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IDAHO PUBLIC
UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE COMPLAINT AND PETITION OF IDAHO POWER COMPANY FOR A DECLARATORY ORDER REGARDING THE FIRM ENERGY SALES AGREEMENT AND GENERATOR INTERCONNECTION AGREEMENT WITH LAVA BEDS WIND PARK, LLC.	CASE NO. IPC-E-12-23 IDAHO POWER COMPANY'S COMPLAINT AND PETITION FOR DECLARATORY ORDER

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 Lava Beds Wind Park, LLC ("Lava Beds"), 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 Lava Beds' 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, Lava Beds can no longer maintain a claim that it is diligently pursing a cure in a commercially reasonable manner of 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 Lava Beds' failure to meet the amended Scheduled Operation Date, the Operation Date, and failure to cure its default; (3) Lava Beds 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) Lava Beds 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. Lava Beds Wind Park, LLC, is an Idaho limited liability company.

6. On October 14, 2005, Idaho Power and Lava Beds 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 Lava Beds is attached hereto as Attachment 1 and incorporated herein by reference. Lava Beds 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-05-31 requesting approval of the 20-year FESA between Idaho Power and Lava Beds.

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

hereto as Attachment 4 and incorporated herein by reference. Idaho Power initially assigned a Generator Interconnection Queue Number ("GI #") to Lava Beds of #156.

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 5 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 status of the Lava Beds interconnection request. A true and correct copy of the July 7, 2006, letter with attachments is attached hereto as Attachment 6 and incorporated herein by reference. This letter states, "Since our initial Scoping Meeting, we have 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. Attached hereto as Attachment 7 and incorporated herein by this reference is a true and correct copy of the January 3, 2007, Final Interconnection Feasibility Study Report and January 10, 2007, transmittal letter for Lava Beds' interconnection. This report was for Exergy's requested configuration of GI #156 located in Bingham County, Idaho near Idaho Power's Taber substation, for 19.92 MW at a 46 kV connection, with estimated interconnection cost of $270,000. The letter advises,

> We require further study to evaluate the system integration requirements for this Project, along with the facilities' physical constraints. Attached please find a Draft System Impact Study Agreement that describes the studies required to meet this request, the responsibilities and obligations of both parties, and the work schedules requires. ... In order to proceed with this application, we must receive notice and the required deposit for the System Impact Study from you within 30 Calendar days of receipt of this letter, otherwise your application will be deemed withdrawn.

12. Attached hereto as Attachment 8 and incorporated herein by this reference is a true and correct copy of the March 5, 2008, System Impact Study Agreement for Lava Beds GI #156 signed by Idaho Power and Exergy.

13. 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 Lava Beds. 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 Lava Beds is attached hereto as Attachment 2 and incorporated herein by reference.

14. Attached hereto as Attachment 9 and incorporated herein by this reference is a true and correct copy of the July 30, 2009, Draft Interconnection System Impact Study Report for Lava Beds GI #156.

15. Attached hereto as Attachment 10 and incorporated herein by this reference is a true and correct copy of the August 31, 2009, Final Interconnection System Impact Study Report for Lava Beds GI #156.

16. Attached hereto as Attachment 11 and incorporated herein by this reference is a true and correct copy of the October 20, 2009, Facilities Study Agreement for Lava Beds GI #156 signed by Idaho Power and Exergy.

17. Attached hereto as Attachment 12 and incorporated herein by this reference is a true and correct copy of the May 9, 2011, Draft Generator Interconnection Facility Study Report for Lava Beds GI #156.

18. Attached hereto as Attachment 13 and incorporated herein by this reference is a true and correct copy of the June 9, 2011, Final Generator Interconnection Facility Study Report for Lava Beds GI #156.

19. 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 14 and incorporated herein by reference. In this letter Exergy acknowledged the provisions of the FESA requiring the project to become operations within 10 months of its Scheduled Operation Date. The letter confirms this date to be July 1, 2011.

20. On July 26, 2011, Idaho Power sent Lava Beds 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.

21. Attached hereto as Attachment 15 and incorporated herein by this reference is a true and correct copy of the July 28, 2011, Draft Generator Interconnection Facility Study Report for Lava Beds GI #156, with cover and transmittal letters. The transmittal letter states, "Failure to respond to this letter by August 28, 2011 will cause your Generator Interconnection request to have been deemed withdrawn and terminated." (emphasis in original).

22. On August 5, 2011, Lava Beds, 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 16 and incorporated herein by reference.

23. Attached hereto as Attachment 17 and incorporated herein by this reference is a true and correct copy of the August 26, 2011, Generator Interconnection Agreement ("GIA") for Lava Beds GI #156 and transmittal letter. The letter asks for Exergy to, "Please complete the NOTICES information, and sign and return both sets of the signature pages to me by September 30, 2011 so that we may finalize the interconnection process."

24. On September 1, 2011, counsel for Exergy delivered a letter to Idaho Power purporting to update Idaho Power that, "progress that 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 18 and incorporated herein by reference.

25. Attached hereto as Attachment 19 and incorporated herein by this reference is a true and correct copy of the December 15, 2011, Final GIA for Lava Beds GI #156.

26. Attached hereto as Attachment 20 and incorporated herein by this reference is a true and correct copy of the January 24, 2012, Generator Interconnection Agreement ("GIA") for Lava Beds GI #156 and its January 25, 2012, transmittal letter. The letter states,

> This GIA has been updated to reflect your request for turbine change from twelve GE 1.5MW wind turbines, to nine Gamesa G97 2.0MW wind turbines. We have also updated Attachment 3 Milestones to reflect our construction lead times needed to meet the in service date you have requested. ... Please have both sets of signature pages to the GIA signed, and returned to me for execution on or before February 27, 2012.

27. Attached hereto as Attachment 21 and incorporated herein by this reference is a true and correct copy of the May 23, 2012, Generator Interconnection Agreement ("GIA") for Lava Beds GI #156 and its transmittal letter. The letter states,

> Enclosed is a copy of the Final Generator Interconnection Agreement for Lava Beds Wind Project. We sent this to you on January 25, 2012, and did not receive anything back. As of May 23, 2012, we do not have an executed GIA nor funding for this project.
>
> Failure to submit an executed copy of this GIA and have funding in place by **June 25, 2012,** will result in Idaho Power terminating the present generator interconnection request and withdrawing the Lava Beds Wind Project from the generator interconnection queue. If you wish to proceed forward with the interconnection, you must execute the GIA

> by signing and submitting both copies and pay the required funding by June 25, 2012.

(Emphasis in original.)

28. Attached hereto as Attachment 22 and incorporated herein by this reference is a true and correct copy of the June 25, 2012, letter from Exergy to Idaho Power purporting to forward an executed GIA back to Idaho Power. The letter states:

> Exergy has received your letter and Generator Interconnection Agreement (GIA) delivered on May 23, 2012 and is pleased to submit the enclosed and executed GIA. In your May 23, 2012 letter you state that Exergy must submit payment in advance of the June 25, 2012 deadline. It has been Exergy's recent experience that an executed GIA submitted to Idaho Power does not come with the reasonable expectation that it will be countersigned. For this reason Exergy will await Idaho Power's countersignature to this GIA before submitting payment.
>
> Please also note that Exergy has revised the dates in the table in Attachment 3 to reflect a Customer's Requested In-Service Date of December 15, 2012.

Contrary to Exergy's statement that the GIA it forwarded with this letter was executed, it was not signed by Exergy, nor by Idaho Power.

29. Attached hereto as Attachment 23 and incorporated herein by this reference is a true and correct copy of the June 26, 2012, letter from Idaho Power to Exergy. In response to Exergy's wrongful claim, "that an executed GIA submitted to Idaho Power does not come with the reasonable expectation that it will be countersigned" Idaho Power signed the GIA and returned it to Exergy for its execution. Additionally, as outlined in Idaho Power's June 26, 2012 letter, Idaho Power agreed to the changes Exergy had made in the May 23, 2012, GIA, and included the same in the GIA that Idaho Power signed and returned to Exergy. Those dates provided for

completion of Idaho Power construction by November 10, 2012, and completion of the interconnection by December 15, 2012. Idaho Power's June 26, 2012, letter states clearly that the only thing remaining and needed in order to proceed with the interconnection of the Lava Beds Wind Project was for Exergy to sign the GIA and to pay the required funding. In addition, the letter states:

> Failure to return a signed copy of this GIA and have funding in place by 5:00 p.m., Mountain Time, on **July 2, 2012,** will result in Idaho Power terminating the present generator interconnection request and withdrawing the Lava Beds Wind Project from the generator interconnection queue.

(Emphasis in original.)

30. On July 2, 2012, rather than return the executed GIA with payment as Exergy had stated in its June 25, 2012, letter that it would, Exergy delivered to Idaho Power a Notice of Force Majeure for both the Notch Butte Wind Park and Lava Beds projects. A true and correct copy of the July 2, 2012, Notice of Force Majeure from Exergy is attached hereto as Attachment 24 and incorporated herein by reference. In its Notice of Force Majeure, Lava Beds 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.

31. On July 3, 2012, Idaho Power sent a letter to Exergy removing Lava Beds from the Generation Interconnection queue. A true and correct copy of the July 3, 2012, letter from Idaho Power to Exergy is attached hereto as Attachment 25 and incorporated herein by reference. This letter states,

> Exergy Development Group was to execute and return the Agreement with the required deposit by 5 pm Mountain Time on July 2, 2012. That time period has expired. Without waiving any claims or rights pursuant to the GIA, Firm Energy Sales Agreement, or otherwise, Idaho Power acknowledges receipt of Exergy's claim of force majeure related to this project on July 2, 2012. Idaho Power does not agree with Exergy's claim of force majeure, and will be responding to the same separately. Because Exergy failed to execute the GIA and failed to make the required deposit payment, the application for Generation Interconnection has now been deemed withdrawn, and this project has been removed from Idaho Power's Generation Interconnection queue.

32. On July 5, 2012, Idaho Power received a letter dated July 3, 2012, from Exergy, along with a signed GIA, but no payment. A true and correct copy of the July 3, 2012, letter and GIA received by Idaho Power from Exergy on July 5, 2012, is attached hereto as Attachment 26 and incorporated herein by reference. The July 3, 2012, Exergy letter states, "This document was intended to be a part of the package that was delivered to Idaho Power yesterday, July 2, 2012, but was inadvertently overlooked in the attorney's office. Please include this document with the set of other matters that was provided."

33. On July 30, 2012, Idaho Power sent at letter to Exergy terminating the executed GIA with Lava Beds 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 27 and incorporated herein by reference. This letter also reviews the chain of events going back through Exergy's June 25, 2012 letter.

JURISDICTION

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

34. 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).

35. 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.

36. Paragraph 7.5 of the FESA between Idaho Power and Lava Beds 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.

37. Idaho Power and Lava Beds 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.

38. Exergy has reaffirmed its position that the Commission has jurisdiction with regard to disputes under the FESA. Paragraph 2(i) of a letter dated July 13, 2012, from Exergy to Idaho Power with regard to Notch Butte and Jack Ranch 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.

See, Case No. IPC-E-12-20, Attachment 64 at 2; Case No. IPC-E-12-23, Attachment 28 at 1-2. 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.

39. 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.

40. 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 Lava Beds 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 Lava Beds. Lava Beds disputes Idaho Power's claim that it is not bringing its project online in a commercially reasonable time after default. Additionally, Lava Beds claims Force Majeure events have occurred that excuse its required performance under the FESA. Attachment 24. 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 Lava Beds that any Force Majeure event has occurred. Attachment 25 and Attachment 27.

41. 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.

42. Idaho Power and Exergy 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 Lava Beds 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

43. 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.

44. Lava Beds has failed to meet the Scheduled Operation Date of September 1, 2010, as provided in the 2008 Amendment to the FESA 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, Lava Beds' 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 Lava Beds 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 Lava Beds Is Not Diligently Pursuing a Cure of Its Default Within a Commercially Reasonable Time.

45. Lava Beds 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.

46. In its Notice of Force Majeure, Lava Beds contends, among other things, that Idaho Power's estimated date for construction of interconnection facilities associated with the Jack Ranch projects[2] 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 Lava Beds. Attachment 24.

47. Lava Beds' 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 interconnection and transmission upgrades required to connect the project 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 removal from the generator interconnection queue for failure to pay and authorize its interconnection to proceed, Lava Beds is not diligently pursuing its Operation Date in

[2] *See*, Case No. IPC-E-12-20.

a commercially reasonable manner, nor within a commercially reasonable period of time.

48. On July 26, 2011, Idaho Power wrote to Lava Beds providing Notice of Default for Lava Beds' failure to achieve its Operation Date within 10 months of its Scheduled Operation Date. This letter also advised Lava Beds of the FESAs requirements to cure the default, and stated that Lava Beds' 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.

49. In response to the July 26, 2011, letter, counsel for Lava Beds confirmed receipt of the July 26, 2011, Notice of Default. Attachment 16. This letter also specifically disagrees that year-end 2011 would be an outer limit to a commercially reasonable period to cure Lava Beds' 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.

50. Lava Beds has failed to bring the project online by the Scheduled Operation Date of May 1, 2007. Lava Beds has failed to bring the project online by the amended Scheduled Operation Date of September 1, 2010. Lava Beds 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. Lava Beds failed to bring the project online by year end 2011, as it committed to at the time of default. Lava Beds 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, 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 Lava Beds 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 Lava Beds 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.

51. Idaho Power's ability to terminate the FESA upon default and breach of Lava Beds 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 Lava Beds to meet its Operation Date and to subsequently cure it default of the FESA, rates that have been deemed not to be in the public interest will likewise be terminated. If Idaho Power and Lava Beds 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

52. 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 Lava Beds' failure to meet the amended Scheduled Operation Date, Operation Date, and failure to cure its default; and

3) Entry of a declaratory order that Lava Beds 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 Lava Beds 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

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

Danielle Clark

Danielle Clark, Paralegal

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 1

FIRM ENERGY SALES AGREEMENT
BETWEEN
IDAHO POWER COMPANY
AND
LAVA BEDS WIND PARK LLC

TABLE OF CONTENTS

FIRM ENERGY SALES AGREEMENT
(10 aMW or Less)

LAVA BEDS WIND PARK LLC

Project Number: 41455200

THIS AGREEMENT, entered into on this 14 day of Oct 2005 between LAVA BEDS 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:

	Month	kWh
Season 1	March	6,542,180
	April	6,307,065
	May	6,114,004
Season 2	July	4,792,529
	August	4,160,005
	November	4,725,276
	December	3,781,602
Season 3	June	4,708,479
	September	3,779,208
	October	3,199,119
	January	3,990,161
	February	3,310,133

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:

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

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:

Year	Season 1 - (73.50 %) Mills/kWh	Season 2 - (120.00 %) Mills/kWh	Season 3 - (100.00 %) Mills/kWh
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 do 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:

Lava Beds 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	Lava Beds Wind Park L.L.C.
By _____	By _____
Jim C. Miller, Sr. Vice President, Power Supply	James T. Carkulis
Dated 10/11/05	Dated 10/11/05
"Idaho Power"	"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 0 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 _____

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

Breaker Opening Record

Date	Time	Meter

*	Reason

Breaker Closing Record

Date	Time	Meter

* 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. 41455200

LAVA BEDS 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: 2, 3 Township: T2S Range: R32E County: Bingham 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 Sellers 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-12-23

IDAHO POWER COMPANY

ATTACHMENT 2

IDAHO POWER®
An IDACORP Company

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 IN K.S.

	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.

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

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:

		Idaho Power Company
Signature	Jan Cole	Mark Stokes
Name	James T Cankovic	M. MARK STOKES
Title	Member	MANAGER, POWER SUPPLY PLANNING
Date	June 10th, 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-12-23

IDAHO POWER COMPANY

ATTACHMENT 3

IDAHO POWER®
An IDACORP Company

July 26, 2011

Randy C. Allphin
Senior Energy Contracts Coordinator

Lava Beds 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: Lava Beds Wind Park LLC - Project number: 41455200
Firm Energy Sales Agreement

Mr. Carkulis,

The Firm Energy Sales Agreement ("FESA") between Idaho Power Company and Lava Beds 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,

R C allph.

Randy C Allphin
Idaho Power Company

Cc: Donovan Walker (IPCo)

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

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: Lava Beds 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 2, 3, Township T2S, Range R32E, Bingham 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: ___X__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 _X_
To Supply Power to the Interconnection Customer? Yes _X_No ___
To Supply Power to Others? Yes __X_ 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 _x_ 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 _x_Other

Type of Generator: ____Synchronous _X_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? _x_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) 4,792,529__ (Winter) 3,990,161_____
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 _x_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, Xd: _____ 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, Rr: _____
Stator Resistance, Rs: _____
Stator Reactance, Xs: _____
Rotor Reactance, Xr: _____
Magnetizing Reactance, Xm: _____
Short Circuit Reactance, Xd": _____
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? _x_Yes ___No

Will the transformer be provided by the Interconnection Customer? __x_Yes ____No

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

Is the transformer: ____single phase __x__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: TBP[1]_____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? __x_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 __x_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 __x_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: DECEMBER 5TH, 2005

Printed

JAMES T CARLUCIS

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 5

IDAHO POWER
An IDACORP Company

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

Date Application Received	*Project Name*	*Proposed Location*	*Amount (MW)*
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
12/1905	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,

Rowena Bishop

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.

Clark, Danielle

·om: Bishop, Rowena
·nt: Thursday, December 22, 2005 4:01 PM
To: 'mtli@in-tch.com'
Cc: Angell, Dave
Subject: 5 wind park applications

James,
This is being Fedex'd today.
Happy holidays & we'll talk soon,

Rowena

DOC.PDF

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 6

IDAHO POWER.
An IDACORP Company

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:

Project name	*Amount (MW)*	*Requested in-service date*
Lava Beds 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 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

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

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

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 was defined in an email dated April 24, 2006. The turbine string will be located in two of the following sections 14, 22, 23, 26, 27, 34 and 35 of T1S, R32E and sections 2 and 3 of T2S, R32E of Bingham County, Idaho. The proposed Point of Interconnection, selected by Idaho Power for purposes of defining the scope of this study, is the corner of 800 N. and 1900 W., which is the location of Idaho Power's existing Taber substation.

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-12-23

IDAHO POWER COMPANY

ATTACHMENT 7

IDAHO POWER®
An IDACORP Company

January 10, 2007

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

RE: Feasibility Study Results – Lava Beds Wind Park (Project #156)

Dear Mr. Carkulis:

Attached is the 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.

We are available to discuss the Final Feasibility Study Report, and finalize the draft System Impact Agreement (SISA). Please contact me or Bryan Hobson at 208-736-3235 if you wish to schedule a meeting.

We require further study to evaluate the system integration requirements for this Project, along with the facilities' physical constraints. Attached please find a Draft System Impact Study Agreement that describes the studies required to meet this request, the responsibilities and obligations of both parties, and the work schedules required. Attachment A needs your attention before returning the signed agreement.

In order to proceed with this application, we must receive notice and the required deposit for the System Impact Study from you within 30 Calendar Days of receipt of this letter, otherwise your application will be deemed withdrawn. Please contact me if you have any questions.

Sincerely,

Rowena Bishop
Operations Analyst
Ph 208-388-2658
rbishop@idahopower.com

Cc: D Angell/IPC
B Hobson/IPC

Attachments
Final Feasibility Study Report
Draft - Interconnection System Impact Study Agreement

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

GENERATOR INTERCONNECTION
FEASIBILITY STUDY

for integration of the proposed

LAVA BEDS WIND PARK PROJECT

in

BINGHAM COUNTY, IDAHO

to the

IDAHO POWER COMPANY ELECTRICAL SYSTEM

for

EXERGY DEVELOPMENT GROUP, LLC

the

INTERCONNECTION CUSTOMER

~~**PRELIMINARY**~~ **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 the proposed 19.92 MW Lava Beds Wind Park Project (project #156). The proposed location of the project is in Idaho Power's eastern Idaho service territory in sections 14, 22, 23, 26, 27, 34 and 35 of T1S, R32E and sections 2 and 3 of T2S, R32E of Bingham County, Idaho. The proposed Point of Interconnection, selected by Idaho Power for purposes of defining the scope of this study, is the corner of 800 N. and 1900 W., which is the location of Idaho Power's existing Taber substation.

This report documents the basis for and the results of this Feasibility Study for the Lava Beds Wind Park. It describes the proposed project, 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 farm consisting of twelve or thirteen 1.5 MW GE wind turbines. This wind farm will interconnect with the IPC system at about 800 N. and 1900 W. in Bingham County, Idaho.

The transmission system serving this area is Idaho Power's 46 kV system north of Pingree. With the consideration of other proposed generation projects in the queue ahead of this project there is adequate capacity available on either of the two existing transmission lines in the immediate area to serve this project. However, this study has identified limitations in the Borah 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. A System Impact Study will be required to determine the transmission upgrades needed to serve this project.

The substation serving this area is the Haven (HAVN) substation. The Load Tap Changer (LTC) at this substation will have to be reprogrammed to serve the proposed project.

One of the distribution feeders serving this area is HAVN-042. Initial studies indicate that this feeder can ~~serve~~ accept up to 19.0 MW of generation as long as the wind park generates at a 0.95 lagging power factor. This is required to maintain adequate voltage on the feeder during light load conditions.~~the full 19.92 MW requested from May 1st to October 1st as long as the wind park is generating at unity power factor. From October 1st to May 1st the wind park must generate at a 0.95 lagging power factor and will be limited to 19.0 MW.~~ A capacitor bank will also be required at the substation. If these special operating instructions, which are described further in Section 7, can be met then HAVN-042 has thermal capacity at the proposed point of interconnection to serve this project. If not, the required upgrades are listed in Section 8.

A generation interconnection package will be required at the point of interconnection. Grounding requirements and other acceptability requirements are found in Appendix A.

The estimated cost of all known required upgrades is $2170,000.

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. 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 (≥20 MW):
http://www.oatioasis.com/ipco/index.html.

4.0 Description of Proposed Generating Project

The Lava Beds Wind Park proposes to connect to the Idaho Power distribution system for an injection of 19.92 MW (maximum project output) using twelve or thirteen GE 1.5 MW wind turbines.

5.0 Description of Existing Transmission Facilities

The transmission system serving this area is Idaho Power's 46 kV system which sources out of Pingree Substation. Power is delivered to Pingree Substation at 138 kV, where it is transformed to 46 kV. From Pingree there are two 46 kV lines north to the area of the project. Line #154 from Pingree substation to Taber substation is part of the Blackfoot – Pingree 46 kV system. The first 8 miles from Pingree to Rockford are 2/0 ACSR conductor, and the remaining 11 miles to Taber Substation are 4/0 ACSR conductor. At 46 kV, 2/0 ACSR is rated for 22.8 MVA and 4/0 ACSR is rated for 29.7 MVA.

The second line serving the area of the wind park is line #446 from Pingree Substation to Haven Substation. This line is built to 138 kV standards but is currently energized at 46 kV. The conductor on this line is 397 ACSR, which has a continuous thermal rating of 47.8 MVA at 46 kV. This line, as well as Haven Substation, is currently scheduled to be converted to 138 kV by May 1, 2007.

With the consideration of other proposed generation projects in the queue ahead of this project there is adequate capacity available on either of these existing transmission lines to serve this project. However, the study has identified limitations in the Borah 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 upgrades required to integrate this project into the Idaho Power system.

6.0 Description of Existing Substation Facilities

There are two substations relatively close to this project. Idaho Power's Taber (TABR) Substation is located at about 800 N. and 1900 W. on Taber Road in Bingham County. The existing substation transformer is a 46:12.5 kV transformer rated for 6.25 MVA. With the consideration of the size of the proposed project there is not adequate capacity in this substation to serve this project. The second substation in this area is Idaho Power's Haven (HAVN) Substation, which is located at about 540 N. and 1500 W. on Taber Road in Bingham County. The existing substation transformer has a dual high side rating of both 46 and 138 kV and a low side rating of 34.5 kV. The transformer capacity is rated at 20.0 MVA. With the consideration of the size of the proposed project there is adequate capacity in this substation to serve up to 19.0 MW as described below.~~this project.~~ Either substation could be upgraded to serve the full 19.92 MW.

The feeder breaker on the feeder serving this project, Haven 42 (HAVN-042), is a McGraw Edison type "RVE" breaker designed for 400 amps continuous load current and has a maximum fault current interrupting rating of 6,000 amps. Initial studies indicate that there is adequate load and short circuit interrupting capability on this breaker to add the wind park.

7.0 Description of Existing Distribution Facilities

There are two distribution feeders serving the area of the proposed wind park. Refer to the map in Appendix B. The first feeder is TABR-012. This is a grounded wye feeder operating at 12.5 kV. With the consideration of the size of the proposed project there is not adequate capacity on this feeder to serve this project. This option was not pursued further.

The second feeder is HAVN-042. This is a grounded wye feeder operating at 34.5 kV. ~~With the consideration of the size of the proposed project~~T ~~t~~here is adequate thermal capacity on this feeder, to the designated point of interconnection, to ~~serve~~ accept up to 19.0 MW of generation as long as the wind park generates at a 0.95 lagging power factor (absorbing VARs). To compensate the system for these VARs a capacitor bank will be required at the substation. Operating under these restrictions will keep voltages on the feeder within the required limits and will not overload the existing substation transformer.

~~this project. However, to maintain the voltage within the proper limits special operating restrictions will be required at the wind park. During the irrigation season (May 1st to October 1st), the wind park will operate at unity power factor and can generate up to the requested 19.92 MW maximum power output. During the non-irrigation season (October 1st to May 1st), the wind park must generate at a 0.95 lagging power factor (absorbing VARs) and will be limited to no more than 19.0 MW maximum power output. Operating under these restrictions will keep~~

~~voltages within the required limits and will not overload the substation transformer during light load conditions.~~

Another option that would allow the full generation requested would be to install a 22 MVA transformer at TABR substation and build a dedicated 34.5 kV feeder to the wind park. To maintain proper voltage on the 46 kV transmission system the generator would be required~~ment to of~~ operate~~ing~~ at unity power factor during the pumping season and at a 0.95 lagging power factor during the rest of the year~~. would still be necessary, but~~ T~~t~~he wind park could generate up to their requested maximum physical export capability of 19.92 MW year-round. Cost estimates for this option are included in section 8.

8.0 Description and Cost Estimate of Required Facility Upgrades

In order to add this project, the Load Tap Changer at Haven Substation must be reprogrammed.

If the point of interconnection is at the location described in Section 1, which is the end of the existing 336 Al conductor on HAVN-042, and if the wind park can operate as described in Section 7~~9~~, then initial studies indicate that no further feeder upgrades will be required. A capacitor bank will need to be added at the substation.

Since the wind generation park will be located on the feeder along with other Idaho Power customer loads, 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. Option One Estimated Costs for Required Distribution Upgrades

Description	**Cost**
Reprogramming LTC at HAVN substation	$1,000
Capacitor bank at HAVN substation	$100,000
Generator Interconnection Package	$169,000
Total Estimated Cost	$2~~1~~70,000

Option two would be to install a second substation transformer at TABR substation and build a dedicated 34.5 kV feeder to the wind park. Option two would allow the full 19.92 MW generation output during the non-pumping season. Estimated costs for option two are shown in Table 2 below. Since the point of interconnection is only defined as next to the substation, the feeder costs are not included below but will be determined for either option once the actual point of interconnection has been determined.

Table 2. Option Two Estimated Costs for Required Distribution Upgrades

Description	Cost
22 MVA transformer and associated work at TABR substation	$1,500,000
Total Estimated Cost	$1,500,000

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 and the restrictions described in Section 7, there are several other operating requirements that must be met. Voltage flicker at startup and during operation will be limited to less than 5% as measured at the point of interconnection. Also, 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 Lava Beds Wind Park to Idaho Power's system was studied. The results of this study confirm that the existing Idaho Power system can be upgraded to handle the project. The known required upgrades for the existing system 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

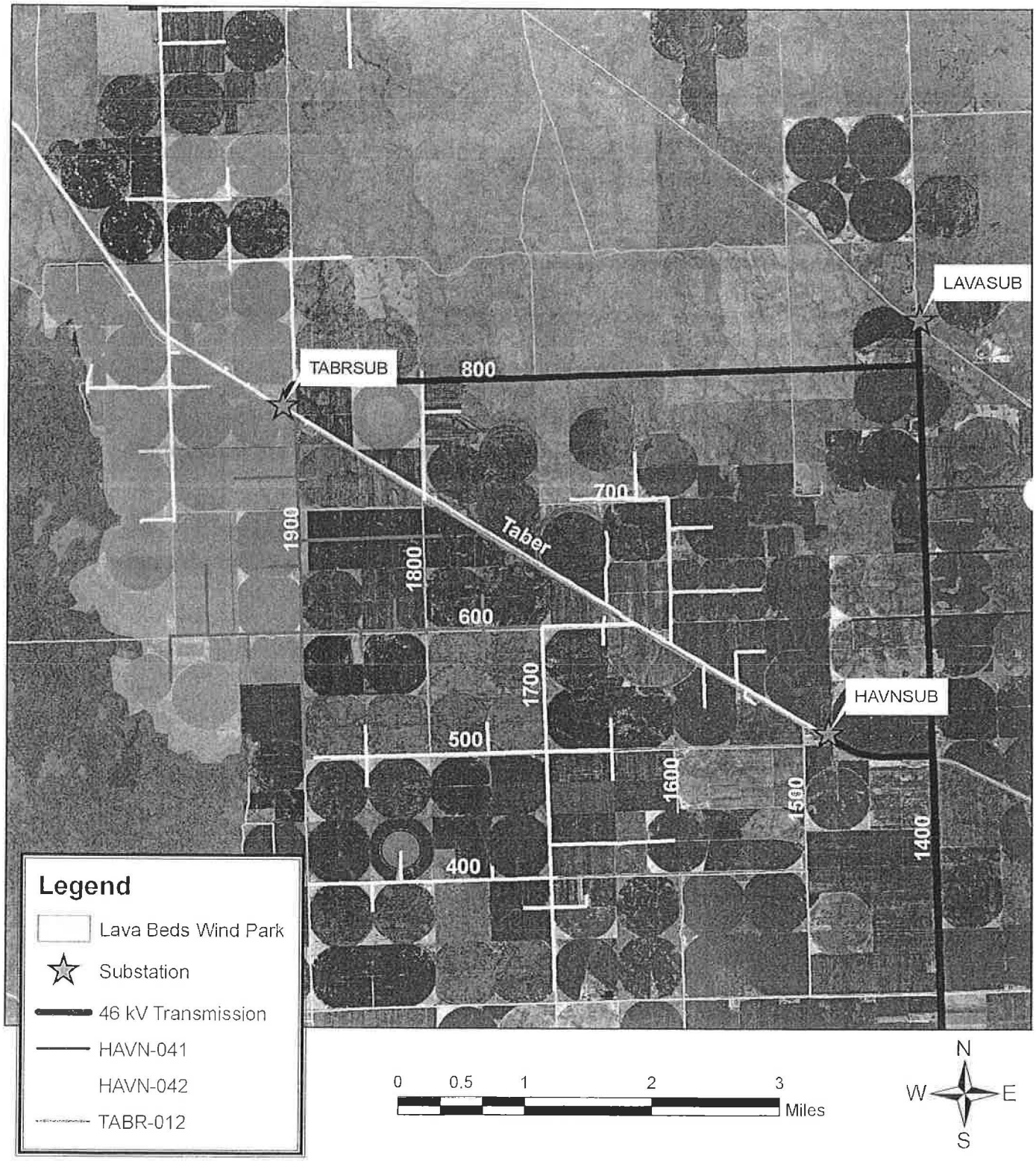
IPC requires electrical system protection per Requirements for Generation Interconnections found on the Idaho Power Web site, http://www.idahopower.com/aboutus/business/generationInterconnect/.

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

Lava Beds Wind Park



System Impact 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, 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 (This recital to be omitted if the Parties have agreed to forego the feasibility study.); 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 $3,000.00 deposit (the equivalent of the good faith estimated cost of a distribution 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	_____
Signed_____	Signed_____
_____	_____
Name (Printed):	Name (Printed):
Title_____	Title_____
Date_____	Date_____

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:

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-12-23

IDAHO POWER COMPANY

ATTACHMENT 8

System Impact Study Agreement

2008 DMR

THIS AGREEMENT is made and entered into this 5th day of March 2007 by and between Exergy Development Group of Idaho, a limited liability Co. 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 provided the results of said study to the Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study.); 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	Lava Development Group de Bonny, LLC
Signed	Signed
David M Angell	Scott T Connors
Name (Printed):	Name (Printed):
Title Manager, Delivery Planning	Title Manager
Date March 5, 2008	Date Feb 11th, 2008

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:

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-12-23

IDAHO POWER COMPANY

ATTACHMENT 9

GENERATOR INTERCONNECTION
SYSTEM IMPACT STUDY

for integration of the proposed

LAVA BEDS WIND PARK PROJECT
Idaho Power Queue #156

in

BINGHAM COUNTY, IDAHO

to the

IDAHO POWER COMPANY ELECTRICAL SYSTEM

for

EXERGY DEVELOPMENT GROUP, LLC

the

INTERCONNECTION CUSTOMER

DRAFT REPORT

July 30, 2009

JLE

1.0 Introduction

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This report documents the basis for and the results of this SIS for the Lava Beds Wind Park. It describes the proposed project, the impact of associated projects, and results of all work in the areas of concern.

2.0 Summary

The Lava Beds Project, a 18 MW wind power project, was studied in this SIS. Projects in the queue ahead of Lava Beds are included in this SIS.

This SIS looks at two items: (1) Local interconnection requirements for the interconnection of the Lava Beds Wind Park Project to the Haven-042 distribution feeder and Haven 138 kV system, and (2) IPC Network Upgrades required.

Local Interconnection Requirements

Integration of 18 MW requires the addition of a generation interconnection package on the Haven-042 feeder. This interconnection package will be used to protect IPCs system from any problems on the interconnection customers side of the POI.

The interconnection customer will be responsible for ensuring that the voltage at the point of interconnection does not exceed more than 5% above nominal voltage (1.05), otherwise the Lava Beds Wind Park will be disconnected from the Idaho Power system. Lava Beds will have to operate at a 0.95 power factor (underexcited, absorbing reactive VArs) at all times of the year in order to maintain the feeder voltage within an acceptable range. Capacitors totaling at least 6 MVAr will be required on the 34.5 kV bus at Haven to mitigate for the reactive VArs consumed by the project. Capacitors will have to be switched in increments of less than 2 MVAr.

Additional protective devices and communication may be required between the local area 138 kV system, and Lava Beds, to prevent an islanding situation. If the upstream 138 kV system is disconnected from Haven, for any reason, the local area load and Lava Beds wind farm could remain intact and form an island. If this happens, the 138 kV system should not be allowed to close back into the islanded system until Lava Beds eventually trips on under/over frequency/voltage.

The Load Tap Changer at Haven substation will have to be reprogrammed to serve the proposed project.

Network Integration of Lava Beds

Assuming that Lava Beds generation is being sold to IPC, there are two transmission paths that Lava Beds wind generation will have to cross. These two transmission paths are (1) Borah West, and (2) Midpoint West (which is currently being rolled into a path to be called Boise East after the summer of 2010). Transmission capacity across the two paths may not be available, and the Lava Beds project will be responsible for the cost of Network upgrades in order to secure firm transmission. Costs of this transmission could be sizeable.

This Generation Interconnection System Impact Study cannot allocate transmission service to the Lava Beds project. The interconnection customer will have to coordinate with IPCs Power Supply group regarding purchasing the output of the Lava Beds project. IPCs Power Supply will work with IPCs Transmission group to determine if capacity exists, or whether a Transmission Service Request will be required.

If the interconnection customer is planning to sell the Lava Beds output to another utility, a transmission service request will be required to secure transmission rights on the IPC transmission system.

IPC performed a transient stability analysis using GE PSLF software to determine whether there was any transient impact to adding the Lava Beds Wind Park on the Haven-042 feeder. The stability analysis performed revealed frequency problems with the GE units for multi-phase faults around the Haven 138 kV area. Both during the fault, and just after the fault, frequency in the Haven area plummeted, caused by the wind turbine generators. After the fault is cleared, frequency took longer than the WECC reliability criteria standard of six cycles to recover to 59.6 Hz. The results of this study indicate that it is very likely Lava Beds will be tripped on under-frequency for faults in the Haven area.

3.0 Scope of Interconnection System Impact Study

The Interconnection System Impact Study was done and prepared in accordance with Idaho Power Company Standard Generator Interconnection Procedures, to provide a detailed evaluation of the interconnection of the proposed generating project to the Idaho Power system. As listed in Section 5.0 of the Interconnection System Impact Study agreement, the Interconnection System Impact Study report provides the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
- description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, stability, 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, **http://www.oatioasis.com/ipco/index.html.**

4.0 Description of Proposed Generating Project

The Lava Beds Wind Park proposes to connect to the Idaho Power distribution system for an injection of 18.0 MW (maximum project output) using twelve GE 1.5 MW wind turbines.

5.0 Description of Existing Transmission Facilities

Idaho Power serves Haven substation with a 138 kV line out of Pingree substation. The conductor on this 138 kV line is 397 ACSR, which has a continuous thermal rating of 141.0 MVA.

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Idaho Power's Haven substation is located at about 540 N. and 1500 W. on Taber Road in Bingham County. The existing substation transformer is rated at 20.0 MVA. There is adequate capacity for the full 18.0 MW of generation as long as capacitors are installed on the 34.5 kV bus at Haven for power factor adjustment.

7.0 Description of Existing Distribution Facilities

Haven-042 serves the project area. This is a grounded wye feeder operating at 34.5 kV. There is adequate thermal capacity on this feeder, to the designated point of interconnection, to accept the full 18.0 MW of generation.

8.0 Local Interconnection Requirements

Integration of 18 MW requires the addition of a generation interconnection package on the Haven-042 feeder. This interconnection package will be used to protect IPCs system from any problems on the interconnection customers side of the POI.

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The Load Tap Changer at Haven substation will have to be reprogrammed to serve the proposed project.

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If the interconnection customer is planning to sell the Lava Beds output to another utility, a transmission service request will be required to secure transmission rights on the IPC transmission system.

10.0 Transient Stability Study Results

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11.0 Description and Cost Estimate of Required Facility 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). No attempt has been made in this study to assign network upgrade costs and not all of the estimated facility costs are necessarily the responsibility of the Project. These are cost estimates only and final charges to the customer will be based on the actual construction costs incurred.

Description	Cost
Reprogramming LTC at HAVN substation	$2,000
Capacitor bank at HAVN substation	$150,000
Generator Interconnection Package	$288,000
Protection Upgrades (Islanding Prevention)	$500,000
Total Estimated Cost	**$940,000**

Table 1. Required Upgrades

Costs to upgrade Midpoint West are not included, assuming that the interconnection customer, and the Idaho Power merchant are willing to accept conditional firm transmission service until the completion of the Gateway West 500 kV upgrades between Midpoint and Boise.

12.0 Description of Operating Requirements

In addition to these upgrades and the restrictions described in Section 7, there are several other operating requirements that must be met. Voltage flicker at startup and during operation will be limited to less than 5% as measured at the point of interconnection. Also, 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*.

The Lava Beds project may also be added to the Borah West RAS (remedial action scheme) as IPC generation available to be tripped for major system disturbances.

13.0 Conclusions

The requested interconnection of the Lava Beds Wind Park to Idaho Power's system was studied. The results of this work indicate that upgrades will have to be made to the local area protection system to accept 18 MW of Wind generation (Generation Interconnection package, and Islanding Prevention protection upgrades). The interconnection customer will have to work through IPCs Power Supply Group to determine the extent of network transmission upgrades required to accept the Lava Beds generation onto the bulk electrical system. The estimated costs of the modifications required, excluding potential network transmission upgrades, are listed in Section 11.0 of this report. These are estimated costs only and final charges to the customer will be based on the actual construction costs incurred.

Next, a facility study will be required to look at the requirements from a construction standpoint. Details about the changes to be made will yield a much more detailed and thorough cost estimate.

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.

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 10

GENERATOR INTERCONNECTION
SYSTEM IMPACT STUDY

for integration of the proposed

LAVA BEDS WIND PARK PROJECT
Idaho Power Queue #156

in

BINGHAM COUNTY, IDAHO

to the

IDAHO POWER COMPANY ELECTRICAL SYSTEM

for

EXERGY DEVELOPMENT GROUP, LLC

the

INTERCONNECTION CUSTOMER

FINAL REPORT

August 31, 2009

JLE

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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-12-23

IDAHO POWER COMPANY

ATTACHMENT 11

Facilities Study Agreement

THIS AGREEMENT is made and entered into this 20 day of October 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 December 19, 2005, 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: EDWARD KOSYDAR

Title: PM Supervisor

10/20/09

Interconnection Customer:
Exergy Development Group of Idaho

Signed: James T. Carkulis

Printed Name: James T. Carkulis

Title: Mngng member

Attachment A to
Facilities Study Agreement

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 200 kW when generation is down

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?

   Bachmann Programmable Logic Controller (PLC)

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

   VxWorks 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:

   10ft x 45 ft

9. Bus length from generation to interconnection station:

Approximately 1,300 feet

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

14. Please provide the following proposed schedule dates:

Begin Construction	Date: October
Generator Step-Up Transformers Receive Back Feed Power	Date: January
Generation Testing	Date: February
Commercial Operation	Date: March

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 12

IDAHO POWER®
An IDACORP Company

DRAFT
Generator Interconnection Facility Study Report

for the

Lava Beds Wind Project – GI #156

for

Exergy Development Group of Idaho, LLC

in

Bingham County, ID

5/9/11

DRAFT - FACILITY STUDY REPORT (FSR)

Lava Beds

Project #156

5/9/11

1. General Facility Description

The proposed project will consist of Idaho Power's standard 4 pole overhead generation interconnection package. The location of the project is in sections 14, 22, 23, 26, 27, 34 and 35 of T1S, R32E and sections 2 and 3 of T2S, R32E in Idaho Power's eastern service territory in Bingham County, Idaho. It connects to the 34.5kV system out of Idaho Power Company's Haven substation. The total project output is 18 MW.

Interconnection Customer:

James Carkulis
Exergy Development Group of Idaho, LLC
802 W. Bannock, Suite 1200
Boise
Idaho

A Standard Generator Interconnection Agreement under Idaho Power Company's Open Access Transmission Tariff (OATT) or Schedule 72 between Interconnection Customer and Idaho Power Company – Delivery (Transmission Owner) for the Lava Beds Project, specifically Generator Interconnection Project # 156, will be prepared for this project.

1.1 Interconnection Point

The Interconnection Point for the Lava Beds Project will be the Generator side of Idaho Power's X disconnect switch in the interconnection package. The project's location is 800N and 1900W in Bingham County, Idaho. A drawing identifying the Point of Interconnection is attached.

1.2 Point of Change of Ownership

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

1.3 Customer's Interconnection Facilities

The Interconnection Customer will install twelve GE 1.5MW wind turbines, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures and associated auxiliary equipment. Interconnection customer will build facilities to the Point of Change of Ownership for the generator facility.

1.4 Other Facilities Provided by Interconnection Customer

1.4.1 Telecommunications

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

1. One POTS (Plain Old Telephone Service) dial-up circuit for querying the revenue meter at the generation interconnection site.
2. One leased DDS (Digital Data Service) circuit for SCADA between the generation interconnection site and Idaho Power's Pocatello Service Building (301 E. Benton Street, Pocatello, ID 83201). 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 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 trouble-shooting of Idaho Power owned equipment.

1.4.2 Ground Fault Equipment

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

1.4.3 Easements

The Interconnection Customer will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities. After the legal description has been delivered to IPCO for review, IPCO will supply to the Interconnection Customer a completed IPCO easement for signature by the land owner of record. Once the signatures have been secured, the Interconnection Customer will return the signed easement to IPCO for recording.

1.4.4 Generator Output Limit Control

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

1.4.5 Local Service

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

1.5 Idaho Power Company's Interconnection Facilities

Idaho Power will install a standard generation interconnection package that will connect to distribution feeder HAVN042. If the Interconnection customer is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Generator to install cables to interconnect to the Idaho Power system. If the interconnection customer is going overhead to the Interconnection Point, it will be at a tension not to exceed the design tension specified by Idaho Power.

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

Facility Estimated Cost:

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPC	$225,000
SUBTOTAL		**$225,000**
See Section 6 for the Project Grand Total		

2. Milestones

Date	Milestones
TBD	*Construction Funds Received by IPCO*
6 Months after Construction Funds Received by IPCO	*IPCO Construction Complete*
2 Weeks after IPCO Construction Complete	*IPCO Commissioning Complete*
TBD by seller	*Commercial Operation Date*

3. Operating Requirements

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

Lava Beds Wind Project will be subject to reductions directed by Idaho Power Grid Operations during transmission system contingencies. When outages occur, the Project will be subject to Generator Output Limit Control ("GOLC") and will have equipment capable of receiving an analog setpoint, via DNP 3.0 from Idaho Power for GOLC. Generator Output Limit Control will be a

setpoint from Idaho Power to the Project indicating maximum output allowed during transmission contingencies.

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

4. Reactive Power

Lava Beds Wind Project should be controlled to operate as a VAR neutral system with a ± 300 kVAR operating band.

5. 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. 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.

6. Upgrades

6.1 Substation Upgrades

Idaho Power will upgrade the LTC on the transformer at Haven Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check. Idaho Power will also install a transfer trip scheme via SCADA at Haven Substation.

Estimated Costs

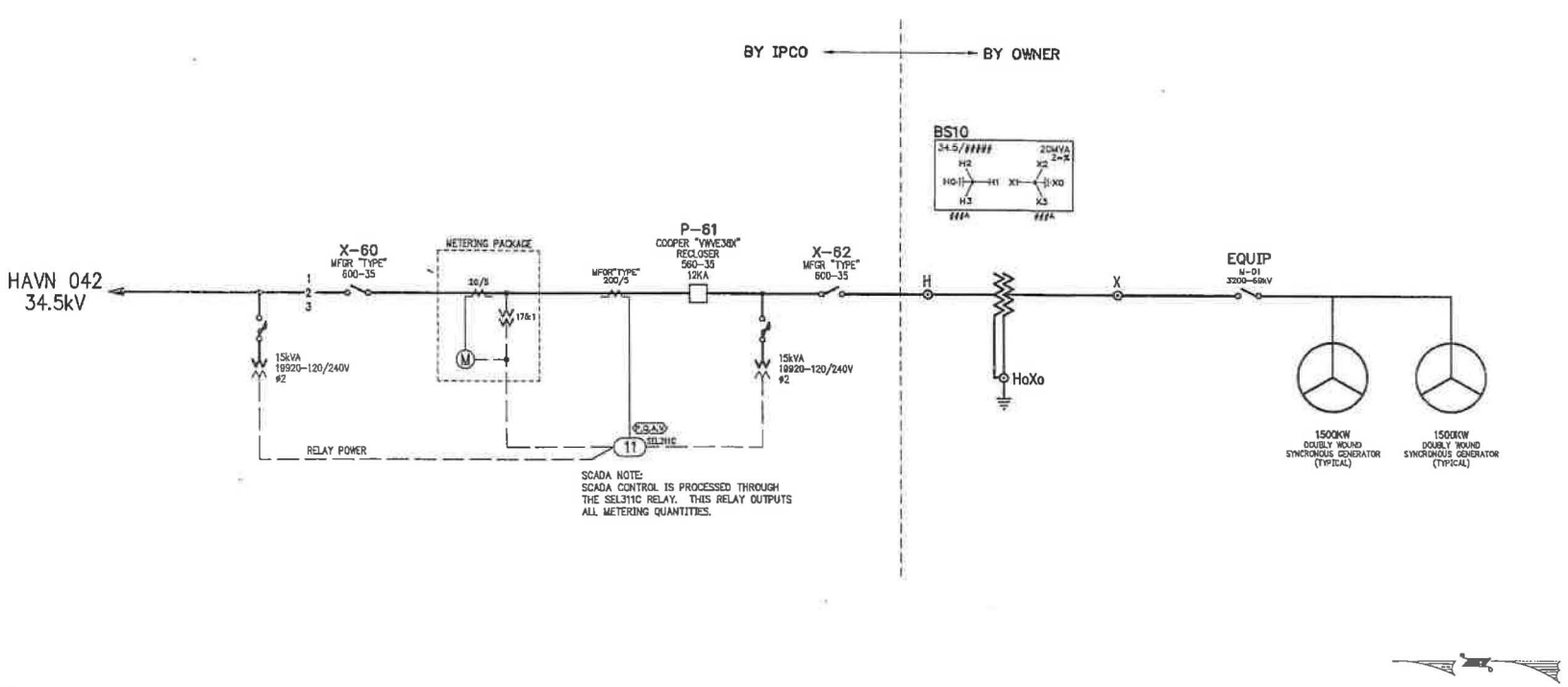
The following good faith estimates are provided in 2011 dollars:

Estimated Cost:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPC	$225,000
TOTAL		**$225,000**
Substation Upgrades:		
LTC Upgrade	IPC	$2,000
Local Service Transformer/Transfer Trip	IPC	$30,000
TOTAL		**$32,000**
GRAND TOTAL	**$257,000**	

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.



SCADA NOTE:
SCADA CONTROL IS PROCESSED THROUGH THE SEL311C RELAY. THIS RELAY OUTPUTS ALL METERING QUANTITIES.

PROJECT LOCATION:
T2S, R32E, SECTION 2, 3
T1S, R32E, SECTION 14, 22, 23, 26, 27, 34, 35
CORNER OF 800 N. AND 1900 W., BINGHAM COUNTY

IN SERVICE BY ##-##-2010

REVISION

##-##-2010
INSTALL INTERCONNECTION FOR LAVA BEDS WIND FARM
W.O. #######
YSL/KK

1 1

REFERENCE DRAWINGS

D-######-1	AC SCHEMATIC
D-######-(1-3)	CONTROL SCHEMATICS

LAVA BEDS WIND FARM
GENERATION INTERCONNECT
18MW OUTPUT
SINGLE LINE

VAULT NO. 21D-#####-1

IDAHO POWER COMPANY — BOISE, IDAHO

SCALE: NONE — DATE: ##-##-2010

DR. KLG — APPROVED — 21D-#####

DES. RGB — YSL — SHT. 1 — 01

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BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 13

IDAHO POWER®
An IDACORP Company

Generator Interconnection Facility Study Report

for the

Lava Beds Wind Project – GI #156

for

Exergy Development Group of Idaho, LLC

in

Bingham County, ID

6/9/11

FACILITY STUDY REPORT (FSR)

Lava Beds

Project #156

6/9/11

1. General Facility Description

The proposed project will consist of Idaho Power's standard 4 pole overhead generation interconnection package. The location of the project is in sections 14, 22, 23, 26, 27, 34 and 35 of T1S, R32E and sections 2 and 3 of T2S, R32E in Idaho Power's eastern service territory in Bingham County, Idaho. It connects to the 34.5kV system out of Idaho Power Company's Haven substation. The total project output is 18 MW.

Interconnection Customer:
James Carkulis
Exergy Development Group of Idaho, LLC
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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 Lava Beds Project, specifically Generator Interconnection Project # 156, will be prepared for this project.

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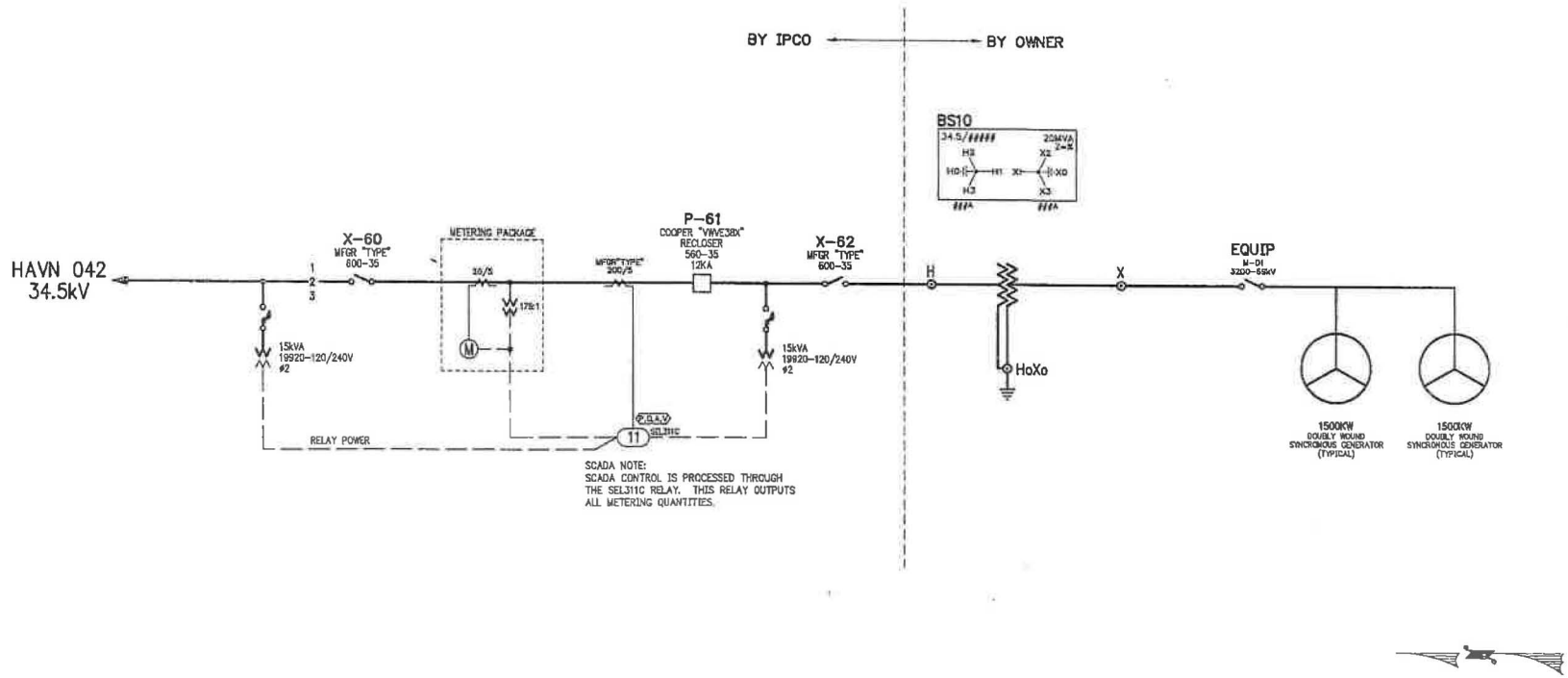

SCADA NOTE:
SCADA CONTROL IS PROCESSED THROUGH THE SEL311C RELAY. THIS RELAY OUTPUTS ALL METERING QUANTITIES.

PROJECT LOCATION:
T2S, R32E, SECTION 2, 3
T1S, R32E, SECTION 14, 22, 23, 26, 27, 34, 35
CORNER OF 800 N. AND 1900 W., BINGHAM COUNTY

IN SERVICE BY ##-##-2010

REVISION
##-##-2010 INSTALL INTERCONNECTION FOR LAVA BEDS WIND FARM W.O. ###### YSL/AK
#

REFERENCE DRAWINGS	
D-#####-1	AC SCHEMATIC
D-#####-(1-3)	CONTROL SCHEMATICS

LAVA BEDS WIND FARM
GENERATION INTERCONNECT
18MW OUTPUT
SINGLE LINE

VAULT NO. 21D-#####-1

IDAHO POWER COMPANY — BOISE, IDAHO

SCALE: NONE — DATE: ##-##-2010

DR. KLG — APPROVED — 21D-#####

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REV. BY. YSL

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BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 14

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-12-23

IDAHO POWER COMPANY

ATTACHMENT 15

IDAHO POWER®
An IDACORP Company

July 28, 2011
Via email & Certified Mail# 70090820000123019237

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

Re: Lava Beds Wind Project – GI #156

Dear James:

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

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

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

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

You may have noticed that we have drafted the GIA Attachments based on the enclosed Final Facility Study Report. Please review the Attachments to make sure they are comprehensive and accurate and advise me of any changes as soon as possible. Failure to respond to this letter by August 28, 2011 will cause your Generator Interconnection request to have been deemed withdrawn and terminated. If you have any further questions, please don't hesitate to contact me at 208.388.2658.

Sincerely,

Rowena Bishop
Operations Analyst

Encl: Final Facility Study Report
draft GIA for Lava Beds Wind Project # 156

Cc: (via email) Dustin Shively/Exergy
Lisa Loomis/IPC
Rich Bauer/IPC
Aubrae Sloan/IPC
Randy Allphin/IPC

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

IDAHO POWER®
An IDACORP Company

July 28, 2011

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

Re: Lava Beds Wind Project – GI Project #156
Dear Mr. Carkulis:

Attached please find a Final Facility Study Report (FSR). I am available to discuss the FSR, and begin Construction arrangements for the project.

The final report will be used to prepare a draft Generator Interconnection Agreement in preparation for Construction. Rowena Bishop will be working with you to finalize the Interconnection Agreement.

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

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

I look forward to hearing from you soon.

Sincerely,

Lisa Loomis
Project Leader

Attachment: Lava Beds Wind Project Final Facility Study Report with Drawings

Cc: R Bishop/IPC
A Sloan/IPC

IDAHO POWER®
An IDACORP Company

Generator Interconnection Facility Study Report

for the

Lava Beds Wind Project – GI #156

for

Exergy Development Group of Idaho, LLC

in

Bingham County, ID

7/28/11

FACILITY STUDY REPORT (FSR)

Lava Beds
Project #156
7/28/11

1. General Facility Description

The proposed project will consist of Idaho Power's standard 4 pole overhead generation interconnection package. The location of the project is in sections 14, 22, 23, 26, 27, 34 and 35 of T1S, R32E and sections 2 and 3 of T2S, R32E in Idaho Power's eastern service territory in Bingham County, Idaho. It connects to the 34.5kV system out of Idaho Power Company's Haven substation. The total project output is 18 MW.

Interconnection Customer:
James Carkulis
Exergy Development Group of Idaho, LLC
802 W. Bannock, Suite 1200
Boise
Idaho

A Standard Generator Interconnection Agreement under Idaho Power Company's Open Access Transmission Tariff (OATT) or Schedule 72 between Interconnection Customer and Idaho Power Company – Delivery (Transmission Owner) for the Lava Beds Project, specifically Generator Interconnection Project # 156, will be prepared for this project.

1.1 Interconnection Point

The Interconnection Point for the Lava Beds Project will be the Generator side of Idaho Power's X disconnect switch in the interconnection package. The project's location is 800N and 1900W in Bingham County, Idaho. A drawing identifying the Point of Interconnection is attached.

1.2 Point of Change of Ownership

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

1.3 Customer's Interconnection Facilities

The Interconnection Customer will install twelve GE 1.5MW wind turbines, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures and associated auxiliary equipment. Interconnection customer will build facilities to the Point of Change of Ownership for the generator facility.

1.4 Other Facilities Provided by Interconnection Customer

1.4.1 Telecommunications

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

1. One POTS (Plain Old Telephone Service) dial-up circuit for querying the revenue meter at the generation interconnection site.
2. One leased DDS (Digital Data Service) circuit for SCADA between the generation interconnection site and Idaho Power's Pocatello Service Building (301 E. Benton Street, Pocatello, ID 83201). 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 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 trouble-shooting of Idaho Power owned equipment.

1.4.2 Ground Fault Equipment

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

1.4.3 Easements

The Interconnection Customer will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities. After the legal description has been delivered to IPCO for review, IPCO will supply to the Interconnection Customer a completed IPCO easement for signature by the land owner of record. Once the signatures have been secured, the Interconnection Customer will return the signed easement to IPCO for recording.

1.4.4 Generator Output Limit Control

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

1.4.5 Local Service

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

1.5 Idaho Power Company's Interconnection Facilities

Idaho Power will install a standard generation interconnection package that will connect to distribution feeder HAVN042. If the Interconnection customer is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Generator to install cables to interconnect to the Idaho Power system. If the interconnection customer is going overhead to the Interconnection Point, it will be at a tension not to exceed the design tension specified by Idaho Power.

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

Facility Estimated Cost:

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPC	$225,000
SUBTOTAL		**$225,000**
See Section 6 for the Project Grand Total		

2. Milestones

Date	Milestones
TBD	*Construction Funds Received by IPCO*
6 Months after Construction Funds Received by IPCO	*IPCO Construction Complete*
2 Weeks after IPCO Construction Complete	*IPCO Commissioning Complete*
TBD by seller	*Commercial Operation Date*

3. Operating Requirements

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

Lava Beds Wind Project will be subject to reductions directed by Idaho Power Grid Operations during transmission system contingencies. When outages occur, the Project will be subject to Generator Output Limit Control ("GOLC") and will have equipment capable of receiving an analog setpoint, via DNP 3.0 from Idaho Power for GOLC. Generator Output Limit Control will be a

setpoint from Idaho Power to the Project indicating maximum output allowed during transmission contingencies.

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

4. Reactive Power

Lava Beds Wind Project should be controlled to operate as a VAR neutral system with a ± 300 kVAR operating band.

5. 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. 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.

6. Upgrades

6.1 Substation Upgrades

Idaho Power will upgrade the LTC on the transformer at Haven Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check. Idaho Power will also install a transfer trip scheme via SCADA at Haven Substation.

Estimated Costs

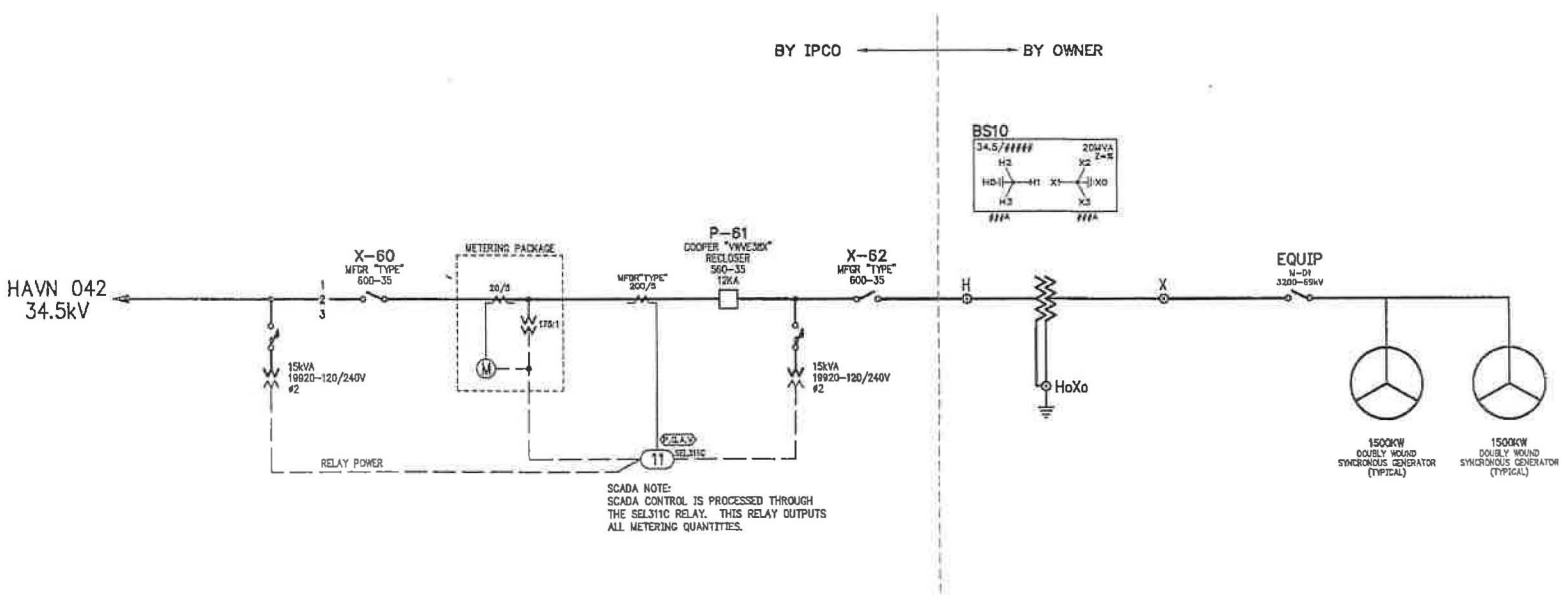
The following good faith estimates are provided in 2011 dollars:

Estimated Cost:

Description	Ownership	Cost Estimate
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPC	$225,000
TOTAL		**$225,000**
Substation Upgrades:		
LTC Upgrade	IPC	$2,000
Local Service Transformer/Transfer Trip	IPC	$30,000
TOTAL		**$32,000**
GRAND TOTAL	**$257,000**	

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.



SCADA NOTE:
SCADA CONTROL IS PROCESSED THROUGH THE SEL311C RELAY. THIS RELAY OUTPUTS ALL METERING QUANTITIES.

PROJECT LOCATION:

T2S, R32E, SECTION 2, 3
T1S, R32E, SECTION 14, 22, 23, 26, 27, 34, 35
CORNER OF 800 N. AND 1900 W., BINGHAM COUNTY

IN SERVICE BY ##-##-2010

REVISION
##-##-2010 INSTALL INTERCONNECTION FOR LAVA BEDS WIND FARM W.O. ###### YSL/AK
1

REFERENCE DRAWINGS	
D-#####-1	AC SCHEMATIC
D-#####-(1-3)	CONTROL SCHEMATICS

LAVA BEDS WIND FARM
GENERATION INTERCONNECT
18MW OUTPUT
SINGLE LINE

VAULT NO. 21D-#####-1

IDAHO POWER COMPANY BOISE, IDAHO

SCALE: NONE DATE: ##-##-2010

DR. KLG	APPROVED	21D-#####	
DES. RGB	YSL	SHT. 1	01
REV. DR. YSL			

file: C:\DOCUMENTS AND SETTINGS\YSL70031\DESKTOP\LAVA_BED_WIND.DWG wmod: 03/09/10 15:21 by: YSL70031

[effective date]

GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

LAVA BEDS WIND PROJECT
18 MW

TABLE OF CONTENTS

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

RECITALS

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

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

AGREEMENTS

1. Capitalized Terms

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

2. Terms and Conditions

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

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

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

4. Attachments

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

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

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

Attachment 3 – Milestones For Interconnecting the Generation Facility.

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

Attachment 5 – Reactive Power.

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

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 currier 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: Regional Outage Coordinator - Regional Dispatch
1221 W. Idaho Street
Boise, Idaho 83702
Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
(after hours Eastern Region 208-388-5185).

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

10. Signatures.

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

For the Seller

Name: _____

Title:_____

Date: _____

For the Company

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

Date: _____

Attachment 1

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

General Facility Description

The proposed project will consist of Idaho Power Company's standard 4 pole overhead generation interconnection package. It connects to the 34.5kV system out of Idaho Power Company's Haven substation. The project location is The total project output is 18 MW.

Interconnection Point

The Interconnection Point for the Lava Beds Project will be the Generator side of Idaho Power Company's X disconnect switch in the interconnection package. The project's location is 800N and 1900W (in Sections 14, 22, 23, 26, 27, 34 and 35 of T1, R32E and Section 2 &3 of T2S, R32E) in Bingham County, Idaho. The Point of Change of Ownership will be same as the Interconnection Point. A drawing identifying the Point of Interconnection is included as Attachment 2.

Seller's Interconnection Facilities

The Seller will install twelve GE 1.5MW wind turbines, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures, and associated auxiliary equipment. The Seller will build facilities to the Point of Change of Ownership for the generator facility.

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

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

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

Other Facilities Provided by Seller

Telecommunications

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:

1. One POTS (Plain Old Telephone Service) dial-up circuit for revenue metering at the generation interconnection site.
2. One DDS (Digital Data Service) circuit guaranteed minimum data rate of 19,200 bits per second for SCADA between the generation interconnection site and a point designated by Idaho Power Company.

The Seller is required to coordinate with the local communications provider to provide the communications circuits and pay the associated monthly charges. The communication circuits will need to be installed and operational prior to generating into Idaho Power system. Note that installation by the local 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 the local communications provider, the Seller shall confer with Idaho Power.

If high voltage protection is required by the local communications provider for the incoming 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 communications trouble-shooting of Idaho Power owned equipment.

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

Local Service
The Seller is responsible to arrange for local service to their site, as necessary.

Easements
The Interconnection Customer will secure appropriate easements with the land owner for the interconnection facilities as described in the Facility Study Report. IPCO construction will not proceed until the appropriate easements are secured.

Idaho Power Company's Interconnection Facilities

Idaho Power will install a standard generation interconnection package that will connect to distribution feeder HAVN042. If the Seller is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Seller to install cables to interconnect to the Idaho Power system. If the Seller is going overhead to the Interconnection Point, it will be a a tension not to exceed the design tension specified by Idaho Power.

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

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

Estimated Cost & Ownership

The following good faith estimates are provided in 2011 dollars

Description	Ownership	Cost Estimate
Generation Facilities:		
Provided by Seller	Seller	$N/A
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPCO	$225,000
(See ATTACHMENT 6 for Project Grand Total) ***TOTAL***		**$225,000**

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

Billing for construction activities will be based upon actual expenditures.

Attachment 2

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

Attachment 3

Milestones:

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

Date	Milestones
TBD	***Funding Received***
6 months after Construction Funds Received by IPCO	***IPCO Construction Complete***
2 weeks after IPCO Construction Complete	***IPCO Commissioning Complete***
[to be provided by Seller at a later date]	***Commercial Operation***

Agreed to by:

For the Interconnection Customer _____ Date_____

For the Transmission Provider
Idaho Power Company, Delivery _____ Date_____

Attachment 4

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

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

Operating Requirements

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point. It is preferable to bring each generating unit online separately to minimize voltage flicker on the distribution system. 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.

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

The Project will be allowed to deliver the net output of 18MW 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 an analog setpoint, via DNP 3.0 from Idaho Power for GOLC. Generator Output Limit Control will be a setpoint from Idaho Power to the Project indicating maximum output allowed during transmission contingencies.

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

Low Voltage Ride Through

The Project must be capable of riding through faults on adjacent sections of the power system without tripping due to low voltage. 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 provide a ground source to the transmission system.

Commercial Operation Requirements

The Seller will be granted a requested Commercial Operation date only when all requirements have been met under this GIA and Idaho Power Company's Power Sales Agreement.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 300 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

Substation Upgrades

Idaho Power will upgrade the LTC on the transformer at Haven Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check. Idaho Power will also install a transfer trip scheme via SCADA at Haven Substation.

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Substation Upgrades:		
LTC Upgrade	IPCO	$2,000
Local Service Transformer/Transfer Trip	IPCO	$30,000
TOTAL		**$32,000**
Interconnection costs (from Attachment 1) TOTAL		**$225,000**
PROJECT GRAND TOTAL		**$257,000**

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 16

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.

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-12-23

IDAHO POWER COMPANY

ATTACHMENT 17

IDAHO POWER®
An IDACORP Company

August 26, 2011
Via email & Certified Mail
#70090820000123019626

Dustin Shively
Exergy Development Group of Idaho
802 W Bannock Street Suite 1200
Boise, ID 83702

Re: Lava Beds Wind Project - Generator Interconnection Agreement (GIA) (#156)

Dear Dustin:

Thank you for your updated Attachments to the Schedule 72 Interconnection Agreement for the Lava Beds Wind project. Attached is the Final GIA, with an extra set of signature pages. Please complete the NOTICES information, and sign and return both sets of the signature pages to me by September 30, 2011 so that we may finalize the interconnection process. We will return a fully executed copy of the signature pages for your files.

Please provide written notification to Idaho Power Company ATTN: Rich Bauer at least 30 days prior to testing so that we may prepare software updates for preschedule and real time operations.

When you are ready for testing please contact Idaho Power's Outage Coordinator's desk during normal business hours at least seven (7) days in advance, at 208-388-2633, 5125 or 5175. If contact needs to be made after hours, please call Eastern Region 208-388-5185.

If you have any further questions, please don't hesitate to call.

Sincerely,

Rowena Bishop
Operations Analyst
Ph 208-388-2658
rbishop@idahopower.com

Encl: 2 copies – Schedule 72 Interconnection Agreement signature pages
Final GIA

Cc: Rich Bauer/ IPC

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

[effective date]

GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

LAVA BEDS WIND PROJECT
18 MW

TABLE OF CONTENTS

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

RECITALS

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

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

AGREEMENTS

1. Capitalized Terms

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

2. Terms and Conditions

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

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

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

4. Attachments

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

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

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

Attachment 3 – Milestones For Interconnecting the Generation Facility.

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

Attachment 5 – Reactive Power.

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

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 currier 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: Regional Outage Coordinator - Regional Dispatch
1221 W. Idaho Street
Boise, Idaho 83702
Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
(after hours Eastern Region 208-388-5185).

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

10. Signatures.

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

For the Seller

Name: _____

Title:_____

Date: _____

For the Company

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

Date: _____

Attachment 1

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

General Facility Description

The proposed project will consist of Idaho Power Company's standard 4 pole overhead generation interconnection package. It connects to the 34.5kV system out of Idaho Power Company's Haven substation. The project location is The total project output is 18 MW.

Interconnection Point

The Interconnection Point for the Lava Beds Project will be the Generator side of Idaho Power Company's X disconnect switch in the interconnection package. The project's location is 800N and 1900W (in Sections 14, 22, 23, 26, 27, 34 and 35 of T1, R32E and Section 2 &3 of T2S, R32E) in Bingham County, Idaho. The Point of Change of Ownership will be same as the Interconnection Point. A drawing identifying the Point of Interconnection is included as Attachment 2.

Seller's Interconnection Facilities

The Seller will install twelve GE 1.5MW wind turbines, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures, and associated auxiliary equipment. The Seller will build facilities to the Point of Change of Ownership for the generator facility.

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

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

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

Other Facilities Provided by Seller

Telecommunications

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:

1. One POTS (Plain Old Telephone Service) dial-up circuit for revenue metering at the generation interconnection site.
2. One DDS (Digital Data Service) circuit guaranteed minimum data rate of 19,200 bits per second for SCADA between the generation interconnection site and a point designated by Idaho Power Company.

The Seller is required to coordinate with the local communications provider to provide the communications circuits and pay the associated monthly charges. The communication circuits will need to be installed and operational prior to generating into Idaho Power system. Note that installation by the local 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 the local communications provider, the Seller shall confer with Idaho Power.

If high voltage protection is required by the local communications provider for the incoming 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 communications trouble-shooting of Idaho Power owned equipment.

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

Local Service
The Seller is responsible to arrange for local service to their site, as necessary.

Easements
The Interconnection Customer will secure appropriate easements with the land owner for the interconnection facilities as described in the Facility Study Report. IPCO construction will not proceed until the appropriate easements are secured.

Idaho Power Company's Interconnection Facilities

Idaho Power will install a standard generation interconnection package that will connect to distribution feeder HAVN042. If the Seller is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Seller to install cables to interconnect to the Idaho Power system. If the Seller is going overhead to the Interconnection Point, it will be a a tension not to exceed the design tension specified by Idaho Power.

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

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

Estimated Cost & Ownership

The following good faith estimates are provided in 2011 dollars

Description	Ownership	Cost Estimate
Generation Facilities:		
Provided by Seller	Seller	$N/A
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPCO	$225,000
(See ATTACHMENT 6 for Project Grand Total)	***TOTAL***	**$225,000**

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

Billing for construction activities will be based upon actual expenditures.

Attachment 2

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

Attachment 3

Milestones:

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

Date	Milestones
TBD	***Funding Received***
6 months after Construction Funds Received by IPCO	***IPCO Construction Complete***
2 weeks after IPCO Construction Complete	***IPCO Commissioning Complete***
[to be provided by Seller at a later date]	***Commercial Operation***

Agreed to by:

For the Interconnection Customer _____ Date_____

For the Transmission Provider
Idaho Power Company, Delivery _____ Date_____

Attachment 4

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

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

Operating Requirements

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point. It is preferable to bring each generating unit online separately to minimize voltage flicker on the distribution system. 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.

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

The Project will be allowed to deliver the net output of 18MW 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 an analog setpoint, via DNP 3.0 from Idaho Power for GOLC. Generator Output Limit Control will be a setpoint from Idaho Power to the Project indicating maximum output allowed during transmission contingencies.

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

Low Voltage Ride Through

The Project must be capable of riding through faults on adjacent sections of the power system without tripping due to low voltage. 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 provide a ground source to the transmission system.

Commercial Operation Requirements

The Seller will be granted a requested Commercial Operation date only when all requirements have been met under this GIA and Idaho Power Company's Power Sales Agreement.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 300 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

Substation Upgrades

Idaho Power will upgrade the LTC on the transformer at Haven Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check. Idaho Power will also install a transfer trip scheme via SCADA at Haven Substation.

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Substation Upgrades:		
LTC Upgrade	IPCO	$2,000
Local Service Transformer/Transfer Trip	IPCO	$30,000
TOTAL		**$32,000**
Interconnection costs (from Attachment 1) *TOTAL*		**$225,000**
PROJECT GRAND TOTAL		**$257,000**

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 18

RICHARDSON & O'LEARY, PLLC
ATTORNEYS AT LAW

Peter Richardson

Tel: 208-938-7901 Fax: 208-938-7904
peter@richardsonandoleary.com
PO 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 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-12-23

IDAHO POWER COMPANY

ATTACHMENT 19

December 15, 2011

GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

LAVA BEDS WIND PROJECT
18 MW

TABLE OF CONTENTS

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

RECITALS

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

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

AGREEMENTS

1. Capitalized Terms

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

2. Terms and Conditions

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

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

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

4. Attachments

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

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

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

Attachment 3 – Milestones For Interconnecting the Generation Facility.

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

Attachment 5 – Reactive Power.

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

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 currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Seller:
Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

Company's Operating Representative:

Idaho Power Company - Delivery
Attention: Regional Outage Coordinator - Regional Dispatch
1221 W. Idaho Street
Boise, Idaho 83702
Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
(after hours Eastern Region 208-388-5185).

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

10. Signatures.

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

For the Seller

Name: _____

Title: _____

Date: _____

For the Company

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

Date: _____

Attachment 1

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

General Facility Description

The proposed project will consist of Idaho Power Company's standard 4 pole overhead generation interconnection package. It connects to the 34.5kV system out of Idaho Power Company's Haven substation. The total project output is 18 MW.

Interconnection Point

The Interconnection Point for the Lava Beds Project will be the Generator side of Idaho Power Company's X disconnect switch in the interconnection package. The project's location is 800N and 1900W (in Sections 14, 22, 23, 26, 27, 34 and 35 of T1, R32E and Section 2 &3 of T2S, R32E) in Bingham County, Idaho. The Point of Change of Ownership will be same as the Interconnection Point. A drawing identifying the Point of Interconnection is included as Attachment 2.

Seller's Interconnection Facilities

The Seller will install nine Gamesa 2.0MW wind turbines, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures, and associated auxiliary equipment. The Seller will build facilities to the Point of Change of Ownership for the generator facility.

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

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

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 can be obtained from Idaho Power's assigned Project Leader.

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

Other Facilities Provided by Seller

Telecommunications

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:

1. One POTS (Plain Old Telephone Service) dial-up circuit for revenue metering at the generation interconnection site.
2. One DDS (Digital Data Service) circuit guaranteed minimum data rate of 19,200 bits per second for SCADA between the generation interconnection site and a point designated by Idaho Power Company.

The Seller is required to coordinate with the local communications provider to provide the communications circuits and pay the associated monthly charges. The communication circuits will need to be installed and operational prior to generating into Idaho Power system. Note that installation by the local 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 the local communications provider, the Seller shall confer with Idaho Power.

If high voltage protection is required by the local communications provider for the incoming 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 communications trouble-shooting of Idaho Power owned equipment.

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

Local Service
The Seller is responsible to arrange for local service to their site, as necessary.

Easements
The Seller will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities. After the legal description has been delivered to IPCO for review, IPCO will supply to the Seller 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. IPCO construction will not proceed until the appropriate easements are secured.

Idaho Power Company's Interconnection Facilities

Idaho Power will install a standard generation interconnection package that will connect to distribution feeder HAVN042. If the Seller is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Seller to install cables to interconnect to the Idaho Power system. If the Seller is going overhead to the Interconnection Point, it will be a a tension not to exceed the design tension specified by Idaho Power.

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

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

Estimated Cost & Ownership

The following good faith estimates are provided in 2011 dollars

Description	Ownership	Cost Estimate
Generation Facilities:		
Provided by Seller	Seller	$N/A
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPCO	$225,000
(See ATTACHMENT 6 for Project Grand Total) ***TOTAL***		**$225,000**

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

Billing for construction activities will be based upon actual expenditures.

Attachment 2

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

Attachment 3

Milestones:

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

Date	Milestones
TBD	***Funding Received***
6 months after Construction Funds Received by IPCO	***IPCO Construction Complete***
2 weeks after IPCO Construction Complete	***IPCO Commissioning Complete***
[to be provided by Seller at a later date]	***Commercial Operation***

Agreed to by:

For the Interconnection Customer _____ Date_____

For the Transmission Provider
Idaho Power Company, Delivery _____ Date_____

Attachment 4

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

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

Operating Requirements

Voltage flicker at startup and during operation will be limited to less than 5% as measured at the Interconnection Point. It is preferable to bring each generating unit online separately to minimize voltage flicker on the distribution system. 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.

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.

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

Low Voltage Ride Through

The Project must be capable of riding through faults on adjacent sections of the power system without tripping due to low voltage. 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.

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 either:

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, or

b) Arranged to provide Idaho Power approximate hub-height wind speed, wind direction, air temperature, barometric pressure, and data from a meteorological wind measurement tower within two miles of the Facility site.

Facility availability status shall be provided 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.

The associated cost for obtaining this data is the Sellers responsibility and was not included in the Facility Study Report cost estimate.

Commercial Operation Requirements

The Seller will be granted a requested Commercial Operation date only when all requirements have been met under this GIA and Idaho Power Company's Power Sales Agreement.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 300 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

Substation Upgrades

Idaho Power will upgrade the LTC on the transformer at Haven Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check. Idaho Power will also install a transfer trip scheme via SCADA at Haven Substation.

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Substation Upgrades:		
LTC Upgrade	IPCO	$2,000
Local Service Transformer/Transfer Trip	IPCO	$30,000
TOTAL		**$32,000**
Interconnection costs (from Attachment 1) TOTAL		**$225,000**
PROJECT GRAND TOTAL		**$257,000**

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 20

IDAHO POWER®
An IDACORP Company

January 25, 2012

Dustin Shively
Exergy Development Group of Idaho, LLC
802 W Bannock Suite 1200
Boise, ID 83702
Via email & Certified Mail #70102780000090951366

Re: Lava Beds Wind Project – Final Generator Interconnection Agreement (GIA) (#156)

Dear Dustin:

Attached is an original copy of the Final Generator Interconnection Agreement (GIA), and two signature pages for the Lava Beds project. This GIA has been updated to reflect your request for turbine change from twelve GE 1.5MW wind turbines, to nine Gamesa G97 2.0MW wind turbines. We have also updated Attachment 3 Milestones to reflect our construction lead times needed to meet the in service date you have requested.

Lisa Loomis will continue working with you during the construction period. When you are ready for testing please contact Idaho Power's Outage Coordinator's desk during normal business hours at least seven (7) days in advance, at 208-388-2633, 5125 or 5175. After hours, please contact Idaho Power Eastern Regional Dispatch at 208-388-5185.

Please have both sets of signature pages to the GIA signed, and returned to me for execution on or before February 27, 2012. We will return a set of fully executed signature pages for your files.

Sincerely,

Rowena Bishop
Operations Analyst
Ph 208-388-2658

Encl: Original FINAL GIA and 2 sets signature pages for signature

Cc (via email): James Carkulis/Exergy
Rich Bauer/IPC

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

January 24, 2012

GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

LAVA BEDS WIND PROJECT
18 MW

TABLE OF CONTENTS

This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the ____ day of _____, 2012 between Exergy Development Group of Idaho, LLC ("Seller" or "The Project") and Idaho Power Company – Delivery ("Company", or "Transmission Owner").

RECITALS

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

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

AGREEMENTS

1. Capitalized Terms

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

2. Terms and Conditions

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

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

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

4. Attachments

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

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

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

Attachment 3 – Milestones For Interconnecting the Generation Facility.

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

Attachment 5 – Reactive Power.

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

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 currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Seller:
Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

Company's Operating Representative:

Idaho Power Company - Delivery
Attention: Regional Outage Coordinator - Regional Dispatch
1221 W. Idaho Street
Boise, Idaho 83702
Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
(after hours Eastern Region 208-388-5185).

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
Nominal Delivery Voltage:	34.5 kV

General Facility Description

The proposed project will consist of Idaho Power Company's standard 4 pole overhead generation interconnection package. It connects to the 34.5kV system out of Idaho Power Company's Haven substation. The total project output is 18 MW.

Interconnection Point

The Interconnection Point for the Lava Beds Project will be the Generator side of Idaho Power Company's X disconnect switch in the interconnection package. The project's location is 800N and 1900W (in Sections 14, 22, 23, 26, 27, 34 and 35 of T1, R32E and Section 2 &3 of T2S, R32E) in Bingham County, Idaho. The Point of Change of Ownership will be same as the Interconnection Point. A drawing identifying the Point of Interconnection is included as Attachment 2.

Seller's Interconnection Facilities

The Seller will install nine Gamesa 2.0MW wind turbines, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures, and associated auxiliary equipment. The Seller will build facilities to the Point of Change of Ownership for the generator facility.

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

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

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 can be obtained from Idaho Power's assigned Project Leader.

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

Other Facilities Provided by Seller

Telecommunications

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:

1. One POTS (Plain Old Telephone Service) dial-up circuit for revenue metering at the generation interconnection site.
2. One DDS (Digital Data Service) circuit guaranteed minimum data rate of 19,200 bits per second for SCADA between the generation interconnection site and a point designated by Idaho Power Company.

The Seller is required to coordinate with the local communications provider to provide the communications circuits and pay the associated monthly charges. The communication circuits will

need to be installed and operational prior to generating into Idaho Power system. Note that installation by the local 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 the local communications provider, the Seller shall confer with Idaho Power.

If high voltage protection is required by the local communications provider for the incoming 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 communications trouble-shooting of Idaho Power owned equipment.

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

Local Service
The Seller is responsible to arrange for local service to their site, as necessary.

Easements
The Seller will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities. After the legal description has been delivered to IPCO for review, IPCO will supply to the Seller 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. IPCO construction will not proceed until the appropriate easements are secured.

Idaho Power Company's Interconnection Facilities

Idaho Power will install a standard generation interconnection package that will connect to distribution feeder HAVN042. If the Seller is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Seller to install cables to interconnect to the Idaho Power system. If the Seller is going overhead to the Interconnection Point, it will be a a tension not to exceed the design tension specified by Idaho Power.

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

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

Estimated Cost & Ownership

The following good faith estimates are provided in 2011 dollars

Description	Ownership	Cost Estimate
Generation Facilities:		
Provided by Seller	Seller	$N/A
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPCO	$225,000
(See ATTACHMENT 6 for Project Grand Total)	***TOTAL***	**$225,000**

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

Billing for construction activities will be based upon actual expenditures.

Attachment 2

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

Attachment 3

Milestones:

1. Idaho Power Company agrees only to the Construction timelines under its direct control provided in the Facility Study Report for this Project.
2. 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
3/1/12	***Seller***	***Construction funding received by Idaho Power***
9/1/12	***Seller***	***Customer GOLC/Reactive controls ready to connect***
9/15/12	***IPCO***	***IPCO Construction Complete***
9/30/12	***IPCO***	***IPCO Commissioning Complete***
9/30/12	***IPCO***	***Project Leader issues Construction Complete Letter***
9/30/12	***Seller***	***Customer testing begins***
10/31/12	***Seller***	***Customer's requested In-Service Date***

Agreed to by:

For the Interconnection Customer _____ Date_____

For the Transmission Provider
Idaho Power Company, Delivery _____ Date_____

Attachment 4

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

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

Operating Requirements

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 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.

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

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.

Low Voltage Ride Through

The Project must be capable of riding through faults on adjacent sections of the power system without tripping due to low voltage. 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.

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 either:

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, or

b) Arranged to provide Idaho Power approximate hub-height wind speed, wind direction, air temperature, barometric pressure, and data from a meteorological wind measurement tower within two miles of the Facility site.

Facility availability status shall be provided 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.

The associated cost for obtaining this data is the Sellers responsibility and was not included in the Facility Study Report cost estimate.

Commercial Operation Requirements

The Seller will be granted a requested Commercial Operation date only when all requirements have been met under this GIA and Idaho Power Company's Power Sales Agreement.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 300 kVar. 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.

Attachment 6

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

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

Upgrades

Substation Upgrades

Idaho Power will upgrade the LTC on the transformer at Haven Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check. Idaho Power will also install a transfer trip scheme via SCADA at Haven Substation.

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Substation Upgrades:		
LTC Upgrade	IPCO	$2,000
Local Service Transformer/Transfer Trip	IPCO	$30,000
TOTAL		**$32,000**
Interconnection costs (from Attachment 1) ***TOTAL***		**$225,000**
PROJECT GRAND TOTAL		**$257,000**

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 21

IDAHO POWER®
An IDACORP Company

May 23, 2012

Mr. Dustin Shively
Exergy Development Group of Idaho
802 W. Bannock, Suite 1200
Boise, Idaho 83702

Subject: Lava Beds Wind Project – GI #156

Dear Mr. Shively,

Enclosed is a copy of the Final Generator Interconnection Agreement for Lava Beds Wind Project. We sent this to you on January 25, 2012, and did not receive anything back. As of May 23, 2012, we do not have an executed GIA nor funding for this project.

Failure to submit an executed copy of this GIA and have funding in place by **June 25, 2012,** will result in Idaho Power terminating the present generator interconnection request and withdrawing the Lava Beds Wind Project from the generator interconnection queue. If you wish to proceed forward with the interconnection, you must execute the GIA by signing and submitting both copies and pay the required funding by June 25, 2012. We will return a set of fully executed pages for your files. 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,

Josh Harris
Operations Analyst
Idaho Power Company
208-388-5751

cc: Donovan Walker/IPC
Lisa Loomis/IPC
Tess Park/IPC

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

May 23, 2012

GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

LAVA BEDS WIND PROJECT
18 MW

TABLE OF CONTENTS

This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the ____ day of _____, 2012 between Exergy Development Group of Idaho, LLC ("Seller" or "The Project") and Idaho Power Company – Delivery ("Company", or "Transmission Owner").

RECITALS

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

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

AGREEMENTS

1. Capitalized Terms

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

2. Terms and Conditions

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

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

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

4. Attachments

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

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

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

Attachment 3 – Milestones For Interconnecting the Generation Facility.

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

Attachment 5 – Reactive Power.

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

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 currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Seller:
Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

Company's Operating Representative:

Idaho Power Company - Delivery
Attention: Regional Outage Coordinator - Regional Dispatch
1221 W. Idaho Street
Boise, Idaho 83702
Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
(after hours Eastern Region 208-388-5185).

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
Nominal Delivery Voltage: 34.5 kV

General Facility Description

The proposed project will consist of Idaho Power Company's standard 4 pole overhead generation interconnection package. It connects to the 34.5kV system out of Idaho Power Company's Haven substation. The total project output is 18 MW.

Interconnection Point

The Interconnection Point for the Lava Beds Project will be the Generator side of Idaho Power Company's X disconnect switch in the interconnection package. The project's location is 800N and 1900W (in Sections 14, 22, 23, 26, 27, 34 and 35 of T1, R32E and Section 2 &3 of T2S, R32E) in Bingham County, Idaho. The Point of Change of Ownership will be same as the Interconnection Point. A drawing identifying the Point of Interconnection is included as Attachment 2.

Seller's Interconnection Facilities

The Seller will install nine Gamesa 2.0MW wind turbines, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures, and associated auxiliary equipment. The Seller will build facilities to the Point of Change of Ownership for the generator facility.

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

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

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 can be obtained from Idaho Power's assigned Project Leader.

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

Other Facilities Provided by Seller

Telecommunications

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:
One POTS (Plain Old Telephone Service) dial-up circuit for revenue metering at the generation interconnection site.
One DDS (Digital Data Service) circuit guaranteed minimum data rate of 19,200 bits per second for SCADA between the generation interconnection site and a point designated by Idaho Power Company. The Seller is required to coordinate with the local communications provider to provide the communications circuits and pay the associated monthly charges. The communication circuits will need to be installed and operational prior to generating into Idaho Power system. Note that installation by the local 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 the local communications provider, the Seller shall confer with Idaho Power.
If high voltage protection is required by the local communications provider for the incoming 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 communications trouble-shooting of Idaho Power owned equipment.

Ground Fault Equipment
The Seller will install transformer configurations that are Grounded Wye on the high side and will limit the contribution of ground fault current to 20 amps or less at the Interconnection Point.
Local Service
The Seller is responsible to arrange for local service to their site, as necessary.
Easements
The Seller will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities. After the legal description has been delivered to IPCO for review, IPCO will supply to the Seller 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. IPCO construction will not proceed until the appropriate easements are secured.

Idaho Power Company's Interconnection Facilities
Idaho Power will install a standard generation interconnection package that will connect to distribution feeder HAVN042. If the Seller is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Seller to install cables to interconnect to the Idaho Power system. If the Seller is going overhead to the Interconnection Point, it will be a a tension not to exceed the design tension specified by Idaho Power.

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

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

Estimated Cost & Ownership
The following good faith estimates are provided in 2011 dollars

Description	Ownership	Cost Estimate
Generation Facilities:		
Provided by Seller	Seller	$N/A
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPCO	$225,000
(See ATTACHMENT 6 for Project Grand Total)		
TOTAL		**$225,000**

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

Billing for construction activities will be based upon actual expenditures.

Attachment 2

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

Attachment 3

Milestones

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
6/23/12	*Seller*	*Construction funding received by Idaho Power*
12/23/12	*Seller*	*Customer GOLC/Reactive controls ready to connect*
1/7/13	*IPCO*	*IPCO Construction Complete*
1/22/13	*IPCO*	*IPCO Commissioning Complete*
1/22/13	*IPCO*	*Project Leader issues Construction Complete Letter*
1/22/13	*Seller*	*Customer testing begins*
2/22/13	*Seller*	*Customer's requested In-Service Date*

Agreed to by:

For the Interconnection Customer _____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.

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.

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

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.

Low Voltage Ride Through

The Project must be capable of riding through faults on adjacent sections of the power system without tripping due to low voltage. 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.

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 either:

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, or

b) Arranged to provide Idaho Power approximate hub-height wind speed, wind direction, air temperature, barometric pressure, and data from a meteorological wind measurement tower within two miles of the Facility site.

Facility availability status shall be provided 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.

The associated cost for obtaining this data is the Sellers responsibility and was not included in the Facility Study Report cost estimate.

Commercial Operation Requirements

The Seller will be granted a requested Commercial Operation date only when all requirements have been met under this GIA and Idaho Power Company's Power Sales Agreement.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 300 kVar. 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.

Attachment 6

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

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

Upgrades

Substation Upgrades

Idaho Power will upgrade the LTC on the transformer at Haven Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check. Idaho Power will also install a transfer trip scheme via SCADA at Haven Substation.

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Substation Upgrades:		
LTC Upgrade	IPCO	$2,000
Local Service Transformer/Transfer Trip	IPCO	$30,000
TOTAL		**$32,000**
Interconnection costs (from Attachment 1) TOTAL		**$225,000**
PROJECT GRAND TOTAL		**$257,000**

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.

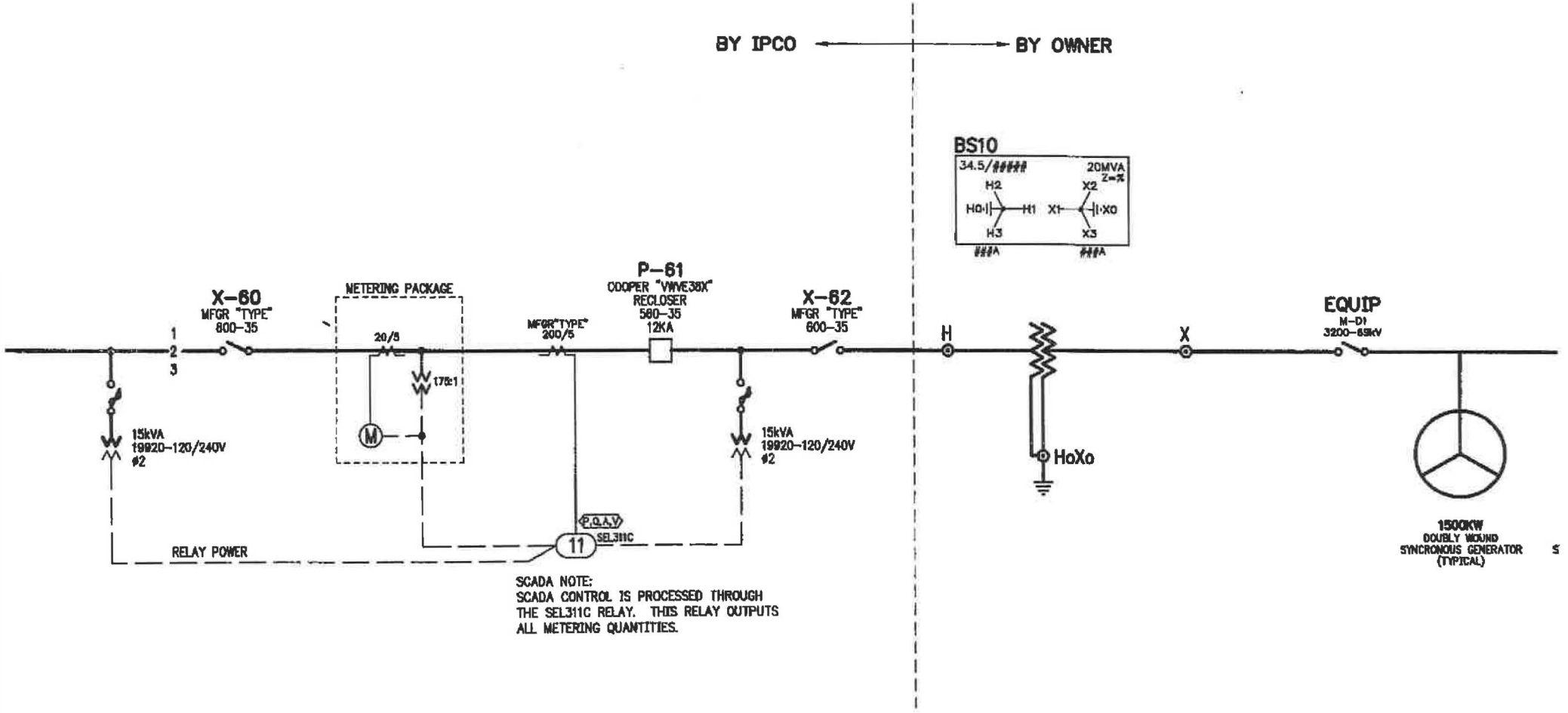
Generation Interconnection Data Points Requirements

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	Spare – hold for 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	Spare – hold for 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.						



SCADA NOTE:
SCADA CONTROL IS PROCESSED THROUGH THE SEL311C RELAY. THIS RELAY OUTPUTS ALL METERING QUANTITIES.

PROJECT LOCATION:

T2S, R32E, SECTION 2, 3
T1S, R32E, SECTION 14, 22, 23, 26, 27, 34, 35
CORNER OF 800 N. AND 1900 W., BINGHAM COUNTY

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 22

exergy
DEVELOPMENT GROUP

June 25, 2012

Idaho Power Company
Attn: Josh Harris
1221 West Idaho Street
Boise, ID 83702

RECEIVED
6-25-12

RE: Lava Beds Wind Park – GI #156

Dear Mr. Harris,

Exergy has received your letter and Generator Interconnection Agreement (GIA) delivered on May 23, 2012 and is pleased to submit the enclosed and executed GIA. In your May 23, 2012 letter you state that Exergy must submit payment in advance of the June 25, 2012 deadline. It has been Exergy's recent experience that an executed GIA submitted to Idaho Power does not come with the reasonable expectation that it will be countersigned. For this reason Exergy will await Idaho Power's countersignature to this GIA before submitting payment.

Please also note that Exergy has revised the dates in the table in Attachment 3 to reflect a Customer's Requested In-Service Date of December 15, 2012.

Best Regards,

Joshua Gunderson, Project Engineer
phone: 208.336.9793
email: jgunderson@exergydevelopment.com

May 23, 2012

GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

LAVA BEDS WIND PROJECT
18 MW

TABLE OF CONTENTS

This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the ____ day of _____, 2012 between Exergy Development Group of Idaho, LLC ("Seller" or "The Project") and Idaho Power Company – Delivery ("Company", or "Transmission Owner").

RECITALS

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

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

AGREEMENTS

1. Capitalized Terms

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

2. Terms and Conditions

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

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

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

4. Attachments

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

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

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

Attachment 3 – Milestones For Interconnecting the Generation Facility.

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

Attachment 5 – Reactive Power.

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

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 currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Seller:
Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

Company's Operating Representative:

Idaho Power Company - Delivery
Attention: Regional Outage Coordinator - Regional Dispatch
1221 W. Idaho Street
Boise, Idaho 83702
Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
(after hours Eastern Region 208-388-5185).

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
Nominal Delivery Voltage: 34.5 kV

General Facility Description

The proposed project will consist of Idaho Power Company's standard 4 pole overhead generation interconnection package. It connects to the 34.5kV system out of Idaho Power Company's Haven substation. The total project output is 18 MW.

Interconnection Point

The Interconnection Point for the Lava Beds Project will be the Generator side of Idaho Power Company's X disconnect switch in the interconnection package. The project's location is 800N and 1900W (in Sections 14, 22, 23, 26, 27, 34 and 35 of T1, R32E and Section 2 &3 of T2S, R32E) in Bingham County, Idaho. The Point of Change of Ownership will be same as the Interconnection Point. A drawing identifying the Point of Interconnection is included as Attachment 2.

Seller's Interconnection Facilities

The Seller will install nine Gamesa 2.0MW wind turbines, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures, and associated auxiliary equipment. The Seller will build facilities to the Point of Change of Ownership for the generator facility.

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

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

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 can be obtained from Idaho Power's assigned Project Leader.

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

Other Facilities Provided by Seller

Telecommunications

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:
One POTS (Plain Old Telephone Service) dial-up circuit for revenue metering at the generation interconnection site.
One DDS (Digital Data Service) circuit guaranteed minimum data rate of 19,200 bits per second for SCADA between the generation interconnection site and a point designated by Idaho Power Company.
The Seller is required to coordinate with the local communications provider to provide the communications circuits and pay the associated monthly charges. The communication circuits will need to be installed and operational prior to generating into Idaho Power system. Note that installation by the local 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 the local communications provider, the Seller shall confer with Idaho Power.
If high voltage protection is required by the local communications provider for the incoming 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 communications trouble-shooting of Idaho Power owned equipment.

Ground Fault Equipment
The Seller will install transformer configurations that are Grounded Wye on the high side and will limit the contribution of ground fault current to 20 amps or less at the Interconnection Point.
Local Service
The Seller is responsible to arrange for local service to their site, as necessary.
Easements
The Seller will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities. After the legal description has been delivered to IPCO for review, IPCO will supply to the Seller 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. IPCO construction will not proceed until the appropriate easements are secured.

Idaho Power Company's Interconnection Facilities
Idaho Power will install a standard generation interconnection package that will connect to distribution feeder HAVN042. If the Seller is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Seller to install cables to interconnect to the Idaho Power system. If the Seller is going overhead to the Interconnection Point, it will be a a tension not to exceed the design tension specified by Idaho Power.

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

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

Estimated Cost & Ownership
The following good faith estimates are provided in 2011 dollars

Description	Ownership	Cost Estimate
Generation Facilities:		
Provided by Seller	Seller	$N/A
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPCO	$225,000
(See ATTACHMENT 6 for Project Grand Total)		
TOTAL		**$225,000**

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

Billing for construction activities will be based upon actual expenditures.

Attachment 2

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

Attachment 3

Milestones

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
6/30/12	*Seller*	*Construction funding received by Idaho Power once GIA is executed by IPCO*
11/03/12	*Seller*	*Customer GOLC/Reactive controls ready to connect*
11/10/13	*IPCO*	*IPCO Construction Complete*
11/24/13	*IPCO*	*IPCO Commissioning Complete*
11/24/13	*IPCO*	*Project Leader issues Construction Complete Letter*
11/24/12	*Seller*	*Customer testing begins*
12/15/12	*Seller*	*Customer's requested In-Service Date*

Agreed to by:

For the Interconnection Customer _____ 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.

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.

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

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.

Low Voltage Ride Through

The Project must be capable of riding through faults on adjacent sections of the power system without tripping due to low voltage. 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.

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 either:

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, or

b) Arranged to provide Idaho Power approximate hub-height wind speed, wind direction, air temperature, barometric pressure, and data from a meteorological wind measurement tower within two miles of the Facility site.

Facility availability status shall be provided 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.

The associated cost for obtaining this data is the Sellers responsibility and was not included in the Facility Study Report cost estimate.

Commercial Operation Requirements

The Seller will be granted a requested Commercial Operation date only when all requirements have been met under this GIA and Idaho Power Company's Power Sales Agreement.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 300 kVar. 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.

Attachment 6

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

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

Upgrades

Substation Upgrades

Idaho Power will upgrade the LTC on the transformer at Haven Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check. Idaho Power will also install a transfer trip scheme via SCADA at Haven Substation.

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Substation Upgrades:		
LTC Upgrade	IPCO	$2,000
Local Service Transformer/Transfer Trip	IPCO	$30,000
TOTAL		**$32,000**
Interconnection costs (from Attachment 1) TOTAL		**$225,000**
PROJECT GRAND TOTAL		**$257,000**

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.

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	Spare – hold for 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	Spare – hold for 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-12-23

IDAHO POWER COMPANY

ATTACHMENT 23

IDAHO POWER®
An IDACORP Company

June 26, 2012

Mr. Josh Gunderson, Project Engineer
Exergy Development Group of Idaho
802 W. Bannock, Suite 1200
Boise, Idaho 83702

Subject: Lava Beds Wind Project – GI #156

Dear Mr. Gunderson,

This is in response to your cover letter of June 25, 2012. Idaho Power sent Exergy the Final GIA for this project on May 23, 2012, and with your June 25, 2012, cover letter Idaho Power received two unsigned copies with amended dates in return. First of all, the GIAs that you returned to Idaho Power were not signed by Exergy, contrary to statements in the cover letter. Secondly, Exergy unilaterally made changes to the Final GIA by inserting different dates in Attachment 3 – Milestones. That being said, Idaho Power has considered your proposed changed dates, and Idaho Power will accommodate Exergy's changes - provided that Exergy executes the GIA we are transmitting to you with this letter, which has been signed by Idaho Power, and pays the required funds by the date supplied by you in the copies received by Idaho Power on June 25, 2012.

Enclosed is a copy of the Final Generator Interconnection Agreement for Lava Beds Wind Project signed by Idaho Power Company. This is the same Final GIA that was previously transmitted to you, with the addition of the dates that you sent back with your June 25, 2012, submission. Idaho Power will agree to your proposed changes in the Milestone dates, that provides for completion Idaho Power construction by November 10, 2012, and completes the interconnection by December 15, 2012. However, in order to proceed, you must execute the GIA and pay the required funding.

As an additional accommodation, because the date for receiving funding in your proposed dates is June 30, 2012, which falls on a Saturday, Idaho Power will extend that initial date to the close of business of the next business day. Because the deadline for executing the GIA and funding the interconnection was yesterday, and because we have accommodated your last minute request for a change in the dates, you must execute the GIA and provide the required funding immediately should you wish to proceed with the interconnection, and in any event must do so no later than close of business on Monday, July 2, 2012.

Failure to return a signed copy of this GIA and have funding in place by 5:00 p.m., Mountain Time, on **July 2, 2012,** will result in Idaho Power terminating the present generator interconnection request and withdrawing the Lava Beds Wind Project from the generator interconnection queue. If you wish to proceed forward with the interconnection, you must execute the GIA by signing and submitting the agreement and Attachment 3, submit proof of site control and insurance certification, and also pay the required funding by July 2, 2012. Failure to

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

submit all required documents by July 2, 2012 will result in removal from the generator interconnection queue. Please let me know if you have any further questions.

Sincerely,

Josh Harris
Operations Analyst
Idaho Power Company
208-388-5751

cc: James Carkulis/Exergy
Donovan Walker/IPC
Lisa Loomis/IPC
Tess Park/IPC
Kathy Anderson/IPC

June 26, 2012

GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

LAVA BEDS WIND PROJECT
18 MW

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This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the ____ day of _____, 2012 between Exergy Development Group of Idaho, LLC ("Seller" or "The Project") and Idaho Power Company – Delivery ("Company", or "Transmission Owner").

RECITALS

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

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

AGREEMENTS

1. Capitalized Terms

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

2. Terms and Conditions

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

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

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

4. Attachments

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

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

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

Attachment 3 – Milestones For Interconnecting the Generation Facility.

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

Attachment 5 – Reactive Power.

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

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 currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Seller:
Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

Company's Operating Representative:

Idaho Power Company - Delivery
Attention: Regional Outage Coordinator - Regional Dispatch
1221 W. Idaho Street
Boise, Idaho 83702
Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
(after hours Eastern Region 208-388-5185).

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

Tess Park

Name: _____

Title: Director, Load Serving Operations – Idaho Power Company

Date: 6/26/12

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
Nominal Delivery Voltage: 34.5 kV

General Facility Description

The proposed project will consist of Idaho Power Company's standard 4 pole overhead generation interconnection package. It connects to the 34.5kV system out of Idaho Power Company's Haven substation. The total project output is 18 MW.

Interconnection Point

The Interconnection Point for the Lava Beds Project will be the Generator side of Idaho Power Company's X disconnect switch in the interconnection package. The project's location is 800N and 1900W (in Sections 14, 22, 23, 26, 27, 34 and 35 of T1, R32E and Section 2 &3 of T2S, R32E) in Bingham County, Idaho. The Point of Change of Ownership will be same as the Interconnection Point. A drawing identifying the Point of Interconnection is included as Attachment 2.

Seller's Interconnection Facilities

The Seller will install nine Gamesa 2.0MW wind turbines, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures, and associated auxiliary equipment. The Seller will build facilities to the Point of Change of Ownership for the generator facility.

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

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

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 can be obtained from Idaho Power's assigned Project Leader.

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

Other Facilities Provided by Seller

Telecommunications

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:
One POTS (Plain Old Telephone Service) dial-up circuit for revenue metering at the generation interconnection site.
One DDS (Digital Data Service) circuit guaranteed minimum data rate of 19,200 bits per second for SCADA between the generation interconnection site and a point designated by Idaho Power Company.
The Seller is required to coordinate with the local communications provider to provide the communications circuits and pay the associated monthly charges. The communication circuits will need to be installed and operational prior to generating into Idaho Power system. Note that installation by the local 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 the local communications provider, the Seller shall confer with Idaho Power.
If high voltage protection is required by the local communications provider for the incoming 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 communications trouble-shooting of Idaho Power owned equipment.

Ground Fault Equipment
The Seller will install transformer configurations that are Grounded Wye on the high side and will limit the contribution of ground fault current to 20 amps or less at the Interconnection Point.
Local Service
The Seller is responsible to arrange for local service to their site, as necessary.
Easements
The Seller will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities. After the legal description has been delivered to IPCO for review, IPCO will supply to the Seller 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. IPCO construction will not proceed until the appropriate easements are secured.

Idaho Power Company's Interconnection Facilities
Idaho Power will install a standard generation interconnection package that will connect to distribution feeder HAVN042. If the Seller is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Seller to install cables to interconnect to the Idaho Power system. If the Seller is going overhead to the Interconnection Point, it will be a a tension not to exceed the design tension specified by Idaho Power.

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

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

Estimated Cost & Ownership
The following good faith estimates are provided in 2011 dollars

Description	Ownership	Cost Estimate
Generation Facilities:		
Provided by Seller	Seller	$N/A
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPCO	$225,000
(See ATTACHMENT 6 for Project Grand Total) ***TOTAL***		**$225,000**

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

Billing for construction activities will be based upon actual expenditures.

Attachment 2

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

Attachment 3

Milestones

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
7/2/12	*Seller*	*Construction funding received by Idaho Power*
11/3/12	*Seller*	*Customer GOLC/Reactive controls ready to connect*
11/10/12	*IPCO*	*IPCO Construction Complete*
11/24/12	*IPCO*	*IPCO Commissioning Complete*
11/24/12	*IPCO*	*Project Leader issues Construction Complete Letter*
11/24/12	*Seller*	*Customer testing begins*
12/15/12	*Seller*	*Customer's requested In-Service Date*

Agreed to by:

For the Interconnection Customer _____ Date_____

For the Transmission Provider

Idaho Power Company Tess Park Date 6/26/12

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.

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.

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

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.

Low Voltage Ride Through

The Project must be capable of riding through faults on adjacent sections of the power system without tripping due to low voltage. 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.

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 either:

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, or

b) Arranged to provide Idaho Power approximate hub-height wind speed, wind direction, air temperature, barometric pressure, and data from a meteorological wind measurement tower within two miles of the Facility site.

Facility availability status shall be provided 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.

The associated cost for obtaining this data is the Sellers responsibility and was not included in the Facility Study Report cost estimate.

Commercial Operation Requirements

The Seller will be granted a requested Commercial Operation date only when all requirements have been met under this GIA and Idaho Power Company's Power Sales Agreement.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 300 kVar. 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.

Attachment 6

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

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

Upgrades

Substation Upgrades

Idaho Power will upgrade the LTC on the transformer at Haven Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check. Idaho Power will also install a transfer trip scheme via SCADA at Haven Substation.

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Substation Upgrades:		
LTC Upgrade	IPCO	$2,000
Local Service Transformer/Transfer Trip	IPCO	$30,000
TOTAL		**$32,000**
Interconnection costs (from Attachment 1) TOTAL		**$225,000**
PROJECT GRAND TOTAL		**$257,000**

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.

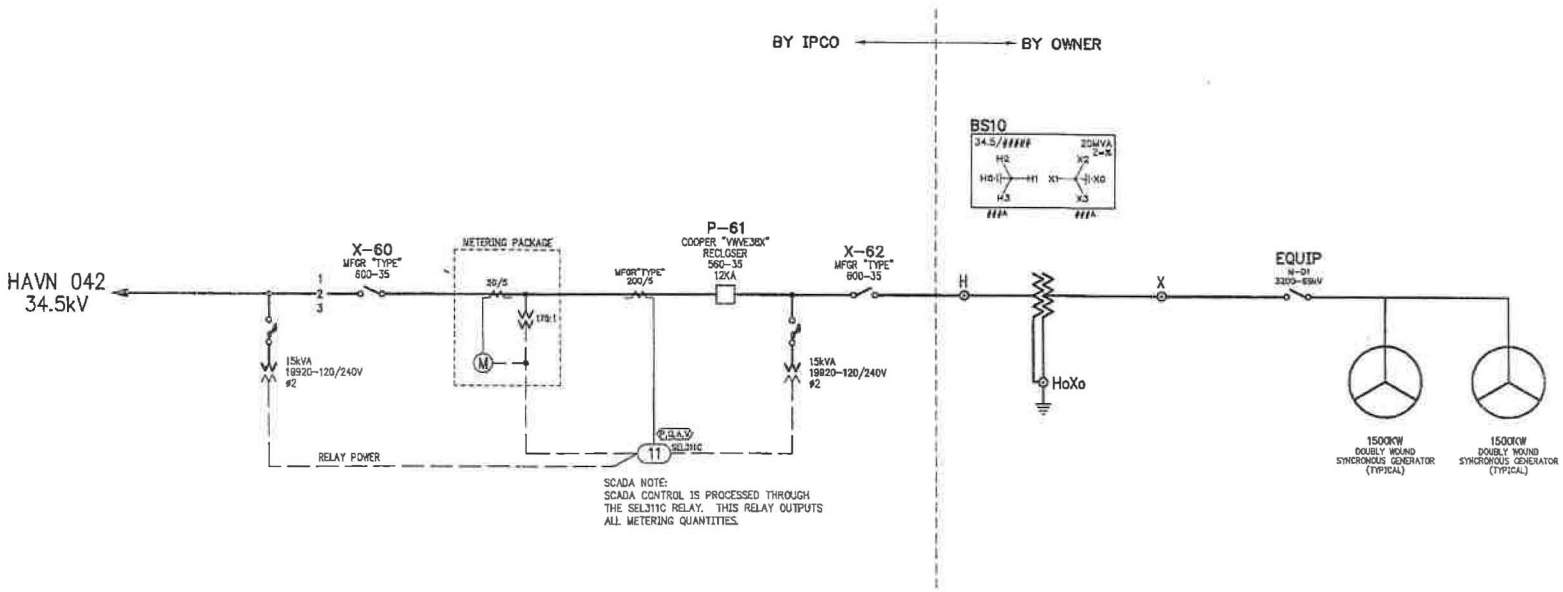
Generation Interconnection Data Points Requirements

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	Spare – hold for 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	Spare – hold for 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.						



REVISION

##-##-2010
INSTALL INTERCONNECTION
FOR LAVA BEDS WIND FARM
W.O. #######
YSL/AK

1 1

PROJECT LOCATION:

T2S, R32E, SECTION 2, 3
T1S, R32E, SECTION 14, 22, 23, 26, 27, 34, 35
CORNER OF 800 N. AND 1900 W., BINGHAM COUNTY

IN SERVICE BY ##-##-2010

REFERENCE DRAWINGS

D-#####-1	AC SCHEMATIC
D-#####-(1-3)	CONTROL SCHEMATICS

LAVA BEDS WIND FARM GENERATION INTERCONNECT 18MW OUTPUT SINGLE LINE

IDAHO POWER COMPANY — BOISE, IDAHO

SCALE: NONE — DATE: ##-##-2010

DR. KLG	APPROVED	21D-#####	
DES. RGB		SHT. 1	01
REV. DR. YSL			

LAVA_SLD_210-#####-1

file: C:\DOCUMENTS AND SETTINGS\YSL7003\DESKTOP\LAVA_BED_WIND.DWG saved: 03/09/10 15:21 by: YSL7003

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 24

exergy
DEVELOPMENT GROUP

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)

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

IDAHO POWER®
An IDACORP Company

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

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

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,

Peter Richardson

Cc: Donovan Walker, Senior Attorney – Idaho Power Company

IDAHO POWER
An IDACORP 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,

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

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

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,

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

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,

P del Vecchio

Peter A. del Vecchio

cc. James Carkulis, Exergy Development Group of Idaho, LLC
Peter Richardson, Richardson & O'Leary

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An IDACORP Company

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

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P.O. Box 70
Boise, ID 83707

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

> 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 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 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.

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)

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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-

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Boise, ID 83707

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

> 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

> 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

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,

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 208.336.9431

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 25

IDAHO POWER®
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July 3, 2012
VIA email &
Certified mail # 70113500000156449075

Mr. Josh Gunderson, Project Engineer
Exergy Development Group of Idaho
802 W. Bannock, Suite 1200
Boise, Idaho 83702

Subject: Lava Beds Wind Project # 156 – FINAL/DEFICIENCY NOTICE

Dear Mr. Gunderson:

By letter dated June 26, 2012, Idaho Power provided you with an executed Final Generator Interconnection Agreement ("GIA") for the proposed Lava Beds Wind Project to be interconnected in Bingham County, Idaho.

Exergy Development Group was to execute and return the Agreement with the required deposit by 5 pm Mountain Time on July 2, 2012. That time period has expired. Without waiving any claims or rights pursuant to the GIA, Firm Energy Sales Agreement, or otherwise, Idaho Power acknowledges receipt of Exergy's claim of force majeure related to this project on July 2, 2012. Idaho Power does not agree with Exergy's claim of force majeure, and will be responding to the same separately. Because Exergy failed to execute the GIA and failed to make the required deposit payment, the application for Generation Interconnection has now been deemed withdrawn, and this project has been removed from Idaho Power's Generation Interconnection queue.

Sincerely,

Josh Harris
Operations Analyst
Ph 208.388.2658
jharris@idahopower.com

cc (via email):
Tess Park/IPC
Orlando Ciniglio/IPC
Lisa Loomis/IPC
Aubrae Sloan/IPC
Donovan Walker/IPC
Jason Williams/IPC
James Carkulis/Exergy

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

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 26

July 3, 2012

Idaho Power Company
ATTN: Joshua Harris
PO Box 70
Boise, Idaho 83707

Re: Lava Beds Wind Project # 156 - Generator Interconnection Agreement

Please find attached the executed Generator Interconnection Agreement for the Lava Beds Wind Project (#159). This document was intended to be a part of the package that was delivered to Idaho Power yesterday, July 2, 2012, but was inadvertently overlooked in the attorney's office. Please include this document with the set of other matters that was provided.

Sincerely,

Dustin Shively
Project Engineer
Exergy Development Group

June 26, 2012

GENERATOR INTERCONNECTION AGREEMENT
Schedule 72

LAVA BEDS WIND PROJECT
18 MW

TABLE OF CONTENTS

This Generator Interconnection Agreement ("Agreement") under Idaho Power Company's Schedule 72 is effective as of the ____ day of _____, 2012 between Exergy Development Group of Idaho, LLC ("Seller" or "The Project") and Idaho Power Company – Delivery ("Company", or "Transmission Owner").

RECITALS

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

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

AGREEMENTS

1. Capitalized Terms

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

2. Terms and Conditions

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

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

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

4. Attachments

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

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

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

Attachment 3 – Milestones For Interconnecting the Generation Facility.

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

Attachment 5 – Reactive Power.

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

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 currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Seller:
Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

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:

Exergy Development Group of Idaho, LLC
Attn: Dustin Shively
802 W. Bannock, Suite 1200
Boise, ID 83702
Ph: 208-336-9793

Company's Operating Representative:

Idaho Power Company - Delivery
Attention: Regional Outage Coordinator - Regional Dispatch
1221 W. Idaho Street
Boise, Idaho 83702
Phone: 208-388-2633, 388-5125, or 388-5175 during regular business hours
(after hours Eastern Region 208-388-5185).

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 2, 2012

For the Company

Tess Park

Name: _____

Title: Director, Load Serving Operations – Idaho Power Company

Date: 6/26/12

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
Nominal Delivery Voltage: 34.5 kV

General Facility Description

The proposed project will consist of Idaho Power Company's standard 4 pole overhead generation interconnection package. It connects to the 34.5kV system out of Idaho Power Company's Haven substation. The total project output is 18 MW.

Interconnection Point

The Interconnection Point for the Lava Beds Project will be the Generator side of Idaho Power Company's X disconnect switch in the interconnection package. The project's location is 800N and 1900W (in Sections 14, 22, 23, 26, 27, 34 and 35 of T1, R32E and Section 2 &3 of T2S, R32E) in Bingham County, Idaho. The Point of Change of Ownership will be same as the Interconnection Point. A drawing identifying the Point of Interconnection is included as Attachment 2.

Seller's Interconnection Facilities

The Seller will install nine Gamesa 2.0MW wind turbines, the Power collector system to, and including the step-up transformer(s), appropriate grounding measures, and associated auxiliary equipment. The Seller will build facilities to the Point of Change of Ownership for the generator facility.

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

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

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 can be obtained from Idaho Power's assigned Project Leader.

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

Other Facilities Provided by Seller

Telecommunications

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:
One POTS (Plain Old Telephone Service) dial-up circuit for revenue metering at the generation interconnection site.
One DDS (Digital Data Service) circuit guaranteed minimum data rate of 19,200 bits per second for SCADA between the generation interconnection site and a point designated by Idaho Power Company. The Seller is required to coordinate with the local communications provider to provide the communications circuits and pay the associated monthly charges. The communication circuits will need to be installed and operational prior to generating into Idaho Power system. Note that installation by the local 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 the local communications provider, the Seller shall confer with Idaho Power.
If high voltage protection is required by the local communications provider for the incoming 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 communications trouble-shooting of Idaho Power owned equipment.

Ground Fault Equipment
The Seller will install transformer configurations that are Grounded Wye on the high side and will limit the contribution of ground fault current to 20 amps or less at the Interconnection Point.
Local Service
The Seller is responsible to arrange for local service to their site, as necessary.
Easements
The Seller will provide to IPCO a surveyed (Metes & Bounds) legal description along with exhibit map for IPCO's facilities. After the legal description has been delivered to IPCO for review, IPCO will supply to the Seller 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. IPCO construction will not proceed until the appropriate easements are secured.

Idaho Power Company's Interconnection Facilities
Idaho Power will install a standard generation interconnection package that will connect to distribution feeder HAVN042. If the Seller is going underground to the Interconnection Point, Idaho Power will include a pole riser for the Seller to install cables to interconnect to the Idaho Power system. If the Seller is going overhead to the Interconnection Point, it will be a a tension not to exceed the design tension specified by Idaho Power.

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

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

Estimated Cost & Ownership
The following good faith estimates are provided in 2011 dollars

Description	Ownership	Cost Estimate
Generation Facilities:		
Provided by Seller	Seller	$N/A
Interconnection Facilities:		
Overhead Generation Interconnection Package	IPCO	$225,000
(See ATTACHMENT 6 for Project Grand Total)		
TOTAL		**$225,000**

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

Billing for construction activities will be based upon actual expenditures.

Attachment 2

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

Attachment 3

Milestones

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
7/2/12	*Seller*	*Construction funding received by Idaho Power*
11/3/12	*Seller*	*Customer GOLC/Reactive controls ready to connect*
11/10/12	*IPCO*	*IPCO Construction Complete*
11/24/12	*IPCO*	*IPCO Commissioning Complete*
11/24/12	*IPCO*	*Project Leader issues Construction Complete Letter*
11/24/12	*Seller*	*Customer testing begins*
12/15/12	*Seller*	*Customer's requested In-Service Date*

Agreed to by:

For the Interconnection Customer _____ Date July 2, 2012

For the Transmission Provider

Idaho Power Company Tess Park Date 6/26/12

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.

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.

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

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.

Low Voltage Ride Through

The Project must be capable of riding through faults on adjacent sections of the power system without tripping due to low voltage. 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.

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 either:

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, or

b) Arranged to provide Idaho Power approximate hub-height wind speed, wind direction, air temperature, barometric pressure, and data from a meteorological wind measurement tower within two miles of the Facility site.

Facility availability status shall be provided 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.

The associated cost for obtaining this data is the Sellers responsibility and was not included in the Facility Study Report cost estimate.

Commercial Operation Requirements

The Seller will be granted a requested Commercial Operation date only when all requirements have been met under this GIA and Idaho Power Company's Power Sales Agreement.

Attachment 5

Reactive Power Requirements

The project must be controlled to operate at unity power factor +/- 300 kVar. 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.

Attachment 6

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

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

Upgrades

Substation Upgrades

Idaho Power will upgrade the LTC on the transformer at Haven Substation and install a local service transformer on the feeder side of the substation breaker for hot-line check. Idaho Power will also install a transfer trip scheme via SCADA at Haven Substation.

The following good faith estimates are provided in 2011 dollars:

Description	Ownership	Cost Estimate
Substation Upgrades:		
LTC Upgrade	IPCO	$2,000
Local Service Transformer/Transfer Trip	IPCO	$30,000
TOTAL		**$32,000**
Interconnection costs (from Attachment 1) TOTAL		**$225,000**
PROJECT GRAND TOTAL		**$257,000**

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.

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	Spare – hold for 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	Spare – hold for 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-12-23

IDAHO POWER COMPANY

ATTACHMENT 27

IDAHO POWER®
An IDACORP Company

DONOVAN E. WALKER
Lead Counsel
dwalker@idahopower.com

July 30, 2012

VIA E-MAIL AND U.S. MAIL

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515 North 27th Street
P.O. Box 7218
Boise, Idaho 83707

Re: Lava Beds Wind Project, GI #156 ("Lava Beds") – Termination of Generator Interconnection Agreement

Messrs. Gunderson and Richardson:

By letter dated June 26, 2012, from Idaho Power Company's ("Idaho Power") Josh Harris to Exergy Development Group of Idaho's ("Exergy") Josh Gunderson, Idaho Power accepted Exergy's proposed changes to the dates contained in the May 23, 2012, Final Generator Interconnection Agreement ("GIA") for Lava Beds and forwarded a final GIA containing those changes and signed by Idaho Power for Exergy's signature. As stated in the June 26 letter, "The GIAs that you [Exergy] returned to Idaho Power were not signed by Exergy, contrary to statements in the cover letter." Further, Exergy had made the allegation in its June 25, 2012, letter that, "It has been Exergy's recent experience that an executed GIA submitted to Idaho Power does not come with the reasonable expectation that it will be countersigned. For this reason Exergy will await Idaho Power's countersignature to this GIA before submitting payment." Consequently, Idaho Power's June 26, 2012, letter forwarded to Exergy a Final GIA, executed by Idaho Power, that contained Exergy's requested dates, and provided for the completion of Idaho Power construction by November 10, 2012, and completion of the interconnection by December 15, 2012, as Exergy had requested.

That same June 26, 2012, letter states clearly that the only thing remaining and needed in order to proceed with the interconnection of the Lava Beds Wind Project was for Exergy to sign the GIA and to pay the required funding. In addition, the letter states, "Failure to return a signed copy of this GIA and have funding in place by 5:00 p.m., Mountain Time, on **July 2, 2012**, will result in Idaho Power terminating the present

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

generator interconnection request and withdrawing the Lava Beds Wind Project from the generator interconnection queue." (Emphasis in original.)

On July 2, 2012, rather than executing the GIA and paying the required funds, as it had previously said it would in its June 25, 2012, letter, Exergy hand delivered a claim of force majeure to Idaho Power. Then, on July 5, 2012, Idaho Power received a signed GIA, along with a cover letter stating that, "This document was intended to be part of the package that was delivered to Idaho Power yesterday, July 2, 2012, but was inadvertently overlooked in the attorney's office." To this date, Exergy has made no payment or other financial arrangements to pay the required construction funding ($257,000) necessary to move forward with the interconnection and the executed GIA.

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 2, 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.

On July 3, 2012, Idaho Power's Josh Harris sent a letter to Exergy informing that because it had failed to make the required deposit payment, that the application for generator interconnection of Lava Beds Wind Project "has now been deemed withdrawn, and this project has been removed from Idaho Power's Generation Interconnection queue."

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 Lava Beds Wind Project, the GIA is now hereby terminated. 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 Lava Beds and Idaho Power.

Sincerely,

Donovan E. Walker

DEW:evp

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-12-23

IDAHO POWER COMPANY

ATTACHMENT 28

Via hand delivery

exergy
DEVELOPMENT GROUP

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