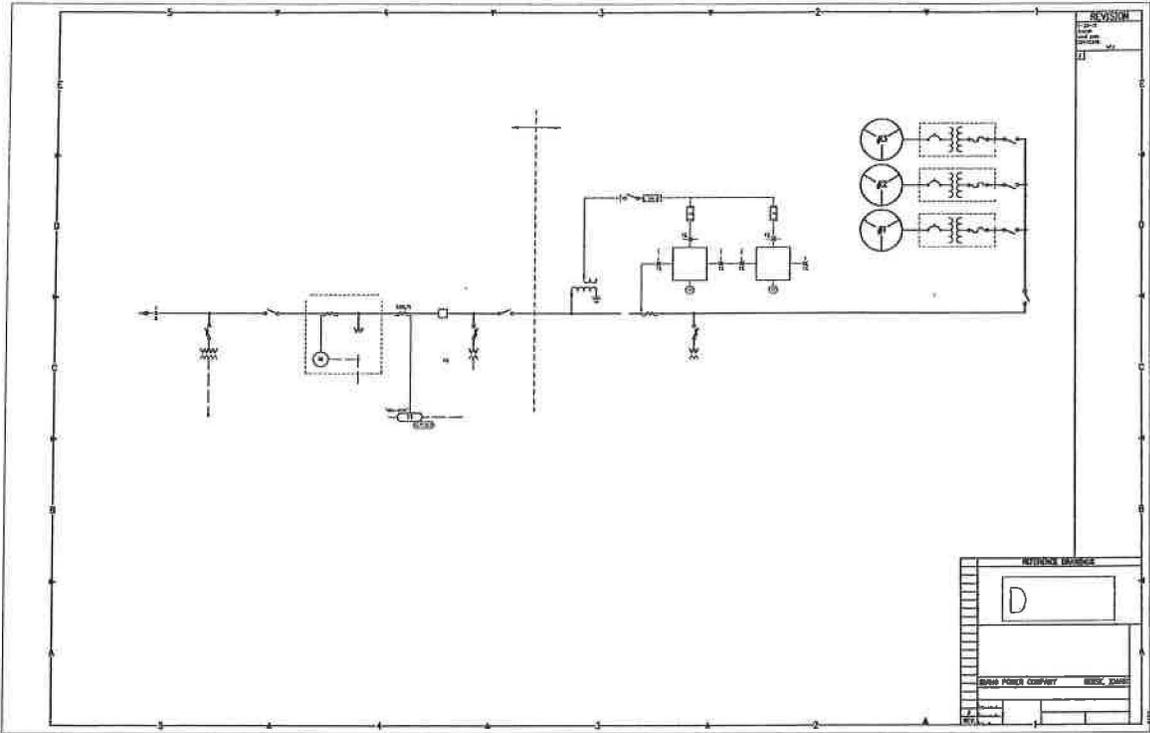
Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Packages (2)	IPC	\$440,000
SUBTOTAL		\$440,000
<i>See Attachment 6 for Total Estimate Costs</i>		

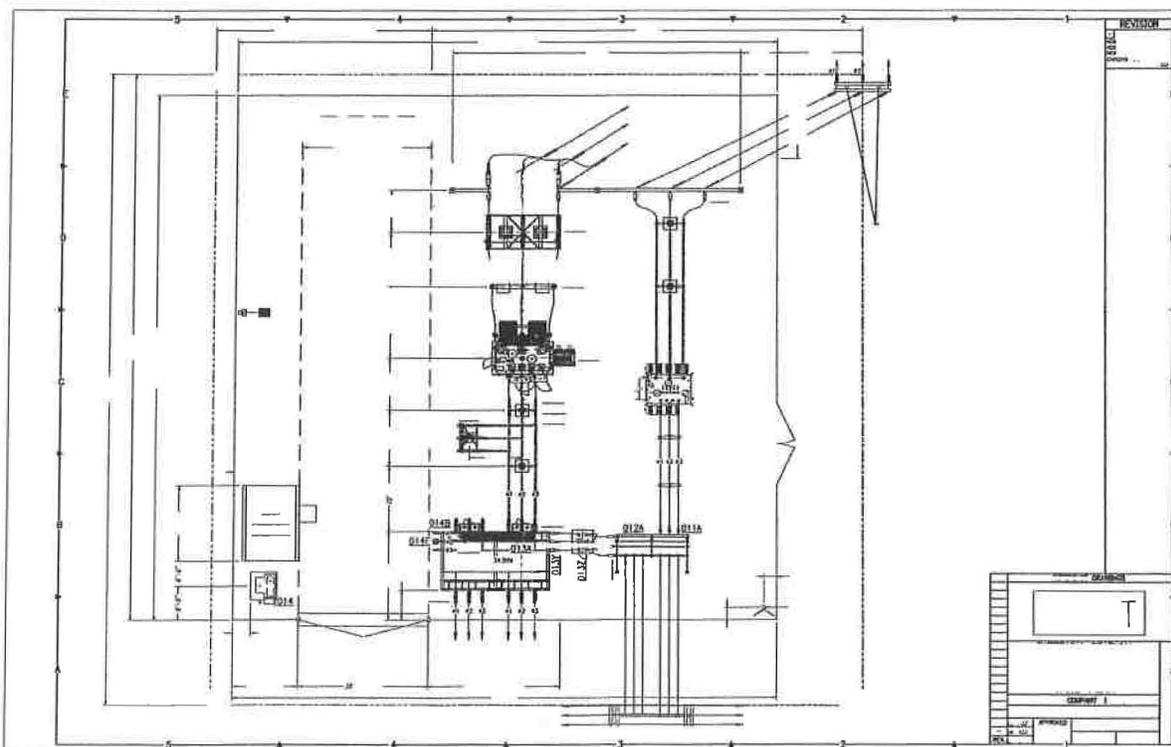
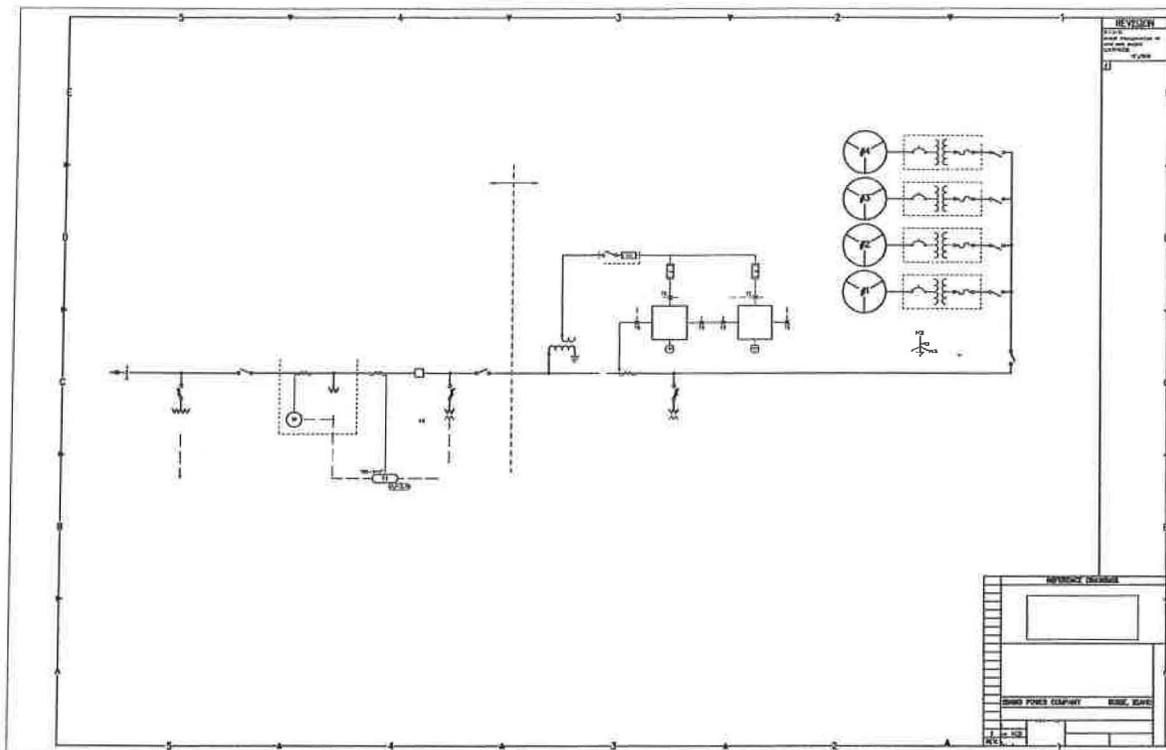
Full payment is required up front in accordance with Schedule 72, unless payment arrangements are made in advance with Idaho Power Operations Finance (see Attachment 3).

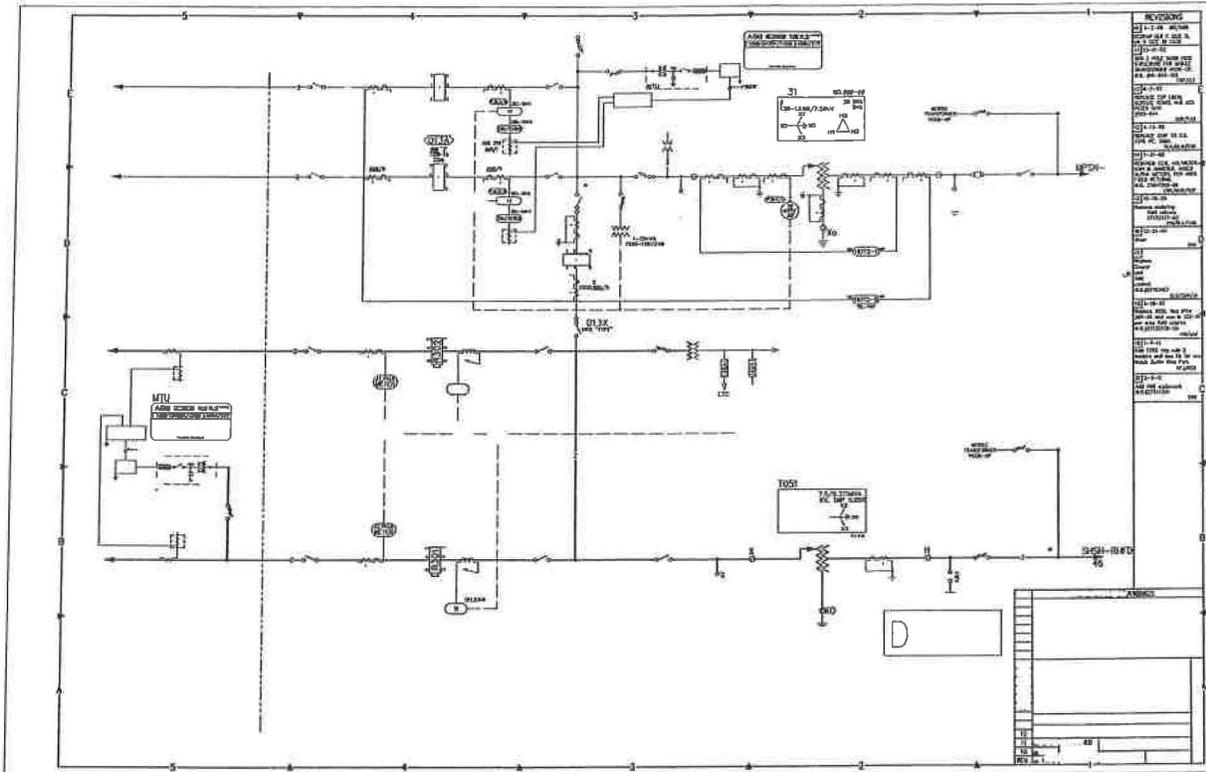
Billing for construction activities will be based upon actual expenditures.

Attachment 2

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







Attachment 3

Milestones for Interconnecting to the Generation Facility

Idaho Power Company agrees only to the Construction timelines under its direct control provided in the Facility Study Report for this Project.

These milestones will begin, and the construction schedule referenced below, will only be valid upon receipt of funding in full from the Seller or their authorized third party no later than the date set forth below for such payment. Additionally, failure by Seller to make the required payments as set forth in this Agreement by the date(s) specified below will be a material breach of this Agreement, which may result in any or all of the following: (i) loss of milestone dates and construction schedules set forth below; (ii) immediate termination of this Agreement by Idaho Power; (iii) removal from the generator interconnection queue.

Limited Generation Output

In response to the Seller's request to come on line by December 15, 2012 with a limited generation output, IPCO conducted additional power flow models. It was determined that acceptable voltage on the 46 kV system could be maintained with 4.0 MW of generation from Notch Butte Wind Park if the generators have the ability to absorb 3.0 MVAR. The installation of a 46 kV potential transformer transfer/trip package would have to be added to the scope/costs of the work at Dietrich substation. The Seller will be responsible for absorbing the VARs (3.0 maximum) necessary to maintain a 1.075 p.u. maximum 46 kV bus voltage at Dietrich substation. A voltage level above 1.075 p.u. will cause the generator to be tripped offline.

Idaho Power will provide the magnitude of the 46kV bus voltage at Dietrich station to the customer's control system. The voltage value will be made available to the seller's control system via the measurement device at Dietrich (e.g. meter or relay) and a direct, serial connection via the new feeder ADSS fiber optics. Data protocol and point formatting to be determined.

The estimated cost of this additional work is \$75,000. This brings the total estimated project cost to \$7,950,000. If the Generator Interconnection Agreement is signed and the project is funded before **July 9, 2012**, then temporary facilities can be constructed in order to bring project, at limited output of 4 MW, on line by December 15, 2012.

Critical milestones and responsibility as agreed to by the Parties under limited output:

Date	Responsible Party	Milestones
7/9/2012	Seller	IPCO receives the remaining balance of Construction estimate \$7,950,000 OR Credit arrangements are approved by IPCO
12/1/2012	Seller	Customer GOLC ready to connect & customer telecomm requirements are complete
12/15/2012	IPCO	IPCO Construction Complete
12/15/2012	IPCO	IPCO Commissioning Complete
12/15/2012	IPCO	Project Leader issues Construction Complete Letter
12/15/2012	IPCO	Manager of Grid Operations authorizes project to be energized, upon verification that Seller has previously met Schedule 72, Sec 7 Insurance requirements
12/15/2012	Seller	Customer testing begins
12/31/2012	Seller	Customer's requested In-Service Date

NOTE REGARDING LIMITED OUTPUT MILESTONES:

* Seller has requested an in-service date of 12/15/2012. Idaho Power will use reasonable efforts to have commissioning complete by this time if funding for project is received by July 9, 2012. This date is contingent upon all materials being delivered in a timely manner, as well as other factors, some of which are described above. The parties hereby acknowledge that Idaho Power shall not be liable to for any possible damages associated in any way with Renewable Energy Credits or Attributes, tax credits, the firm energy sales agreements, and the like, attributable to Customer, or any of the various projects named on page one of this GIA, should the 12/15/2012 date not be met.

Under normal efforts to bring the projects online a normal amount of overtime is utilized. Because of the Seller's desire to meet an IPC commissioning prior to 12/15/2012, Seller hereby authorizes IPC to incur additional expenses, including additional overtime, lodging, travel, and other expenses needed to bring in other IPC resources and personnel from other IPC regions, or to utilize third party contractors, as necessary to work on this interconnection.

Critical milestones and responsibility as agreed to by the Parties under full output:

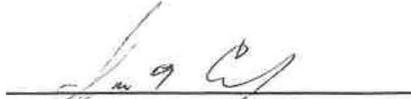
Date	Responsible Party	Milestones
7/9/2012	Seller	IPCO receives the remaining balance of Construction estimate \$7,875,000 OR Credit arrangements are approved by IPCO
4/15/2015	Seller	Customer GOLC ready to connect & customer telecomm requirements are complete
5/1/2015	IPCO	IPCO Construction Complete
5/15/2015	IPCO	IPCO Commissioning Complete
5/15/2015	IPCO	Project Leader issues Construction Complete Letter
5/15/2015	IPCO	Manager of Grid Operations authorizes project to be energized, upon verification that Seller has previously met Schedule 72, Sec 7 Insurance requirements
5/15/2015	Seller	Customer testing begins
7/20/2015	Seller	Customer's requested In-Service Date

Idaho Power requires approximately thirty-four (34) months to complete design, procurement, construction, permitting, and commissioning of the necessary interconnection facilities and required upgrades associated with the Notch Butte Wind Park Project prior to the Commercial Operation Date. This timeframe assumes that material can be procured, labor resources are available, and that outages to the existing system are available to be scheduled.

There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit (ROW grant) will be required from the BLM in order to re-build this portion of the line for the double circuit transmission as well as the 138 kV transmission line switches where the new 138 kV line connects to the existing transmission line. Obtaining a ROW grant from the BLM is never guaranteed and is typically a 20-30 month process at this point in time. This is outside of Idaho Power's control. If the ROW grant is denied then a new interconnection solution would be required and this could drastically alter project costs and timeline.

Agreed to by:

For the Seller:

 Date July 9, 2012

For the Transmission Provider
Idaho Power Company

 Date 7-11-12

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

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 A-13 and A-14 switches and a terminal clearance is issued by Idaho Power Company's Grid Operator.

Generator Output Limit Control ("Re-dispatch" or "GOLC") The Project will be subject to reductions directed by Idaho Power Company 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 have equipment capable of receiving signals from Idaho Power for GOLC. Generator Output Limit Control will be a setpoint from Idaho Power to the Project indicating maximum output allowed. See Attachment 7 for details.

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point. It is preferable to bring each generating unit online separately to minimize voltage flicker on the distribution system.

Low Voltage Ride Through

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 interconnect 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.

Ground Fault Equipment

The Seller will install transformer configurations that are Grounded-Wye to Grounded-Wye and will limit the contribution of the ground fault current to 20 amps or less at the Interconnection Point.

Meteorological Data

Historical wind data – Within 60 days after execution of this Agreement, the Seller shall provide Idaho Power with the following:

- a) historical wind data in an electronic format from the proposed Facility site or for a location within two miles of the Facility site.
- b) a third party wind assessment study report used by Seller to value investment in the Facility.

No later than 30 days prior to the Commercial Operation Date, the Seller shall have:

- a) Erected at the site at least one (1) high quality, approximate hub-height (plus or minus 20 meters), permanent, meteorological wind measurement tower(s) at location(s) on the site equipped with:
 - (i) Two (2) anemometers per tower;
 - (ii) Two (2) air temperature sensors per tower;
 - (iii) One (1) barometric pressure sensor (with DCP sensor); and
 - (iv) Two (2) wind vanes per tower.

Facility availability status shall be provided as described in the Final Facility Study no later than within the calendar month following the month of the Commercial Operation Date. Failure by the Seller to operate and maintain this equipment to provide such meteorological and turbine availability data in a manner to provide reasonably accurate and dependable data for the full term of this Agreement shall be an event of Default under paragraph 6.5.1.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 500 kVar.

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point.

Attachment 6Company'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**Upgrades to Substation Facilities**

Two new 12.5 kV feeder bays with associated switches, breakers, relays etc at Dietrich substation
 A new 138:12.5 kV power transformer and associated equipment at Dietrich substation with protection package, control building.
 Line relay and microwave upgrades at Midpoint substation
 DTRC-MPSN microwave reflector site (near Notch Butte)

Upgrades to Distribution Facilities

A new double circuit (DTRC-013 and 014) 12.5 kV distribution line from Dietrich substation to the point of interconnection (4 miles). This new distribution line will be built with 795 AAC conductor on both circuits with ADSS underbuild.

Upgrades to Transmission Facilities

Idaho Power will rebuild 4 miles of the existing 46 kV transmission line (T-128) with a double circuit transmission line that will accommodate both the existing 46 kV line as well as the new 138 kV line. The new 138 kV line will then tap into the existing Midpoint-Silver 138 kV line with line switches on all three sides of the tap.

The following good faith estimates are provided in 2012 dollars:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Packages (2)	IPC	\$440,000
Distribution Upgrades:		
Distribution Feeders to Dietrich Substation (DTRC-013 & DTRC-014) with ADSS fiber	IPC	\$965,000
Substation Upgrades:		
Dietrich Substation Additions	IPC	\$2,835,000
Midpoint Relay upgrades	IPC	\$65,000
Midpoint Microwave upgrades	IPC	\$190,000
DTRC-MPSON Microwave Reflector Site	IPC	\$325,000
Transmission Upgrades:		
Remove 4 miles of 46 kV line with underbuild	IPC	\$130,000
Build 4 miles of line to double circuit	IPC	\$2,550,000
3 – 138 kV Line Switches	IPC	\$300,000
*BLM Permitting/ROW Grant	IPC	\$75,000
GRAND TOTAL		\$7,875,000

*There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit will be required from the BLM in order to rebuild this portion of the line to double circuit as well as install the transmission line switches. The costs for this permitting can vary widely and have been estimated at a combined \$75K.

Note Regarding Transmission Service:

This Facility Study is a Network Resource Interconnection Facility Study. This study identifies the facilities necessary to integrate the Generating Facility into Idaho Power's network to serve load within Idaho Power's balancing area. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery.

Attachment 7

Generation Interconnection Control Requirements

Generator Output Limit Control (GOLC)

IPC requires Interconnected Power Producers to accept GOLC signals from our EMS.

The GOLC signals will consist of four points shared between the IPC EMS and the Customer's Generator Controller:

GOLC Setpoint: An analog output that contains the MW value the Customer should curtail to, should a GOLC request be made via the GOLC On/Off discrete output Control point.

An Analog Input feedback point must be updated (to reflect the GOLC setpoint value) by the Customer Controller upon the Controller's receipt of the GOLC setpoint change, with no intentional delay.

GOLC On/Off: A discrete output (DO) control point with latching Off/On states. Following a "GOLC On" control, the Customer Controller will run power output back to the MW value specified in the GOLC Setpoint. Following a "GOLC Off" control, the Customer is free to run to maximum possible output. A Discrete Input feedback point must be updated (to reflect the GOLC DO state) by the Customer Controller upon the Controller's receipt of the GOLC DO state change, with no intentional delay.

If a GOLC control is issued, it is expected to see MW reductions start within 1 minute and plant output to be below the GOLC Setpoint value within 10 minutes.

Voltage Control

Idaho Power Company requires Transmission-Interconnected Power Producers to accept Voltage Control signals from our EMS when they are connected to our transmission system.

The voltage control will consist of one setpoint and one feedback point shared between the IPC EMS and the Customer Controller.

The setpoint will contain the desired target voltage for the plant to operate at.

The control will always be active, there is no digital supervisory point like the Curtail On/Off control above.

When a setpoint change is issued an Analog Input feedback point must be updated (to reflect the Voltage Control setpoint value) by the Customer Controller upon the Controller's receipt of the Voltage Control setpoint change, with no intentional delay.

When a setpoint change is received by the Customer Controller, the Voltage Control system should react with no intentional delay.

The voltage control system should operate in a dead band of +/-5% of the control setting range.

The customer should supervise this control by setting up "reasonability limits", i.e. configure a reasonable range of values for this control to be valid. As an example, they will accept anything between .95 and 1.05 for the set point. In the case they are fed an erroneous value outside this range, their control system defaults to the last known, good value.

Generation Interconnection Data Points Requirements

Digital Inputs to IPCo (DNP Obj. 01, Var. 2)			
Index	Description	State (0/1)	Comments:
0	52A Customer Capacitor Breaker (if present)	Open/Closed	Sourced at substation
1	GOLC Off/On Control Received (Feedback)	Off/On	Provided by Customer

Digital Outputs to Customer (DNP Obj. 10, Var. 1)		
Index	Description	Comments:
0	GOLC Off/On	Provided by IPCO
NOTE: GOLC Setpoint indicates MW value to curtail to when GOLC Off/On DO is ON.		

Analog Inputs to IPCo (DNP Obj. 30, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint Value Received (Feedback)	32767	-	TBD	TBD	MW	Provided by Customer
1	Voltage Control Setpoint Value Rec'd (Feedback)	32767	-	TBD	TBD	kV	Provided by Customer
2	Maximum Park Generating Capacity	32767	-	TBD	TBD	MW	Provided by Customer
3	Number of Turbines In High Speed Cutout	32767	-	32767	-32768	Units	Provided by Customer
4	Ambient Temperature	32767	-	327.67	-327.68	F or C	Provided by Customer
5	Wind Direction	32767	-	3276.7	-3276.8	Deg	Provided by Customer
6	Wind Speed	32767	-	327.67	-327.68	MPH or m/s	Provided by Customer

Analog Outputs to Customer (DNP Obj. 40, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint	32767	-	TBD	TBD	MW	Provided by IPCO
1	Voltage Control Setpoint	32767	-	TBD	TBD	kV	Provided by IPCO
NOTE: Curtailment Setpoint indicates MW value to Curtail to when Curtailment Off/On DO is ON.							

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 58



DONOVAN E. WALKER
Lead Counsel
dwalker@idahopower.com

July 11, 2012

VIA ELECTRONIC & U.S. MAIL
jgunderson@exergydevelopment.com

Joshua Gunderson, Project Engineer
Exergy Development Group
802 West Bannock Street, 12th Floor
Boise, Idaho 83702

Re: Notch Butte Wind Park – GIA #349 & #359
Final GIA and Your Letter Dated July 9, 2012

Dear Mr. Gunderson:

In response to your letter dated July 9, 2012, which accompanied the final Generator Interconnection Agreement (“GIA”) that was forwarded to Exergy Development Group (“Exergy”) on June 26, 2012, signed by Exergy, Idaho Power Company (“Idaho Power”) encloses herewith a countersigned copy of the same to you.

Your letter states, “Exergy is pleased to submit the enclosed and executed GIA and will submit the funds described in the enclosed GIA at such time as Idaho Power countersigns and returns a copy of the document to our office.” Idaho Power has returned the countersigned GIA, and now expects immediate payment of the required funds (\$7,950,000) that were due no later than July 9, 2012. As you indicated in your letter, because Idaho Power has now returned the countersigned GIA, Idaho Power expects the required funding to be paid immediately. Idaho Power needs the required funding from Exergy in order to proceed.

As clearly stated in the GIA itself, “If the Generator Interconnection Agreement is signed and the project is funded before **July 9, 2012**, then temporary facilities can be constructed in order to bring the project, at limited output of 4 MW, on line by December 15, 2012.” In addition, the GIA further provides:

These milestones will begin, and the construction schedule referenced below, will only be valid upon receipt of funding in full from the Seller or their authorized third party no later than the date set forth below for such payment. Additionally,

Joshua Gunderson, Project Engineer
July 11, 2012
Page 2 of 2

failure by Seller to make the required payments as set forth in this Agreement by the date(s) specified below will be a material breach of this Agreement, which may result in any or all of the following: (i) loss of milestone dates and construction schedules set forth below; (ii) immediate termination of this Agreement by Idaho Power; (iii) removal from the generator interconnection queue.

Idaho Power will exercise its rights to terminate this GIA and to remove the project from the generator interconnection queue if the required payment is not received by close of business, 5:00 p.m. Mountain Time, on Friday July 13, 2012

Idaho Power acknowledges receipt of Exergy's "Notice of Force Majeure" for Notch Butte on July 2, 2012. Idaho Power, however, does not agree with Exergy's contentions in the "Notice of Force Majeure," including, but not limited to, the notice of force majeure event and allegations of impossibility of performance, claim of force majeure, and Idaho Power will be responding to the same separately. By acknowledging receipt of the "Notice of Force Majeure" and executing the enclosed GIA, Idaho Power hereby does not waive and expressly reserves all rights and remedies under the Firm Energy Sales Agreement ("FESA") and/or GIA, as well as any and all rights and remedies otherwise available to Idaho Power, including by statute, tort, or contract law. Idaho Power hereby specifically reserves, and does not waive, any and all claims or rights it may have pursuant the FESA, GIA, or otherwise, both in law and in equity, related to this project.

Idaho Power looks forward to the receipt of the required funding.

Sincerely,



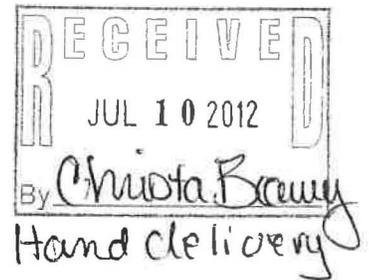
Donovan E. Walker

DEW:csb

Enclosure: Signed GIA

cc: James Carkulis, Exergy (w/encl.) – via e-mail ✓
Josh Harris, Idaho Power (w/encl.) – via e-mail ✓
Jason Williams, Idaho Power (w/encl.) – via e-mail ✓
Tess Park, Idaho Power (w/encl.) – via e-mail ✓
Ed Kosydar, Idaho Power (w/encl.) – via e-mail ✓
Peter Richardson (w/encl.) – via e-mail ✓

June 26, 2012



GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

Notch Butte Wind Park PROJECTS #349 & #359
6.5 / 11.5 MW

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This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the 26 day of June, 2012 between Exergy Development Group of Idaho, ("Seller", "Customer" or "The Project") and Idaho Power Company ("Company", "Transmission Owner", "Idaho Power", "IPC" or "IPCO").

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

Attachment 7 – Generator Interconnection Control Requirements

5. Effective Date, Term, Termination and Disconnection.

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

5.2 Termination.

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

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

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

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

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

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

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

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

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

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

5.3.7 Modification of the Generation Facility. The Seller must receive written authorization from the Company before making any change to the Generation Facility that may have a material impact on the safety or reliability of the Company's transmission/distribution system. Such authorization shall not be unreasonably withheld.

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

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

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

5.4 Land Rights.

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

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

5.4.3 Joint Use of Facilities. Subject to Idaho Power's compliance with Paragraph 15.4.4, Idaho Power may use and attach its distribution and/or transmission facilities to Seller's Interconnection Facilities, may reconstruct Seller's Interconnection Facilities to accommodate Idaho Power's usage or Idaho Power may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to Paragraph 5.4.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by Paragraph 5.4.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this Paragraph 5.4.3.

5.4.4 Conditions of Use. It is the intention of the Parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior

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

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

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

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

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

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

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

6.3 Indemnity.

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

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

6.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and

reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim. Failure to defend is a Material Breach.

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

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

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

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

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

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

6.5 Default and Material Breaches.

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

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

7. Insurance.

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

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

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

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

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

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

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

8. Miscellaneous.

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

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

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

9. Notices.

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

If to the Seller:

Seller: Exergy Development Group of Idaho, LLC
 Attention: Elizabeth Woolstenhulme
 Address: 802 West Bannock, 12th Floor
 City: Boise State: Idaho Zip: 83702
 Phone: 208-336-9793 Fax: 208-336-9431

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: Exergy Development Group of Idaho, LLC
 Attention: Elizabeth Woolstenhulme
 Address: 802 West Bannock, 12th Floor
 City: Boise State: Idaho Zip: 83702
 Phone: 208-336-9793 Fax: 208-336-9431

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.

Seller's Operating Representative:

Seller: Exergy Development Group of Idaho, LLC
 Attention: Elizabeth Woolstenhulme
 Address: 802 West Bannock, 12th Floor
 City: Boise State: Idaho Zip: 83702
 Phone: 208-336-9793 Fax: 208-336-9431

Company's Operating Representative:

Idaho Power Company - Delivery
 Attention: Outage Coordinator – System/Regional Dispatch
 1221 W. Idaho Street
 Boise, Idaho 83702
 Over 138kV phone 208 388 2861 during regular business hours
 Under 138kV Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
 After hours – System Dispatch 388 2826
Regional Dispatch
 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: [Signature]
 Title: Managing Member
 Date: July 9, 2012

For the Company

Name: [Signature]
 Title: for Tess Park
 Director, Load Serving Operations – Idaho Power Company
 Date: 7-11-12

Attachment 1

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

Interconnection Details

Type of Interconnection Service: Studied as an Idaho Power Network Resource under PURPA
Full Output: 18 MW (both projects)
Nominal Delivery Voltage: 12.5 kV

General Facility Description

The Notch Butte Wind Park project includes both Projects #349 and #359 for a total of 18 MW of power provided by seven 2.5Mw Nordex Turbines. The Interconnection Customer (IC) will provide all generation and station equipment required to deliver power at 12.5 kV to the Point of Interconnection (POI) which is located at the coordinates North 42° 53.12948' West 114° 10.57'. The Seller will provide two POTS lines and two DDS circuits to the POIs (one pair for each feeder connection) for communication. Two 12.5 kV feeders will run from the POI four miles west to the IPCo Dietrich substation where the station will be expanded to accommodate the two new feeders. The power will be converted to 138 kV via a 12.5 kV to 138 kV power circuit transformer. A new double circuit transmission line, consisting of a new 138 kV line and the existing 46 kV line, will run four miles due north out of the Dietrich substation. The new 138 kV line will connect to the existing Midpoint-Silver 138 kV line.

Interconnection Point

The Interconnection Point for the Notch Butte Wind Park Project will be the generator side of the disconnect switches labeled Disconnect Switches A-13 and A-14 (one for each feeder) as shown on the attached Single Line drawings 21D-64299, sheets 1 & 2. This interconnection Point is in Lincoln County, ID - T6S, R19E, SW corner of Section 22.

A drawing identifying the Point of Interconnection is included as Attachment 2. The Point of Change of Ownership is electrically the same as the Interconnection Point.

Seller's Interconnection Facilities

The Seller will install all generation and station equipment required to deliver power at 12.5 kV to the interconnection point. Transmitting 18 MW of power at 12.5 kV requires two distribution feeders. The Seller shall balance the generation between these two feeder connections with no more than 11 MW of power flowing on either feeder. The Seller will own and maintain facilities electrically located on the Interconnection Customer side of the Point of Change of Ownership. Idaho Power will own and maintain the facilities electrically located on the IPCo side of the Point of Change of Ownership.

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.

The Seller will provide a DNP 3.0 serial data connection to the local Idaho Power Company SCADA RTU when any communication with Seller-owned and maintained equipment is required for GOLC, voltage control or other plant monitoring or control. Preliminary points lists and functional description were provided to the Seller in the Facility Study Report.

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

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

Two POTS (Plain Old Telephone Service) dial-up circuit for querying the revenue meter at the generation interconnection site. One for each 4-pole feeder connection.

Two leased DDS (Digital Data Service) circuit for SCADA between the generation interconnection site and Twin Falls Service Building (273 Blue Lakes Blvd. S., Twin Falls, ID 83301). One for each 4-pole feeder connection. These circuits must operate at 19.2 kbps data rate. Please note that Frame Relay service is not acceptable.

The Interconnection Customer/communications provider shall provide a demarcation box and terminate the specified communications circuits at the demarcation box. The location of the demarcation box will be determined by Idaho Power. The demarcation box shall meet the following requirements:

- Be accessible by both the communications provider and Idaho Power
- The location shall be near Idaho Power's equipment and shall be subject to approval by Idaho Power
- The communications cable pairs shall be labeled/tagged accordingly (i.e. circuit number, phone number, transmit, receive, etc.)

The Seller 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 Seller 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 Seller. 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 trouble-shooting of Idaho Power owned equipment.

Ground Fault Equipment

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

Monitoring Information

If the Seller requires the ability to monitor information related to the Idaho Power reclosers in the generation interconnection package they are required to supply their own communications circuit to the control box.

Easements

The Seller will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities at the Interconnection Point. 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 Seller will return the signed easement to IPCO for recording.

Generator Output Limit Control

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

Local Service

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

Idaho Power Company's Interconnection Facilities

Idaho Power will install two standard generation interconnection packages, one for each feeder. For each package, if the Seller 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 Seller 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 packages each will include four distribution poles to mount a local service transformer, solid blade disconnects, primary metering package, recloser, relays, RTU, fuses and riser necessary for the package. The interconnection will be controlled by a SEL-311C line protection relay and a GE iBox RTU. The relay and RTU will be located in a pole mounted enclosure and will also contain a test switch (TS4), SLSS, dialup modem, DDS CSU/DSU, isolation interface, power supply, DC converter, control switch and surge protector.

Concrete barriers may be necessary to protect this equipment from local area traffic.

A 2" conduit will be installed alongside the underground primary to facilitate information exchange to the customer about the recloser. (The Interconnection Customer is responsible for providing and installing the appropriate cable.)

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.

Maintenance Coordination Exception

The Seller's protective relays will not provide back-up protection for Idaho Power facilities, therefore the last 2 sentences in Section 5.3.4 of this Generator Interconnection Agreement do not apply to this Generation Facility.

Estimated Cost & Ownership

The following good faith estimates are provided in 2011 dollars:

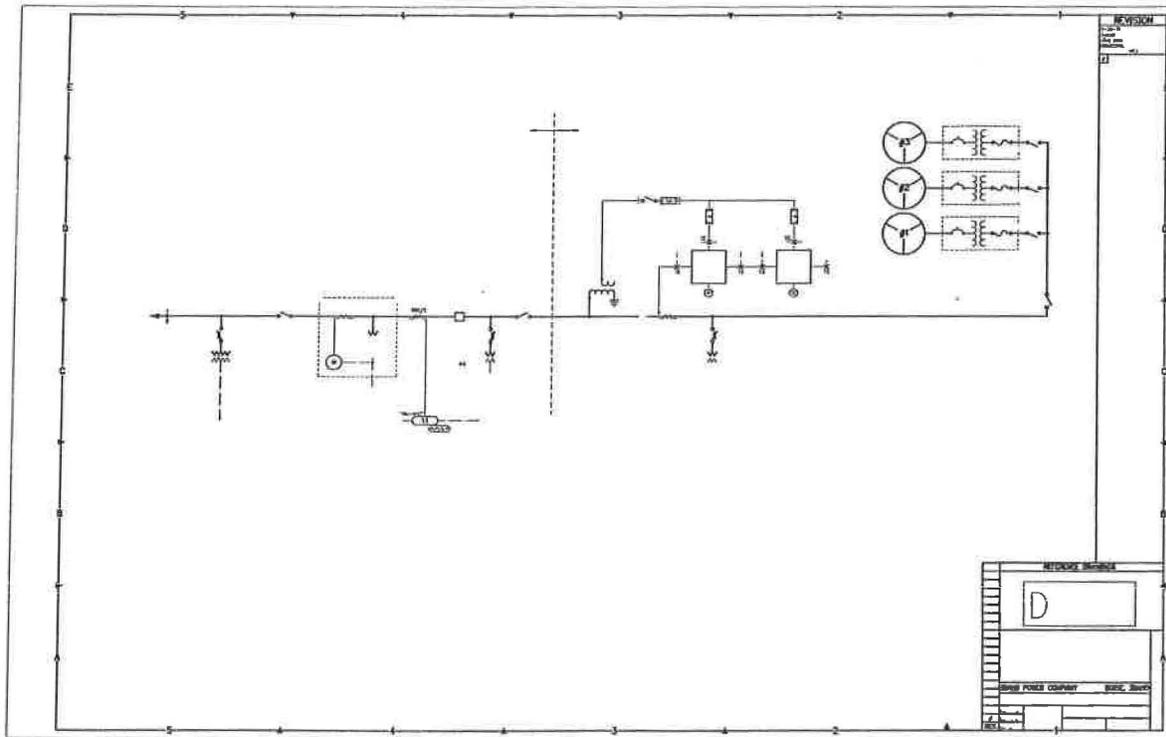
Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Packages (2)	IPC	\$440,000
SUBTOTAL		\$440,000
<i>See Attachment 6 for Total Estimate Costs</i>		

Full payment is required up front in accordance with Schedule 72, unless payment arrangements are made in advance with Idaho Power Operations Finance (see Attachment 3).

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 for Interconnecting to the Generation Facility

Idaho Power Company agrees only to the Construction timelines under its direct control provided in the Facility Study Report for this Project.

These milestones will begin, and the construction schedule referenced below, will only be valid upon receipt of funding in full from the Seller or their authorized third party no later than the date set forth below for such payment. Additionally, failure by Seller to make the required payments as set forth in this Agreement by the date(s) specified below will be a material breach of this Agreement, which may result in any or all of the following: (i) loss of milestone dates and construction schedules set forth below; (ii) immediate termination of this Agreement by Idaho Power; (iii) removal from the generator interconnection queue.

Limited Generation Output

In response to the Seller's request to come on line by December 15, 2012 with a limited generation output, IPCO conducted additional power flow models. It was determined that acceptable voltage on the 46 kV system could be maintained with 4.0 MW of generation from Notch Butte Wind Park if the generators have the ability to absorb 3.0 MVAR. The installation of a 46 kV potential transformer transfer/trip package would have to be added to the scope/costs of the work at Dietrich substation. The Seller will be responsible for absorbing the VARs (3.0 maximum) necessary to maintain a 1.075 p.u. maximum 46 kV bus voltage at Dietrich substation. A voltage level above 1.075 p.u. will cause the generator to be tripped offline.

Idaho Power will provide the magnitude of the 46kV bus voltage at Dietrich station to the customer's control system. The voltage value will be made available to the seller's control system via the measurement device at Dietrich (e.g. meter or relay) and a direct, serial connection via the new feeder ADSS fiber optics. Data protocol and point formatting to be determined.

The estimated cost of this additional work is \$75,000. This brings the total estimated project cost to \$7,950,000. If the Generator Interconnection Agreement is signed and the project is funded before **July 9, 2012**, then temporary facilities can be constructed in order to bring project, at limited output of 4 MW, on line by December 15, 2012.

Critical milestones and responsibility as agreed to by the Parties under limited output:

Date	Responsible Party	Milestones
7/9/2012	Seller	IPCO receives the remaining balance of Construction estimate \$7,950,000 OR Credit arrangements are approved by IPCO
12/1/2012	Seller	Customer GOLC ready to connect & customer telecomm requirements are complete
12/15/2012	IPCO	IPCO Construction Complete
12/15/2012	IPCO	IPCO Commissioning Complete
12/15/2012	IPCO	Project Leader issues Construction Complete Letter
12/15/2012	IPCO	Manager of Grid Operations authorizes project to be energized, upon verification that Seller has previously met Schedule 72, Sec 7 Insurance requirements
12/15/2012	Seller	Customer testing begins
12/31/2012	Seller	Customer's requested In-Service Date

NOTE REGARDING LIMITED OUTPUT MILESTONES:

* Seller has requested an in-service date of 12/15/2012. Idaho Power will use reasonable efforts to have commissioning complete by this time if funding for project is received by July 9, 2012. This date is contingent upon all materials being delivered in a timely manner, as well as other factors, some of which are described above. The parties hereby acknowledge that Idaho Power shall not be liable to for any possible damages associated in any way with Renewable Energy Credits or Attributes, tax credits, the firm energy sales agreements, and the like, attributable to Customer, or any of the various projects named on page one of this GIA, should the 12/15/2012 date not be met.

Under normal efforts to bring the projects online a normal amount of overtime is utilized. Because of the Seller's desire to meet an IPC commissioning prior to 12/15/2012, Seller hereby authorizes IPC to incur additional expenses, including additional overtime, lodging, travel, and other expenses needed to bring in other IPC resources and personnel from other IPC regions, or to utilize third party contractors, as necessary to work on this interconnection.

Critical milestones and responsibility as agreed to by the Parties under full output:

Date	Responsible Party	Milestones
7/9/2012	Seller	IPCO receives the remaining balance of Construction estimate \$7,875,000 OR Credit arrangements are approved by IPCO
4/15/2015	Seller	Customer GOLC ready to connect & customer telecomm requirements are complete
5/1/2015	IPCO	IPCO Construction Complete
5/15/2015	IPCO	IPCO Commissioning Complete
5/15/2015	IPCO	Project Leader issues Construction Complete Letter
5/15/2015	IPCO	Manager of Grid Operations authorizes project to be energized, upon verification that Seller has previously met Schedule 72, Sec 7 Insurance requirements
5/15/2015	Seller	Customer testing begins
7/20/2015	Seller	Customer's requested In-Service Date

Idaho Power requires approximately thirty-four (34) months to complete design, procurement, construction, permitting, and commissioning of the necessary interconnection facilities and required upgrades associated with the Notch Butte Wind Park Project prior to the Commercial Operation Date. This timeframe assumes that material can be procured, labor resources are available, and that outages to the existing system are available to be scheduled.

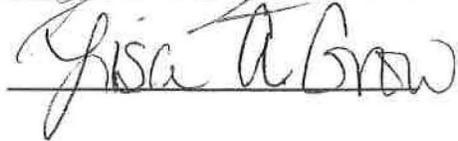
There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit (ROW grant) will be required from the BLM in order to re-build this portion of the line for the double circuit transmission as well as the 138 kV transmission line switches where the new 138 kV line connects to the existing transmission line. Obtaining a ROW grant from the BLM is never guaranteed and is typically a 20-30 month process at this point in time. This is outside of Idaho Power's control. If the ROW grant is denied then a new interconnection solution would be required and this could drastically alter project costs and timeline.

Agreed to by:

For the Seller:

 Date July 9, 2012

For the Transmission Provider
Idaho Power Company

 Date 7-11-12

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

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 A-13 and A-14 switches and a terminal clearance is issued by Idaho Power Company's Grid Operator.

Generator Output Limit Control ("Re-dispatch" or "GOLC") The Project will be subject to reductions directed by Idaho Power Company 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 have equipment capable of receiving signals from Idaho Power for GOLC. Generator Output Limit Control will be a setpoint from Idaho Power to the Project indicating maximum output allowed. See Attachment 7 for details.

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point. It is preferable to bring each generating unit online separately to minimize voltage flicker on the distribution system.

Low Voltage Ride Through

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 interconnect 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.

Ground Fault Equipment

The Seller will install transformer configurations that are Grounded-Wye to Grounded-Wye and will limit the contribution of the ground fault current to 20 amps or less at the Interconnection Point.

Meteorological Data

Historical wind data – Within 60 days after execution of this Agreement, the Seller shall provide Idaho Power with the following:

- a) historical wind data in an electronic format from the proposed Facility site or for a location within two miles of the Facility site.
- b) a third party wind assessment study report used by Seller to value investment in the Facility.

No later than 30 days prior to the Commercial Operation Date, the Seller shall have:

- a) Erected at the site at least one (1) high quality, approximate hub-height (plus or minus 20 meters), permanent, meteorological wind measurement tower(s) at location(s) on the site equipped with:
 - (i) Two (2) anemometers per tower;
 - (ii) Two (2) air temperature sensors per tower;
 - (iii) One (1) barometric pressure sensor (with DCP sensor); and
 - (iv) Two (2) wind vanes per tower.

Facility availability status shall be provided as described in the Final Facility Study no later than within the calendar month following the month of the Commercial Operation Date. Failure by the Seller to operate and maintain this equipment to provide such meteorological and turbine availability data in a manner to provide reasonably accurate and dependable data for the full term of this Agreement shall be an event of Default under paragraph 6.5.1.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 500 kVar.

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point.

Attachment 6Company'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**Upgrades to Substation Facilities**

Two new 12.5 kV feeder bays with associated switches, breakers, relays etc at Dietrich substation
 A new 138:12.5 kV power transformer and associated equipment at Dietrich substation with protection package, control building.
 Line relay and microwave upgrades at Midpoint substation
 DTRC-MPSN microwave reflector site (near Notch Butte)

Upgrades to Distribution Facilities

A new double circuit (DTRC-013 and 014) 12.5 kV distribution line from Dietrich substation to the point of interconnection (4 miles). This new distribution line will be built with 795 AAC conductor on both circuits with ADSS underbuild.

Upgrades to Transmission Facilities

Idaho Power will rebuild 4 miles of the existing 46 kV transmission line (T-128) with a double circuit transmission line that will accommodate both the existing 46 kV line as well as the new 138 kV line. The new 138 kV line will then tap into the existing Midpoint-Silver 138 kV line with line switches on all three sides of the tap.

The following good faith estimates are provided in 2012 dollars:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Interconnection Packages (2)	IPC	\$440,000
Distribution Upgrades:		
Distribution Feeders to Dietrich Substation (DTRC-013 & DTRC-014) with ADSS fiber	IPC	\$965,000
Substation Upgrades:		
Dietrich Substation Additions	IPC	\$2,835,000
Midpoint Relay upgrades	IPC	\$65,000
Midpoint Microwave upgrades	IPC	\$190,000
DTRC-MPSON Microwave Reflector Site	IPC	\$325,000
Transmission Upgrades:		
Remove 4 miles of 46 kV line with underbuild	IPC	\$130,000
Build 4 miles of line to double circuit	IPC	\$2,550,000
3 – 138 kV Line Switches	IPC	\$300,000
*BLM Permitting/ROW Grant	IPC	\$75,000
GRAND TOTAL		\$7,875,000

*There is approximately 1.5 miles of the existing 46 kV transmission line which is located on BLM land. A permit will be required from the BLM in order to rebuild this portion of the line to double circuit as well as install the transmission line switches. The costs for this permitting can vary widely and have been estimated at a combined \$75K.

Note Regarding Transmission Service:

This Facility Study is a Network Resource Interconnection Facility Study. This study identifies the facilities necessary to integrate the Generating Facility into Idaho Power's network to serve load within Idaho Power's balancing area. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery.

Attachment 7

Generation Interconnection Control Requirements

Generator Output Limit Control (GOLC)

IPC requires Interconnected Power Producers to accept GOLC signals from our EMS.

The GOLC signals will consist of four points shared between the IPC EMS and the Customer's Generator Controller:

GOLC Setpoint: An analog output that contains the MW value the Customer should curtail to, should a GOLC request be made via the GOLC On/Off discrete output Control point.

An Analog Input feedback point must be updated (to reflect the GOLC setpoint value) by the Customer Controller upon the Controller's receipt of the GOLC setpoint change, with no intentional delay.

GOLC On/Off: A discrete output (DO) control point with latching Off/On states. Following a "GOLC On" control, the Customer Controller will run power output back to the MW value specified in the GOLC Setpoint. Following a "GOLC Off" control, the Customer is free to run to maximum possible output. A Discrete Input feedback point must be updated (to reflect the GOLC DO state) by the Customer Controller upon the Controller's receipt of the GOLC DO state change, with no intentional delay.

If a GOLC control is issued, it is expected to see MW reductions start within 1 minute and plant output to be below the GOLC Setpoint value within 10 minutes.

Voltage Control

Idaho Power Company requires Transmission-Interconnected Power Producers to accept Voltage Control signals from our EMS when they are connected to our transmission system.

The voltage control will consist of one setpoint and one feedback point shared between the IPC EMS and the Customer Controller.

The setpoint will contain the desired target voltage for the plant to operate at.

The control will always be active, there is no digital supervisory point like the Curtail On/Off control above.

When a setpoint change is issued an Analog Input feedback point must be updated (to reflect the Voltage Control setpoint value) by the Customer Controller upon the Controller's receipt of the Voltage Control setpoint change, with no intentional delay.

When a setpoint change is received by the Customer Controller, the Voltage Control system should react with no intentional delay.

The voltage control system should operate in a dead band of +/-5% of the control setting range.

The customer should supervise this control by setting up "reasonability limits", i.e. configure a reasonable range of values for this control to be valid. As an example, they will accept anything between .95 and 1.05 for the set point. In the case they are fed an erroneous value outside this range, their control system defaults to the last known, good value.

Generation Interconnection Data Points Requirements

Digital Inputs to IPCo (DNP Obj. 01, Var. 2)			
Index	Description	State (0/1)	Comments:
0	52A Customer Capacitor Breaker (if present)	Open/Closed	Sourced at substation
1	GOLC Off/On Control Received (Feedback)	Off/On	Provided by Customer

Digital Outputs to Customer (DNP Obj. 10, Var. 1)		
Index	Description	Comments:
0	GOLC Off/On	Provided by IPCO
NOTE: GOLC Setpoint indicates MW value to curtail to when GOLC Off/On DO is ON.		

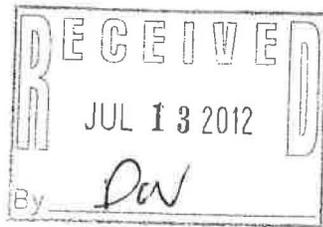
Analog Inputs to IPCo (DNP Obj. 30, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint Value Received (Feedback)	32767	- 32768	TBD	TBD	MW	Provided by Customer
1	Voltage Control Setpoint Value Rec'd (Feedback)	32767	- 32768	TBD	TBD	kV	Provided by Customer
2	Maximum Park Generating Capacity	32767	- 32768	TBD	TBD	MW	Provided by Customer
3	Number of Turbines In High Speed Cutout	32767	- 32768	32767	-32768	Units	Provided by Customer
4	Ambient Temperature	32767	- 32768	327.67	-327.68	F or C	Provided by Customer
5	Wind Direction	32767	- 32768	3276.7	-3276.8	Deg	Provided by Customer
6	Wind Speed	32767	- 32768	327.67	-327.68	MPH or m/s	Provided by Customer

Analog Outputs to Customer (DNP Obj. 40, Var. 2)							
Index	Description	Raw High	Raw Low	EU High	EU Low	EU Units	Comments:
0	GOLC Setpoint	32767	- 32768	TBD	TBD	MW	Provided by IPCO
1	Voltage Control Setpoint	32767	- 32768	TBD	TBD	kV	Provided by IPCO
NOTE: Curtailment Setpoint indicates MW value to Curtail to when Curtailment Off/On DO is ON.							

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-12-22**

IDAHO POWER COMPANY

ATTACHMENT 59



Via hand
delivery



July 13, 2012

Donovan Walker
Legal Department
Idaho Power Company
1221 West Idaho Street
Boise, ID 83702

RE: Notch Butte Wind Park's Notice of Force Majeure

Dear Donovan:

With reference to your letter of July 11, 2012, to Josh Gunderson (re: Notch Butte Wind Park - GIA #349 & #359 and Final GIA and Your Letter Dated July 9, 2012), on behalf of Notch Butte Wind Park LLC ("Notch Butte"), the undersigned responds as follows:

1. Thank you for acknowledging your receipt of Notch Butte's Notice of Force Majeure on July 2, 2012. Notch Butte respectfully acknowledges your stated position of disagreement therewith. However, it is Notch Butte's position that your receipt of the Notice of Force Majeure, regardless your disagreement therewith, nonetheless imposes a suspension of both parties' performance for the duration of the event of force majeure.

This is not a case of Notch Butte being in default of its FESA prior to giving the Notice of Force Majeure.

This is not a case where Notch Butte's tender or posting of a security is conditioned upon a requested performance by Idaho Power.

This is a case, however, where the Notice of Force Majeure has been given in compliance with Article XVI of the FESA, with the particulars of the occurrence of Force Majeure set forth therein.

2. Without limitation upon the foregoing, and with the express non-waiver of and the express reservation of any and all rights and remedies under the FESA, as well as any and all rights and remedies otherwise available to Notch Butte, including pursuant to FERC intervention with respect to FERC jurisdictional matters, and including by statute, tort or contract law, the following is specifically called to your further attention:

(i) The Notice of Force Majeure previous given and received by you is incorporated herein by this reference thereto, in all respects as if fully set forth herein. A suspension of both parties' performance has been put into effect. Idaho Power's disagreement with respect thereto does not affect that suspension. If Idaho Power disputes this, then pursuant to Section 22.1 of the FESA, Idaho Power is contractually obligated to submit the matter to the Commission for

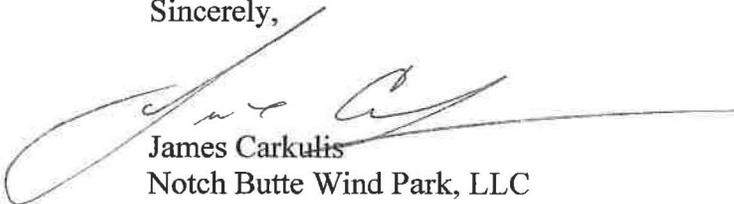


resolution. Idaho Power has no ability to resolve the matter in its own favor simply by unilateral fiat.

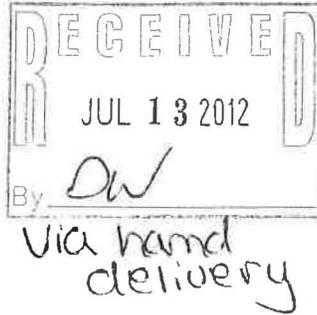
(ii) Of particular note is the fact that pending IPUC Case No. GNR-E-11-03 discloses, among other things, the ongoing attempt by Idaho Power to modify provisions of the FESA with respect to curtailment and REC ownership, thereby engaging in what is perceived by Notch Butte to be anticipatory breach by Idaho Power of Section 26.1 of the FESA which disallows modification without a writing signed by both Notch Butte and Idaho Power. The unilateral attempt by Idaho Power to obtain through Commission intervention substantive modification of the FESA makes it impossible for Notch Butte to further perform with any certainty its obligations under the FESA. Accordingly, in addition to the unilateral activities of Idaho Power (which are beyond the control of Notch Butte and clearly not within the reasonable foresight of Notch Butte so as to have been avoided by the exercise of due diligence by Notch Butte) being within the definition of Force Majeure, the unilateral activities of Idaho Power also create grounds for the declaration by Notch Butte of anticipatory breach by Idaho Power of its obligations under the FESA, not only with respect to Section 26.1, but also, without limitation, with respect to Idaho Power's implicit obligation of good faith and fair dealing under the FESA. Notch Butte therefore reserves the right to give formal Notice of Default under Section 22.2 of the FESA with respect to the foregoing anticipatory breach of Idaho Power, pending its further consideration of same.

Please be guided accordingly.

Sincerely,



James Carkulis
Notch Butte Wind Park, LLC



July 13, 2012

Idaho Power Company
Attn: Donovan Walker
1221 West Idaho Street
Boise, ID 83702

RE: Notch Butte Wind Park Projects – GI #349 and GI #359

Dear Mr. Walker,

Notch Butte Wind Park, LLC (“Notch Butte”), submitted an executed Generator Interconnection Agreement (GIA) to Idaho Power on July 9, 2012. When signing this GIA, I was under the impression that Idaho Power had accepted Notch Butte’s and Exergy’s request for a 138kV interconnection rather than the dual circuit 12.5kV interconnection previously offered by Idaho Power and previously rejected by Exergy. If this is not the case, a misunderstanding has occurred, and Exergy must respectfully reiterate our request to Idaho Power for a revised GIA describing a 138kV interconnection voltage rather than double-circuit, project dedicated 12.5kV.

Idaho Power rejected Exergy’s requested interconnection voltage of 138kV, indicating that it would be a “material modification” and would require a new Interconnection Application. Exergy disagreed, and continues to disagree with this position taken by Idaho Power because 1) the Point of Interconnection remains the same, 2) the originally studied transmission path included a step up to 138kV at the Dietrich substation and from this point onward the transmission path is virtually identical, 3) the affected line that changes from 12.5kV to 138kV is a new, rather than existing, line and would be constructed in precisely the same location as the proposed double-circuit 12.5kV line, 4) the short distance of new transmission line is a mere 4 miles that would be required to be constructed, and most importantly, 5) the double-circuit 12.5kV option is inefficient and no reason has been given for choosing this voltage instead of other “available” voltages for this area. As you will recall, Exergy expressed repeatedly that a 12.5kV double-circuit transmission path is not a feasible interconnection solution for the Notch Butte Wind Park.

Idaho Power has offered no explanation justifying its statement that changing the voltage of a 4 mile segment of new transmission path constitutes “material modification” requiring a new Generator Interconnection Application. Idaho Power has taken a more reasonable stance regarding “material modification” on numerous other occasions and it appears that in this instance



Idaho Power wishes either to reject all attempts by Exergy to seek viable alternatives in the interconnection details or to withhold a full and detailed explanation of its stance to the extent possible. In either case it appears Idaho Power is employing a strategy to frustrate the development effort of Notch Butte Wind Park – otherwise, positions taken by Idaho Power would be consistent with other projects and reasoning for these positions would be clearly elucidated without repeated requests for explanation by Exergy.

Notwithstanding the topic of full output interconnection voltage, there remains the desire to place in service the approximate 4 MW prior to December 31, 2012 facilitated by a temporary interconnection to the existing 12.5kV distribution line. This option has been approved by Idaho Power and Notch Butte remains willing to execute an E&P agreement for the \$75,000 described by Idaho Power in the final GIA. Exergy requests that an E&P agreement be prepared by Idaho Power and submitted to Exergy so that work may begin on the limited output interconnection while Idaho Power accepts the rational solution of a 138kV interconnection at the project site.

Best Regards,

A handwritten signature in black ink, appearing to read "James Carkulis", is written over a horizontal line.

Notch Butte Wind Park, LLC

By: Exergy Development Group of Idaho, LLC

James Carkulis, Managing Member

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-12-22

IDAHO POWER COMPANY

ATTACHMENT 60

DONOVAN E. WALKER
Lead Counsel
dwalker@idahopower.com

July 30, 2012

VIA E-MAIL AND U.S. MAIL

jgunderson@exergydevelopment.com
Josh Gunderson, Project Engineer
Exergy Development Group of Idaho
802 West Bannock, Suite 1200
Boise, Idaho 83702

peter@richardsonandoleary.com
Peter J. Richardson
RICHARDSON & O'LEARY, PLLC
515 North 27th Street
P.O. Box 7218
Boise, Idaho 83707

Re: Notch Butte Wind Park Projects, GI #349 and #359 ("Notch Butte") –
Termination of Generator Interconnection Agreement and Removal from
the Generator Interconnection Queue

Messrs. Gunderson and Richardson:

This letter responds to the three letters dated July 13, 2012, from Exergy Development Group of Idaho's ("Exergy") James Carkulis to Idaho Power Company ("Idaho Power").

As for the generator interconnection for the Notch Butte (GI #349 and #359) and as explained in detail below, Idaho Power has terminated the Generator Interconnection Agreement for Notch Butte and removed Notch Butte from Idaho Power's generator interconnection queue.

As you may recall, based upon a specific request from Exergy in March of 2012, Idaho Power revised the previously prepared Facility Study for Notch Butte to accommodate bringing a limited generation output option on-line before the end of 2012 and prior to completing the remaining required construction and upgrades to bring on Notch Butte's full output. This requested alternative and additional configuration was

included in the April 9, 2012, Facility Study Report, which specifically disclosed that in order to have the facilities in place to allow for limited generation output by year end 2012, the Generator Interconnection Agreement ("GIA") had to be signed and funded by no later than May 1, 2012.

By letter dated April 20, 2012, Idaho Power forwarded to Exergy a Final GIA, which included the limited output by year-end option, for execution. This letter advises that, "In order for you to come online with limited output by December 15, 2012 we must have this agreement executed by **May 1, 2012.**" (Emphasis in original.) Additionally, this letter advised that, "Failure to submit all of the requested items above [including payment] by May 21, 2012 will cause your Generator Interconnection request to have been deemed withdrawn and terminated."

Rather than execute the GIA and pay the required funding by May 1, 2012, in order to proceed with the interconnection, including the option to be operational at limited output by the end of the year as Exergy had requested, Exergy instead, on April 30, 2012, sent a communication indicating, "Before we continue forward to execute and fund the GIA, we need to inform IPCo of a configuration change for the Notch Butte Project. We will be moving the POI [point of interconnection] from the project site to the Dietrick substation and providing 34.5 kV at that point."

By letter dated May 23, 2012, Idaho Power responded to Exergy that as Exergy had previously been informed, among other things, the requested interconnection voltage of 34.5 kilovolts ("kV") was not physically available in the geographic area of this project, and that because the Notch Butte project was past the final facility study stage, that had studied a specific configuration—which included at Exergy's request accommodation for limited output by the end of the year—that a change in the point of interconnection and/or voltage such as that requested by Exergy on April 30 would require new studies and require Exergy to submit a new generator interconnection application. This May 23, 2012, letter also sent to Exergy a final GIA, with the limited output option removed as Exergy had failed to sign and fund the previously sent GIA by the time necessary to achieve limited generation output prior to the end of 2012, for Exergy's execution and payment by no later than June 23, 2012, if Exergy wished to proceed forward with the studied configuration.

Rather than signing the GIA and paying the required funding, on June 20, 2012, Exergy wrote to Idaho Power requesting (1) interconnection at 138 kV, another change from that which had been studied and/or (2) renewing its request to connect at limited output (12.5 kV) by December 15, 2012.

Idaho Power responded to Exergy by letter dated June 26, 2012, recounting the above history; responding to the inaccurate factual representations in Exergy's June 20, 2012, letter; explaining again that a request for interconnection at a new voltage and a new configuration (138 kV from the project site to Idaho Power's existing 138 kV) would

Josh Gunderson
Peter J. Richardson
July 30, 2012
Page 3 of 4

require a new facility study; and once again accommodating Exergy's request to bring back the formerly studied interconnection configuration which included the limited output facilities by year end 2012. This letter, once again, sent to Exergy a final GIA for the configuration contained in the final Facility Study for the project, and extended the time for Exergy to execute and fund the GIA to July 9, 2012.

By letter dated July 9, 2012, and hand delivered to Idaho Power (received July 10, 2012) Exergy returned the final GIA, signed by James Carkulis on behalf of Exergy, but with no payment. Instead, Exergy's cover letter stated:

Exergy has received and executed the final Generator Interconnection Agreement (GIA) prepared by Idaho Power and dated June 26, 2012. Exergy is pleased to submit the enclosed and executed GIA **and will submit the funds described in the enclosed GIA at such time as Idaho Power countersigns and returns a copy of the document** to our office.

(Emphasis added.) Consequently, Idaho Power then signed the GIA and returned the same to Exergy on July 11, 2012, and reiterated that the GIA itself, as well as previous Idaho Power communications, clearly states that in order for the temporary facilities to be constructed in time to bring the limited output on-line by December 15, 2012, that payment had to be immediately received in order to proceed and meet that date. Idaho Power, again, extended that deadline to the close of business on Friday July 13, 2012, by which Exergy had to fund the GIA, which Exergy had agreed to do upon Idaho Power executing the GIA, which Idaho Power did. That letter stated, "Idaho Power will exercise its rights to terminate this GIA and to remove the project from the generator interconnection queue if the required payment is not received by close of business, 5:00 p.m. Mountain Time, on Friday July 13, 2012."

However, rather than paying the required funds, as Exergy said it would both in its July 9, 2012, letter, and by its execution of the GIA requiring the same, Exergy instead sent a letter dated July 13, 2012, whereby it claimed that it was under the impression that the GIA it had signed just four days earlier provided for a different interconnection configuration and voltage (138 kV) rather than the configuration and voltage that was studied through the final Facility Study stage including the limited output by year end option (12.5 kV). Exergy's letter insists upon a revised GIA at a different voltage level, which was previously communicated to Exergy as, at a minimum, requiring a new facility study process to be conducted. To this date, Exergy has made no payment or other financial arrangements with Idaho Power to pay the required construction funding (approximately \$7.9 million) necessary to move forward with the interconnection and the executed GIA for Notch Butte.

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Page 4 of 4

The GIA executed by both Idaho Power and Mr. Carkulis, on behalf of Exergy, provides:

These milestones will begin, and the construction schedule referenced below, will only be valid upon receipt of funding in full from the Seller [Exergy] or their authorized third party no later than the date set forth below [July 9, 2012] for such payment. Additionally, failure by Seller to make the required payments as set forth in this Agreement by the date(s) specified below will be a material breach of this Agreement, which may result in any or all of the following: (i) loss of milestone dates and construction schedules set forth below; (ii) immediate termination of this Agreement by Idaho Power; (iii) removal from the generator interconnection queue.

As described above, Exergy failed to make the required payments set forth in the GIA and, thus, materially breached the GIA. Per the language quoted from the GIA above, as a result of Exergy's material breach, Idaho Power has hereby immediately terminated the GIA and removed the Notch Butte project from Idaho Power's generator interconnection queue.

As for the alleged force majeure event sent for the Notch Butte project via letters dated July 2, 2012, and July 13, 2012, Idaho Power categorically denies that a force majeure event has occurred and hereby rejects Exergy's allegation of force majeure.

PLEASE BE ADVISED: Because of Exergy's failure to make the required construction deposit payment pursuant to the executed GIA between Exergy and Idaho Power for the Notch Butte Wind Park Projects, the GIA is now hereby terminated. Additionally, Notch Butte's application for generator interconnection has been deemed withdrawn, and this project has been removed from Idaho Power's Generation Interconnection queue. You will receive, under separate cover, Idaho Power's Complaint and Petition for Declaratory Order filed with the Idaho Public Utilities Commission related to this matter and the termination of the Firm Energy Sales Agreement between Notch Butte and Idaho Power.

Sincerely,



Donovan E. Walker

DEW:evp