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Attorneys for Cedar Creek Wind, LLC

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF POWER PURCHASE AGREEMENTS BETWEEN RMP AND CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-01 Case No. PAC-E-11-02 Case No. PAC-E-11-03 Case No. PAC-E-11-04 Case No. PAC-E-11-05 **AFFIDAVIT OF DANA ZENTZ**

STATE OF Washington)
: ss.
County of Spokane)

Dana Zentz, being first duly sworn on oath, deposes and says:

1. I am Vice President, Summit Power Group, Inc. ("Summit" or "the Company"). My primary responsibilities include the marketing of power projects and power output from power projects that Summit develops. In this role I direct and participate in the Company's efforts related to structuring and negotiations of commercial transactions related to Summit's portfolio of power generation projects. This includes the approval of pricing and terms for the Company's various proposals for Power Purchase Agreements and Asset Purchase and Sale Agreements. My prior work experience

includes over 25 years pricing, structuring and negotiating large and small purchase and sale transactions in the Pacific NW and Western US wholesale natural gas and power markets. I have also had significant involvement in power project development activity and purchase and sale transactions for power generation assets. My experience includes working for utilities and for energy merchant firms as well as power project developers. I have held positions at Avista Corporation, Avista Energy, Inc., EES Consulting (consulting for utilities), Williams Energy Marketing and Trading, Inland Energy Consulting (consulting for energy merchants), and National Fuel Marketing Company.

2. Cedar Creek Wind, LLC ("Cedar Creek" or "CCW") is a wind power project development company. Cedar Creek has executed wind project leases for over 5000 acres of land in Bingham County Idaho. Cedar Creek Wind LLC was formed in 2008. The majority owner of Cedar Creek is Western Energy Group, LLC (a Utah LLC) of Salt Lake City, Utah. The minority owner of Cedar Creek is Summit Cedar Creek Holdings, LLC (a Delaware LLC) which is a wholly owned affiliate of the Summit Power Group, Inc, of Bainbridge Island, WA. Since 2008 Cedar Creek has crafted a number of different wind project proposals utilizing the lands controlled by Cedar Creek. Proposals have been made since this time to a number of Pacific NW and California utilities, including PacifiCorp.

3. In 2008 Cedar Creek proposed in the PacifiCorp 2008R-1 RFP a single 151.8 MW wind project. This CCW proposal was initially short-listed in that RFP, contrary to statements made by PacifiCorp in the five Applications for Approval of PPAs between RMP and CCW [1] filed by PacifiCorp on January 10, 2011. The original bid in

[1] IPUC Cases: (i) PAC-E-11-01, (ii) PAC-E-11-02, (iii) PAC-E-11-03, (iv) PAC-E-11-04, and (v) PAC-E-11-5..

that RFP process was submitted by CCW to PacifiCorp in December 2008. In May of 2009 CCW was asked by PacifiCorp to prepare "best and final" pricing in conjunction with that bid. Recognizing the inherent bias PacifiCorp had exhibited in the past – and which continues today - against power purchase agreements and in favor or utility asset ownership, CCW proposed as its final offer an asset purchase and sale agreement wherein PacifiCorp would pay CCW $325.6 million or $2145/installed kW of nameplate wind capacity. The net capacity factor of the project proposed was 31.6%, based on approx. 419,800 MWh/year of energy production. The proposed commercial operation date was September 2010. The 2008 bid by CCW was ultimately not selected by PacifiCorp in that RFP. The 2008 project configuration included 66 units of Siemens WTG 2.3-93. Each 2.3 MW unit had 93 meter rotors and 80 meter hub height towers in this case.

4. Cedar Creek Wind also participated in PacifiCorp's 2009R-1 renewable RFP, submitting a bid for the same Bingham County site but with a different project configuration and terms from its 2008 proposal. For the 2009 RFP, CCW's proposal was for a two phase wind project with phase I at 98.9 MW and phase II at 52.9 MW; for a total of 151.8 MW. In this proposal CCW offered Siemens 2.3MW - 101 meter swept diameter wind turbines on 100 meter towers, which is another distinct difference between the 2008 and 2009 RFP responses. This second proposal included both an asset purchase and sale agreement which included PacifiCorp paying $222 million for the 98.9 MW phase I or $2245/installed kW of nameplate wind capacity, and a long term PPA with a starting price of $72.50/MWh escalating at 1.25%. The proposed commercial operation date was September, 2010. The PPA price in that second bid proposal in 2009 was below the then existing first year non-levelized avoided cost rate of PacifiCorp in Idaho of

$75.83/MWh for a project starting in 2010. The net capacity factor of the project proposed was 31.8%. Neither of these two proposals was short-listed by PacifiCorp in the 2009 RFP.

5. In early January, 2010, CCW informed Bruce Griswold of its desire to negotiate two PURPA contracts for wind projects of approximately 78.5 MW. On January 20, 2010 CCW provided Bruce Griswold of PacifiCorp with hourly generation profiles, by month, for the two 78 MW projects and asked Mr. Griswold to perform the required integrated resource (IR) model analysis that calculated the avoided cost rates applicable to these two 78 MW wind projects. *See Attachment No 1.* That email to Bruce also noted that, in conjunction with this wind data being provided and the relatively mature state of the CCW interconnection request, that CCW was in compliance with PacifiCorp's Utah PSC checklist of requirements for PURPA projects (UPSC Schedule 38), with the exception of (i) site location, and (ii) PURPA self certification evidence. PacifiCorp had previously informed CCW that CCW needed to comply with the "Procedures" portion of this schedule, in order to perfect its rights to a PPA with pricing provisions. A copy of P.S.C.U No 47, RMP Electric Service Schedule No. 38 is attached as *Attachment No. 2.*

Bruce estimated it would take between two and four weeks to produce a modeled avoided cost rate for the two projects.

6. At this point in time, unrelated to any PURPA activity and as a matter of due course in the development process, CCW was also substantially complete in compliance with interconnection and transmission system upgrade requirements. PacifiCorp had provided interconnection study results to CCW and there were no

anticipated fatal flaws or reliability concerns pertaining to the interconnection of the Project identified in the study results provided. By the time CCW and PAC were in discussion about the PURPA agreements in question, CCW had taken the following actions related to transmission interconnection and also relating to establishing a firm transmission path from the Goshen Substation point of interconnection to the PAC load center at Salt Lake City:

a. CCW paid PacifiCorp significant funds for interconnection studies and to facilitate generator interconnection pursuant to PacifiCorp's OATT:

   i. The Project's Transmission Interconnection request was submitted on December 19, 2008, for interconnection of 151.8 MW at the Goshen Substation at 115/138 kV; a $10,000 payment accompanied the request. On January 27, 2009, CCW signed the SIS agreement and funded PacifiCorp $50,000 (total interconnection costs spent to date $60,000). On April 21, 2009, Cedar Creek Wind submitted a request to change the requested interconnect voltage to 345kV.

   ii. The Large Generator System Impact Study Report was issued by PacifiCorp on July 22, 2009. On August 21, 2009, Cedar Creek executed the Facilities Study Agreement and funded the study with a deposit of $100,000 (total interconnection costs spent to date = $160,000). PacifiCorp issued the Final Facilities Study Report on March 18, 2010, for interconnection of 151.8 MW at the Goshen Substation at 345kV. No serious reliability or network upgrade

issues were identified for mitigation as a result of the studies performed.

iii. Cedar Creek executed an interconnect Engineering and Procurement (E&P) Agreement on September 15, 2009 and provided a $100,000 deposit with the RMP E&P Agreement (total interconnection costs spent to date = $260,000). PacifiCorp provided Cedar Creek with a draft LGIA on April 15, 2010.

iv. PacifiCorp advised CCW late in 2010 that a QF version of the LGIA would be required for the QF generation project interconnection, rather than PAC's standard LGIA. Cedar Creek and PacifiCorp are currently negotiating a Qualifying Facility Large Generator Interconnection Agreement (QFLGIA). PacifiCorp delivered a draft QFLGIA documents to Cedar Creek on January 13, 2011. Again there are no major reliability or network upgrade issues identified for mitigation as a result of the QFLGIA.

b. Relating to firm transmission from Goshen to Mona (Salt Lake City) CCW paid PacifiCorp over $215,000 to establish long term firm point to point transmission service.

i. Cedar Creek submitted an OASIS request on January 11, 2010, for 99 MW of long term firm point-to-point transmission from Goshen to PacifiCorp's Mona substation. A one month's security deposit in the amount of $200,475 for the transmission service request was

provided to PacifiCorp on January 19, 2010. In order to grant this service to CCW, PacifiCorp collected an additional $15,000 PTP SIS study deposit. (Total PTP costs spent to date $215,475)

ii. The Long Term Point to Point Transmission Service agreement was granted by PAC and signed by Cedar Creek on May 12, 2010 and by PacifiCorp on May 24, 2010.

c. In total, Cedar Creek has been engaged with PacifiCorp on transmission and interconnection issues since 2008 and has paid PacifiCorp in excess of $475,000 for interconnection and transmission studies. As a result, CCW has been advised by PAC that the generator interconnection service as well as the requested firm PTP service will be provided by PAC without major reliability problems or significant network upgrades to the PacifiCorp system.

7. In early February, 2010, CCW inquired of Bruce Griswold as to when he could expect to provide model-based avoided cost pricing. Several weeks later, on February 23, 2010, another request was made as to when modeled avoided cost pricing would be available. In a phone conversation with CCW Bruce Griswold informed CCW that modeled pricing results would be available the first week in March. That conversation was confirmed by email. *See Attachment No. 3*

8. During the first quarter of 2010 CCW was hearing rumors of a pending price change in SAR based avoided cost rates on file at the Commission for projects smaller than 10 aMW in size. In spite of hearing such rumors, CCW elected to stay-the-course in good faith negotiations relating to the two 78 MW project configurations, rather

than switching and rushing to attempt to qualify for the standard avoided cost rate for smaller 10 aMW PURPA projects. CCW made this decision in the mistaken belief that the calculated avoided cost rates would reasonably reflect market rates for wind power development that CCW was observing throughout the west, would be in relative correlation to the published SAR avoided cost, and would be sufficient to justify project development. Meanwhile, on March 16, 2010, the Commission established new, lower avoided cost rates for all utilities, including PacifiCorp, which were significantly below rates the rates in effect prior to that date.

9. By late March CCW still did not have IR calculated rates for its two 78 MW wind projects. On March 24, 2010, my attorney and I met with Bruce Griswold and his attorney, Ken Kaufmann in Portland. First and foremost on our list was to discover why it was eight weeks without calculated rates and why PacifiCorp was taking so long to make the calculation. The only answer given for the delay was the workload of the PacifiCorp employees. In that meeting Bruce Griswold informed us that modeled pricing results would not be available until the first week of April.

10. On April 5, 2010 PacifiCorp finally provided CCW a term sheet that included avoided cost pricing for our two wind projects; almost three months after requesting it. *See Attachment No. 4.* The commercial operation date proposed was January 2012. Pricing proposed by PAC was as follows:

Year	HLH	LLH	Flat[2]
2012	$47.78	$22.74	**$37.05**
2013	$50.91	$25.26	**$39.92**
2014	$55.42	$26.56	**$43.05**
2015	$59.22	$27.06	**$45.44**
2016	$66.07	$33.69	**$52.19**

For the first year of operation, the "flat" price is the direct comparison to the published SAR calculated price of $63.97/MWh non-levelized rate, before the wind integration discount. In effect, the price proposal by PacifiCorp for the two CCW wind projects was 35% below the published standard rate effective after March 16, 2010, and 50 % below the same rate applicable before March 16, 2010.

11. In the judgment of CCW, and based on CCW's bidding experience with PacifiCorp in earlier wind or renewable RFPs, the rates proposed by PacifiCorp were far below "market" prices for wind generated electricity being built by PacifiCorp, bid to PacifiCorp and/or sold to PacifiCorp. I would also note that rates proposed by PacifiCorp to CCW were also significantly below the IR calculated avoided cost rate contained in the contract between Idaho Power and Ridgeline Energy for the 78 MW Rockland Wind Project.

It was also apparent to me that the reason PacifiCorp had waited so long to provide these rate calculations to CCW was that they did not want to do so before the Commission reduced the standard SAR based rates on March 16, 2010. Consequently, Cedar Creek came to the conclusion the IR calculated avoided cost rate was not desirable and a more reasonable method by which it could successfully build a wind generation facility in Idaho was to configure yet again in a new manner that comprised five 10 aMW

[2] flat pricing derived by CCW based on PacifiCorp provided LLH and HLH pricing.

PURPA projects with non-levelized avoided cost rates of $67.97/MWh in 2012, less wind integration charges.

12. In May of 2010 I notified Bruce Griswold of PacifiCorp that CCW wished to negotiate five separate PURPA contracts for wind projects which did not exceed 10 aMW in monthly generation. *See Attachment No. 5.* Bruce Griswold responded to CCW's five requests on May 21, 2010, noting that: "Overall the information [submitted] is sufficient to begin drafts of each [of the 5] PPAs" and stating that he expected to have a prototype PPA drafted and "ready for circulation late next week after internal review here." *See Attachment No. 6.*

13. In June, July and August Bruce Griswold and I continued a stream of communication, with him asking for additional information and me providing it to him. The information requested involved a high degree of project scrutiny on PacifiCorp's part and at a level of due diligence inquiry that I would describe as more common when a utility is looking to purchase and own a generating asset. Some of the information requested was not relevant to a smaller PURPA project delivering power pursuant to a PPA and the contract "compliance" required by PacifiCorp appeared to me, in part, designed to slow down CCW's progress achieving a signed PPA. The information requested or provided over the course of these months included: (i) interconnection requests, responses, and studies, (ii) site control documentation, (iii) site location and maps, (iv) turbine generator equipment specifications, (v) Bingham County special use permits, (vi) electrical drawings, (iv) wind studies, (vii) monthly power deliveries and (viii) milestone development schedules.

14. On September 30, 2010 I received an email from Bruce Griswold stating: "I have done the preliminary review of the project documents and they look complete." Bruce continued by saying he would like to schedule a short call later the following week to conduct a final review on interconnection and transmission capacity "and to ensure everything is lined up so that we can finalize the PPA and merchant can request network resource designation for the projects." *See Attachment No. 7.* PacifiCorp submitted a first draft PPA to CCW with IPUC approved standard pricing provisions on July 21, 2010, approximately two months after it was requested.

15. Starting in August 2010 I and others from the CCW team continued to trade information with Bruce Griswold and his attorney, and to request some changes to contract language. A few changes were acceptable but for the most part, revisions to the agreement were rejected by PacifiCorp. The one issue of contention that remained however was the refusal by PacifiCorp to insert a contract provision, similar to the Idaho Power PURPA contracts, that the renewable energy credits (RECs) would be owned by CCW. Ultimately, we stalemated on this point, agreed that the contract would remain silent as to REC ownership and notified PacifiCorp of this concession. On November 29, 2009 I received an email from Ken Kaufmann, legal counsel to PacifiCorp, transmitting a "proposed final redline" PPA for the Coyote Hill wind project, with the additional notation that when the Coyote Hill PPA is finalized, PacifiCorp will commence preparing the other four PPAs using the same contract prototype. My response the next day made a couple of annotations in the body of this PPA and otherwise noted that "we have nothing further" to add or request. *See Attachment No. 8.*

16. Even though CCW had reached complete agreement with PacifiCorp as of November 29, 2010 as to the terms and conditions of a PPA, multiple reasons for last minute delays in contract execution began to arise. For example, a week later, on Friday December 3, 2010 Bruce Griswold informed me by email that the PacifiCorp PPA "approval process has slowed a bit specific to Coyote Hill" related to PacifiCorp's "credit approval process." In response, I proposed that Scott Montgomery, President of CCW come to Portland the following week, work with Bruce to resolve any outstanding issues and stand by ready to execute the PPAs as soon as they were ready, in an effort to "avoid any delay due to execution in counterparts." PacifiCorp did not accept this offer. *See Attachment No. 9.*

17. Another week had gone by. On Monday December 6, 2010 I placed a call to Bruce Griswold to determine the latest status of PPA approval by PacifiCorp. Bruce did respond to my phone call by email the next day, on Tuesday, December 7, giving me the following encouraging news: "We are pushing through approvals. Credit should have theirs finalized for all projects tomorrow. We expect to have all PPAs and documents ready for your final review and check of volumes, etc, by Wednesday [December 8]." *See Attachment No. 10.* This good news did not last for very long, however.

18. The following day, Thursday December 9, 2010 Bruce Griswold informed me by phone that while the legal and credit reviews of the PPAs were now complete, PacifiCorp management review of the agreements was not finished, and he would not be authorized to sign the PPAs until such review was done. Bruce told me however he expected to have management authorization to sign and would be ready to execute the

PPAs on Monday, December 13. Following this conversation Bruce emailed to me the final, pdf versions of all five contracts. *See Attachment No. 11.*

19. On Monday December 13, 2010, the day before the announced "effective date" by which the Commission determines which PURPA projects, if any, are no longer entitled to published rates for 10 aMW contracts, PacifiCorp refused to sign the five CCW PPAs. Bruce Griswold informed me that the reason for delay was that management had not completed its review of the contracts.

In response, CCW, on December 13, 2010, signed the five PPAs prepared in final form by PacifiCorp for execution and delivered those signed agreement to Bruce Griswold at PacifiCorp. Bruce Griswold instructed me not fill in the "date of execution" on the first page of the PPA as being December 13, 2010, and said PacifiCorp would instead fill in that date when they signed.

20. PacifiCorp management did not authorize Bruce Griswold to counter execute the five Cedar Creek PPAs until December 21. Bruce Griswold signed them the next day, December 22, 2010. In his email to CCW notifying us of the signature he indicated that although the recital page shows a December 22, 2010 date, that "<u>the filing to the Idaho PUC will establish your LOL date as 12/13/2010 prior to the 12/14/2010 deadline.</u>" *See Attachment No. 12.*

21. The five applications filed by PacifiCorp with the Commission regarding the CCW PPAs [3] fail to request the Commission's approval of the five contracts, fail to make any showing or justification as to CCW's entitlement to Commission ordered standard avoided costs available on or before December 14, 2010, and implies that the contracts should be rejected by the Commission because they were executed after

[3] See footnote 1.

December 14, 2010. The five applications on page 8 state that "[O]n December 22, 2010 RMP and Cedar Creek entered into a PPA pursuant to the terms and conditions of the various Commission Orders applicable to this PURPA agreement for wind resources." This statement appears to be a direct contradiction of Bruce Griswold's previous statement that the "filing to the Idaho PUC will establish your LOL date as 12/13/2010 prior to the 12/14/2010 deadline."

22. In summary, CCW has been attempting to negotiate a wind contract for approximately 150 MW of Idaho based wind power with PacifiCorp since 2008. We, like almost all others in Idaho, failed in that endeavor. Cedar Creek Wind only turned to the 10 aMW standard rates and contract terms, after exhausting all other avenues of attempted mutual, good faith negotiations. Even then, it took the better part of 2010 to "negotiate" what was essentially a standard form contract with a pre-determined standard tariff rate.

23. CCW worked diligently to comply with and did timely comply with all known rules and requirements necessary to complete the PURPA agreements that were ultimately executed. While PacifiCorp worked with CCW to complete the PURPA agreements, CCW felt compelled to continually monitor PAC's timeliness in the negotiations as there was a consistent pattern of slow responses. Even so, all material outstanding contract issues between CCW and PacifiCorp were resolved by November 29, 2010 and the parties had, by that date, arrived at a meeting of the minds. CCW was simply forced to wait for three weeks for PacifiCorp credit, legal and management reviews of the contracts, before contract execution by PacifiCorp.

DATED: This 25th day of January 2011.

Dana Zentz

SUBSCRIBED AND SWORN to before me this 25th day of January, 2011.

MIRANDA LYNN SPARKS
COMM. EXP.
NOTARY
PUBLIC
JANUARY 18, 2012
STATE OF WASHINGTON

Notary Public for Washington
Residing at Spokane
My Commission Expires: January 18, 2012

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION	)	Case No. PAC-E-11-01
OF ROCKY MOUNTAIN POWER FOR	)	Case No. PAC-E-11-02
APPROVAL OF POWER PURCHASE	)	Case No. PAC-E-11-03
AGREEMENTS BETWEEN RMP AND	)	Case No. PAC-E-11-04
CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-05
	)	
	)	
	)	

ATTACHMENT 1
TO
AFFIDAVIT OF DANA ZENTZ

From: Ronald Williams
Sent: Wednesday, January 20, 2010 2:43 PM
To: 'Griswold, Bruce {Mkt Function}'
Cc: 'Steven Montgomery'; Scott Montgomery; Tom Cameron; Robert Gavahan; Wade Riser; Dana Zentz
Subject: FW: PAC QF compliance

Bruce,

Attached are the hourly generation profiles, by month, for the two Cedar Creek Wind Farms in Eastern Idaho. Each wind farm (CC1 and CC2) will be approximately 78.2 MW and have the same generation profiles as shown on the attachment.

With this information, could you please start the avoided cost modeling runs for these two projects? Also, will you have to run the model twice, or will one run suffice for both projects of nearly identical size and wind profiles?

You also referenced that we should be following RMP electric service schedule No. 38; a Utah Public Service Commission Schedule. Is this schedule also applicable for PURPA contracts in Idaho?

The attached information is that requested by item B.2.c.of UPSC Schedule 38.

With this attached information and in conjunction with the Cedar Creek Interconnection request to PAC and accompanying materials, it appears that the applicable information requested by section B.2 of Schedule 38 has been provided, with the following exceptions:

- Subsection 2.d): while you have general site location information and point of interconnection for CC1 and CC2, we will give you a more detailed map of the two wind projects and confirm that permitting has been completed.
- Subsection 2.f): demonstration of ability to obtain QF status, and
- Subsection 2.j): proposed contract term and pricing.

You will be working on this last point (2.j). Would you please send to me a working draft of a contract you would start with, for Idaho wind power.
We will provide you the QF status information referenced in 2.f.

Regards,

Ron Williams
Williams Bradbury, P.C
1015 W. Hays St, Boise ID 83702
208.344.6633

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR APPROVAL OF POWER PURCHASE AGREEMENTS BETWEEN RMP AND CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-01 Case No. PAC-E-11-02 Case No. PAC-E-11-03 Case No. PAC-E-11-04 Case No. PAC-E-11-05

ATTACHMENT 2
TO
AFFIDAVIT OF DANA ZENTZ

ROCKY MOUNTAIN POWER

ELECTRIC SERVICE SCHEDULE NO. 38

STATE OF UTAH

Qualifying Facility Procedures

AVAILABILITY: To owners of Qualifying Facilities (QFs) in all territory served by the Company in the state of Utah.

APPLICATION: To owners of existing or proposed QFs with a design capacity greater than 1,000 kW for a Cogeneration Facility or greater than 3,000 kW for a Small Power Production facility who desire to make sales to the Company. Such owners will be required to enter into written power purchase and interconnection agreements with the Company pursuant to the procedures set forth below. Additional or different requirements may apply to Utah QFs seeking to make sales to third-parties, or out-of-system QFs seeking to wheel power to Utah for sale to the Company.

I. Process For Negotiating Power Purchase Agreements

A. Communications

Unless otherwise directed by the Company, all communications to the Company regarding QF power purchase agreements should be directed in writing as follows:

Rocky Mountain Power
Manager - QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

The Company will respond to all such communications in a timely manner. If the Company is unable to respond on the basis of incomplete or missing information from the QF owner, the Company shall indicate what additional information is required. Thereafter, the Company will respond in a timely manner following receipt of all required information.

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

B. Procedures

1. The Company's proposed generic power purchase agreement may be obtained from the Company's website at www.pacificorp.com, or if the owner is unable to obtain it from the website, the Company will send a copy within seven days of a written request."

2. To obtain an indicative pricing proposal with respect to a proposed project, the owner must provide in writing to the Company, general project information reasonably required for the development of indicative pricing, including, but not limited to:

   a) generation technology and other related technology applicable to the site
   b) design capacity (MW), station service requirements, and net amount of power to be delivered to the Company's electric system
   c) quantity and timing of monthly power deliveries (including project ability to respond to dispatch orders from the Company)
   d) proposed site location and electrical interconnection point
   e) proposed on-line date and outstanding permitting requirements
   f) demonstration of ability to obtain QF status
   g) fuel type (s) and source (s)
   h) plans for fuel and transportation agreements
   i) proposed contract term and pricing provisions (i.e., fixed, escalating, indexed)
   j) status of interconnection arrangements

3. The Company shall not be obligated to provide an indicative pricing proposal until all information described in Paragraph 2 has been received in writing from the QF owner. Within 30 days following receipt of all information required in Paragraph 2, the Company will provide the owner with an indicative pricing proposal, which may

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

B. Procedures (continued)

include other indicative terms and conditions, tailored to the individual characteristics of the proposed project. Such proposal may be used by the owner to make determinations regarding project planning, financing and feasibility. However, such prices are merely indicative and are not final and binding. Prices and other terms and conditions are only final and binding to the extent contained in a power purchase agreement executed by both parties and approved by the Commission. The Company will provide with the indicative prices a description of the methodology used to develop the prices.

4. If the owner desires to proceed forward with the project after reviewing the Company's indicative proposal, it may request in writing that the Company prepare a draft power purchase agreement to serve as the basis for negotiations between the parties. In connection with such request, the owner must provide the Company with any additional project information that the Company reasonably determines to be necessary for the preparation of a draft power purchase agreement, which may include, but shall not be limited to:

   a) updated information of the categories described in Paragraph B.2,
   b) evidence of adequate control of proposed site
   c) identification of, and timelines for obtaining any necessary governmental permits, approvals or authorizations

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

B. Procedures (continued)

d) assurance of fuel supply or motive force
e) anticipated timelines for completion of key project milestones
f) evidence that any necessary interconnection studies have been completed and assurance that the necessary interconnection arrangements are being made in accordance with Part II.

5. The company shall not be obligated to provide the owner with a draft power purchase agreement until all information required pursuant to Paragraph 4 has been received by the Company in writing. Within 30 days following receipt of all information required pursuant to paragraph 4, the Company shall provide the owner with a draft power purchase agreement containing a comprehensive set of proposed terms and conditions, including a specific pricing proposal for purchases from the project. Such draft shall serve as the basis for subsequent negotiations between the parties and, unless clearly indicated, shall not be construed as a binding proposal by the Company

6. After reviewing the draft power purchase agreement, the owner may prepare an initial set of written comments and proposals regarding the draft power purchase agreement and forward such comments and proposals to the Company. The Company shall not be obligated to commence negotiations with a QF owner until The Company has received an initial set of written comments and proposals from the QF owner. Following the Company's receipt of such comments and proposals, the owner may contact the Company to schedule contract negotiations at such times and places as are mutually agreeable to the parties. In connection with such negotiations, the Company:

a) will not unreasonably delay negotiations and will respond in good faith to any additions, deletions or modifications to the draft power purchase agreement that are proposed by the owner

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

B. Procedures (continued)

b) may request to visit the site of the proposed project if such a visit has not previously occurred

c) will update its pricing proposals at appropriate intervals to accommodate any changes to the Company's avoided-cost calculations, the proposed project or proposed terms of the draft power purchase agreement

d) may request any additional information from the owner necessary to finalize the terms of the power purchase agreement and satisfy the Company's due diligence with respect to the Project.

7. When both parties are in full agreement as to all terms and conditions of the draft power purchase agreement, the Company will prepare and forward to the owner a final, executable version of the agreement. The Company reserves the right to condition execution of the power purchase agreement upon simultaneous execution of an interconnection agreement between the owner and the Company's power delivery function, as discussed in Part II. Prices and other terms and conditions in the power purchase agreement will not be final and binding until the power purchase agreement has been executed by both parties and approved by the Commission.

II. Process for Negotiating Interconnection Agreements

In addition to negotiating a power purchase agreement, QFs intending to make sales to the Company are also required to enter into an interconnection agreement that governs the physical interconnection of the project to the Company's transmission or distribution system. The Company's obligation to make purchases from a QF is conditioned upon all necessary interconnection arrangements being consummated.

It is recommended that the owner initiate its request for interconnection as early in the planning process as possible, to ensure that necessary interconnection arrangements proceed in a timely manner on a parallel track with negotiation of the power purchase agreement.

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

II. Process for Negotiating Interconnection Agreements (continued)

Because of functional separation requirements mandated by the Federal Energy Regulatory Commission, interconnection and power purchase agreements are handled by different functions within the Company. Interconnection agreements (both transmission and distribution level voltages) are handled by the Company's power delivery function.

A. Communications

Initial communications regarding interconnection agreements should be directed to the Company in writing as follows:

Rocky Mountain Power
Manager-QF Contracts
825 NE Multnomah St, Suite 600
Portland, Oregon 97232

Based on the project size and other characteristics, the Company will direct the QF owner to the appropriate individual within the Company's power delivery function that will be responsible for negotiating the interconnection agreement with the QF owner. Thereafter, the QF owner should direct all communications regarding interconnection agreements to the designated individual, with a copy of any written communications to the address set forth above.

B. Procedures

Generally, the interconnection process involves (1) initiating a request for interconnection, (2) completion of studies to determine the system impacts associated with the interconnection and the design, cost, and schedules for constructing any necessary interconnection facilities, (3) execution of an Interconnection Facilities Agreement to address facility construction, testing and acceptance and (4) execution of an Interconnection Operation and Maintenance Agreement to address ownership and operation and maintenance issues.

Consistent with PURPA, the owner is responsible for all interconnection costs assessed by the Company on a nondiscriminatory basis.

(continued)

ELECTRIC SERVICE SCHEDULE NO. 38 - Continued

II. B. Procedures (continued)

For interconnections impacting the Company's Transmission System, the Company will process the interconnection application through PacifiCorp Transmission Services following the procedures for studying the generation interconnection described in the Company's Open Access Transmission Tariff, PacifiCorp FERC Electric Tariff, Fifth Revised Volume No. 11 Pro Forma Open Access Transmission Tariff (OATT) on file with the Federal Regulatory Commission. A copy of the OATT is available on-line at http//www.oasis.pacificorp.com.

For interconnections impacting the Company's Distribution System only, the Company will process the interconnection application through the Manager of QF Contracts at the address shown in Section II.A.

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION	)	Case No. PAC-E-11-01
OF ROCKY MOUNTAIN POWER FOR	)	Case No. PAC-E-11-02
APPROVAL OF POWER PURCHASE	)	Case No. PAC-E-11-03
AGREEMENTS BETWEEN RMP AND	)	Case No. PAC-E-11-04
CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-05
	)	
	)	
	)	

ATTACHMENT 3
TO
AFFIDAVIT OF DANA ZENTZ

From: Ronald Williams

Sent: Tuesday, February 23, 2010 11:53 PM

To: 'Bruce Griswold (bruce.griswold@pacificorp.com)'

Cc: 'Steven Montgomery'; 'Scott Montgomery'; 'Tom Cameron'; 'Robert Gavahan'; 'Dana Zentz'

Subject: Cedar Creek Wind

Contacts: Bruce Griswold

Bruce,
As we discussed, PacifiCorp is in the final process of finishing the avoided cost calculations for two 75 MW (approx) Cedar Creek wind projects in eastern Idaho. You expect to have those initial calculations available the first of next week. The results will go through an internal review (which could take a couple of days), but there is a good possibility we will have this pricing results the middle of next week: possibly as early as Wed March 3.
Thank you for this information. As I explained, we are very anxious for these results and committed to moving forward with development as soon as we can.

Ron Williams
Williams Bradbury, P.C
1015 W. Hays St, Boise ID 83702
208.344.6633

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION	)	Case No. PAC-E-11-01
OF ROCKY MOUNTAIN POWER FOR	)	Case No. PAC-E-11-02
APPROVAL OF POWER PURCHASE	)	Case No. PAC-E-11-03
AGREEMENTS BETWEEN RMP AND	)	Case No. PAC-E-11-04
CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-05
	)	
	)	
	)	

ATTACHMENT 4
TO
AFFIDAVIT OF DANA ZENTZ

From: Griswold, Bruce {Mkt Function} [mailto:Bruce.Griswold@PacifiCorp.com]
Sent: Monday, April 05, 2010 1:35 PM
To: Ronald Williams; Dana Zentz
Subject: Cedar Creek Wind QF Termsheet 04052010.doc

Ron / Dana

Please find the attached term sheet with indicative pricing for the two Cedar Creek Wind QF projects proposed. I have only included a single term sheet since you have proposed the projects as identical projects with identical wind shapes, etc. Pricing will be the same for both projects. Because of Path C constraints in the area, there is a possibility of generation curtailment and I have included curtailment language in the terms and conditions.

Cedar Creek Wind LLC is developing two proposed wind projects located 3.2 miles northeast of and delivering to the Goshen Substation, east of Shelly in Bingham County, Idaho. Each project will have a net nameplate output of 78.2 MW and will have a 28.0% net capacity factor. In summary, the proposed price is $56.06/MWH on a 20-year nominal levelized payment basis starting January 1, 2012 through December 31, 2031. The pricing has been adjusted for the $6.50 per MWh wind integration. The price does not include RECs and assumes that Cedar Creek retains ownership of the RECs.

Cedar Creek Wind pricing was done in accordance with non-standard (project greater than 10 MWA) QF pricing as the Idaho Commission ordered the methodology in Docket IPC-E-95-9, a 1996 docket. In Idaho, avoided costs for non-standard QFs are based on an IRP based differential revenue requirement method. The Company has prepared avoided costs using the partial displacement differential revenue requirement method ("PDDRR") using an IRP gas proxy as the deferred resource and a 15% capacity contribution in accordance with the IRP for implementing the Commission ordered methodology.

The CCCT used for calculation is an East Side 607 MW Wet 2x1 CCCT as listed in Table A.4 of the 2008 IRP Update filed with the Commission on March 31, 2010. The partial displacement is 11.7 MW (78.2 MW x 15% wind capacity contribution). Capital cost and O&M costs are paid based on 11.7 MW of the CCCT.

Major Assumptions
The following are assumptions used in our evaluation:

* PDDRR avoided cost methodology
* Load Forecast - 20-Year load forecast dated October 2010
* Price Forecast - December 2009 Official Forward Price Curve (1209)
* IRP Resources - 2008 IRP Update preferred portfolio (Table A.4)
* Wind integration costs consistent with Idaho Commission order ($6.50 / MWH $2009)

Once you have reviewed, let me know if you have any questions. I can be available to discuss at your convenience.

Bruce Griswold
PacifiCorp C&T
503-813-5218 Office
503-702-1445 Cell
503-813-6260 Fax

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Cedar Creek Wind
QF Power Purchase Agreement Termsheet
April 5, 2010

Seller	Cedar Creek Wind ("Cedar Creek")
Buyer	PacifiCorp ("PPW")
Facility	"Facility" is a new wind farm. Cedar Creek Wind LLC is developing two proposed wind projects located 3.2 miles northeast of the Goshen Substation, east of Shelly in Bingham County, Idaho. Each project will have a net nameplate output of 78.2 MW and will have a 28.0% net capacity factor, consisting of thirty-four (34) Siemens SWT-2.3-101 turbines and delivering electricity to the PacifiCorp's system at the Point of Interconnection, expected to be on-line January 1, 2012.
Quantity	The expected annual energy production of 213,729 MWh per year associated with the Facility is equal to the Net Output of the Facility delivered for all hours at 28.0% net capacity factor. "Net Output" shall be the amount of energy flowing through the Point of Interconnection, less any station use, transformation and losses not provided by the Facility. PacifiCorp is purchasing all wind-generated Net Output from the Facility.
Term	Twenty years. Commercial On-line Date is January 1, 2012 and Agreement terminates December 31, 2031.
Qualifying Facility Certification	Seller shall warrant that the Facility is and shall for the term of this Agreement continue to be a qualifying facility ("QF") as that term is defined in the version of section 201 and 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. 796 and 824a-3 in effect on the date of Seller's filing of self-certification of QF status with the Federal Energy Regulatory Commission ("FERC").
Product	All of the Facility's unit contingent energy delivered to PacifiCorp's system at the Point of Interconnection. Seller agrees to deliver energy for all Delivery Hours with a minimum 85% Mechanical Availability Guarantee ("MAG"). Any positive difference between the volume of energy expected at the 85% MAG and the Actual Delivered Energy is "Shortfall Energy".
Delivery Hours	The hours of delivery shall be from hour 01 through hour 24 (Pacific Prevailing Time) all days during the Term, with the exception of Maintenance Schedules agreed upon by both parties. On-peak Hours are defined as hour ending 0600 to hour ending 2200 Pacific Prevailing Time Monday through Saturday, excluding NERC holidays. All hours other than On-peak Hours are defined as Off-peak Hours. When a holiday falls on a Saturday or Sunday, the Friday before the holiday (if the holiday falls on a Saturday) or the Monday following the holiday (if the holiday falls on a Sunday) will be the holiday and will be Off-peak.
Point of Interconnection	Point of Interconnection shall be the Goshen Substation on 345-kV line.
Interconnection Requirements	PacifiCorp shall have no obligation to install or maintain any interconnection facilities on Seller's side of the Point of Interconnection. PacifiCorp shall not pay any costs arising

	from Seller interconnecting its Facility at the Point of Interconnection.
Network Resource Designation	Seller shall cause PacifiCorp to receive written acceptance from PacifiCorp's transmission function that the transaction will be accepted, without contingencies, as firm network resource pursuant to PacifiCorp's FERC pro-forma network transmission agreement.
Delivery Rate	Seller shall sell and deliver and PacifiCorp shall purchase and receive all Net Output at the Point of Interconnection during all Delivery Hours. Table 1 contains Seller's estimated monthly energy deliveries. Seller shall not sell any Net Output from the Facility to any third party during the Term. Table 1 – Estimated Energy Deliveries in MWh

Month	Estimated Energy Deliveries, MWh
January	16,998
February	16,934
March	19,374
April	16,829
May	16,581
June	17,026
July	16,293
August	18,138
September	17,323
October	18,219
November	20,027
December	19,986

Delivered Output	Delivered Output (MW/hr) shall be the measured energy at the Generation Meter but not to exceed Nameplate Capacity Rating.
Operation, Control and Curtailment	Seller shall operate and maintain the Facility in a safe manner in accordance with this Agreement, the Interconnection Agreement, Prudent Electrical Practices and in accordance with the requirements of all applicable federal, state and local laws and the National Electric Safety Code as such laws and code may be amended from time to time. PacifiCorp shall not be obligated to purchase, receive, pay for, or pay any damages associated with, Net Output (or associated Production Tax Credits or Environmental Attributes) if such Net Output (or associated Production Tax Credits or Environmental Attributes) is not delivered to the System or Point of Delivery due to any of the following: (a) the interconnection between the Facility and the System is disconnected, suspended or interrupted, in whole or in part, consistent with the terms of the Generation Interconnection Agreement, (b) the Transmission Provider directs a general curtailment, reduction, or redispatch of generation in the area (which would include the Net Output) for any reason, even if such curtailment or redispatch directive is carried out by PacifiCorp, which may

	fulfill such directive by acting in its sole discretion; or if PacifiCorp curtails or otherwise reduces the Net Output in order to meet its obligations to the Transmission Provider to schedule within system limits, (c) the Facility's Output is not received because the Facility is not fully integrated or synchronized with the System, or (d) an event of Force Majeure prevents either Party from delivering or receiving Net Output. Seller shall promptly provide PacifiCorp with access to such information and data as PacifiCorp may reasonably require to confirm to its reasonable satisfaction the amount of energy that was not generated or delivered because of a curtailment.
Net Monthly Delivery Hours	Net Monthly Delivery Hours (Hrs) are defined, for a given contract month, as all the Delivery Hours in the month less any Delivery Hours that occur during agreed upon Maintenance Schedules.
Mechanical Availability	"Mechanical Availability" means, for any Billing Period, the ratio, expressed as a percentage, of (x) the aggregate sum of the turbine-minutes in which each of the Wind Turbines at the Facility was available to generate at the Maximum Facility Delivery Rate during the Billing Period over (y) the product of the number of Wind Turbines that comprise the Facility Capacity Rating as of Commercial Operation multiplied by the number of minutes in such Billing Period. A Wind Turbine shall be deemed not available to operate during minutes in which it is (a) in an emergency, stop, service mode or pause state; (b) in "run" status and faulted; or (c) otherwise not operational or capable of delivering at the Maximum Facility Delivery Rate to the Point of Interconnection; unless if unavailable due solely to (i) a default by PacifiCorp; (ii) a curtailment to the extent not caused by Seller's actions; or (iii) insufficient wind (including the normal amount of time required by the generating equipment to resume operations following a period when wind speed is below the Cut-In Wind Speed).
Contract	The transaction shall be documented pursuant to a Qualifying Facility Power Purchase Agreement, and all amounts due pursuant thereto shall be netted against all other transactions between PacifiCorp and Seller pursuant to the Power Purchase Agreement. Obligations of PacifiCorp and PacifiCorp's transmission function shall be contractually segregated.
Contract Price	PacifiCorp agrees pay to the Seller the On-peak Price during On-peak Hours and the Off-peak Price during Off-peak Hours for all delivered energy during the Term, determined by the hourly validation of Generation metering as defined in Metering Requirements. Delivered energy prior to the Commercial On-line Date will be paid the Off-Peak Hour Contract Price.

Year	HLH	LLH
2012	$47.78	$22.74
2013	$50.91	$25.26
2014	$55.42	$26.56
2015	$59.22	$27.06
2016	$66.07	$33.69

2017	$69.61	$36.84
2018	$72.18	$35.79
2019	$72.31	$36.35
2020	$73.50	$36.83
2021	$79.11	$42.40
2022	$84.91	$46.06
2023	$80.81	$45.01
2024	$79.24	$45.01
2025	$82.88	$51.40
2026	$84.58	$55.20
2027	$83.42	$57.27
2028	$85.61	$59.91
2029	$88.29	$66.39
2030	$90.79	$70.39
2031	$92.80	$74.05

Replacement Price	Replacement Price means the price to replace Net Output when Seller incurs Shortfall Damages or when Seller defaults. Replacement Price shall be the Mid-Columbia market price plus the cost of firm transmission, if required, from the trading hub associated with the index price to the Point of Interconnection.
Curtailment	
Delay Damages	In the event the Commercial Operation Date occurs one (1) or more days after Scheduled Commercial Operation Date, Seller shall pay PacifiCorp Delay Damages, equal to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price, plus PacifiCorp's administrative expenses, for any Shortfall Energy until the Commercial Operation Date is achieved.
Shortfall Damages	In the event the Seller fails to achieve a MAG of 85%, Seller shall pay PacifiCorp Shortfall Damages equal to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price, plus PacifiCorp's administrative expenses, for any Shortfall Energy.
Access Rights	Seller shall grant to PacifiCorp for the term of this Agreement all necessary access to install, operate, maintain, replace, and remove PacifiCorp's metering equipment, interconnection facilities, and other equipment necessary or useful to this Agreement, including adequate and continuing access rights on property of Seller. Seller shall warrant that it has procured sufficient access rights from third parties so as to provide PacifiCorp with the access described above. All documents granting such access rights shall be subject to PacifiCorp's approval and in recordable form.

Cedar Creek Wind
QF Power Purchase Agreement Termsheet
April 5, 2010

Credit	Subject to adequate credit provisions as allowed by the Idaho Public Utility Commission and approved by PacifiCorp Credit Department. PacifiCorp shall have, to the maximum extent permitted under applicable law, the right to set off any amounts it owes Seller under this transaction against any amounts owed by Seller to PacifiCorp.
Motive Force Plan	Seller shall provide a Motive Force Plan demonstrating the availability of its wind for the term of this Agreement.
Insurance	Seller shall provide evidence of insurance conforming to the requirements of PacifiCorp's QF Power Purchase Agreement.
Approval	Subject to the approval by both Parties senior management.

This Confidential Non-Binding Summary of Principal Commercial Terms ("Term Sheet") is preliminary and is intended to set forth certain basic terms and to serve as a basis for discussion and negotiation between the Parties with respect to the potential transaction described herein (the "Transaction"). This Term Sheet does not contain all matters upon which agreement must be reached in order for the Transaction to be completed. The matters set forth in this Term Sheet are not intended to and do not constitute a binding agreement of the parties or establish any obligation of the Parties with respect to the Transaction, and the Term Sheet may not be relied upon by a Party as the basis for a contract by estoppel or otherwise. A binding agreement will arise only upon the negotiation, execution and delivery of mutually satisfactory definitive agreements and the satisfaction of the conditions set forth therein, including completion of due diligence and the approval of such agreements and the Transaction by the respective governing body(ies) and management of each Party, which approval shall be in the sole subjective discretion of the respective governing body(ies) and management.

Cedar Creek Wind
QF Power Purchase Agreement Termsheet
April 5, 2010

Hour (MPT)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
	MW/h	MW/h	MW/h	MW/h	MW/h	MW/h	MW/h	MW/h	MW/h	MW/h	MW/h	MW/h	
0	738	803	792	760	698	374	775	694	830	1,120	828	904	
1	832	791	755	891	636	426	687	679	782	1,004	847	897	
2	878	802	709	807	658	477	647	726	828	1,033	889	884	
3	853	821	714	821	653	540	618	709	801	1,018	907	882	
4	809	784	821	792	739	615	531	687	827	996	898	967	
5	805	775	892	757	727	636	528	646	800	809	910	951	
6	761	740	800	785	727	631	566	668	801	860	960	965	
7	772	701	740	798	546	445	395	627	870	757	966	920	
8	853	768	809	703	383	477	286	475	758	836	954	882	
9	922	748	841	683	348	423	213	376	578	644	868	812	
10	739	704	848	635	385	492	253	407	366	480	765	769	
11	621	636	807	645	522	581	284	599	495	437	744	791	
12	653	558	746	617	649	865	534	710	543	439	744	804	
13	734	528	792	719	712	1,040	733	794	694	435	730	765	
14	626	531	870	710	788	1,071	787	953	803	427	721	755	
15	612	549	862	643	845	1,102	878	937	849	500	703	732	
16	641	551	850	566	797	1,036	1,058	946	826	607	743	730	
17	501	706	870	539	750	1,018	1,106	1,086	679	521	849	720	
18	519	705	869	555	817	1,053	1,127	1,105	648	626	818	722	
19	539	677	868	676	920	1,052	1,015	913	657	832	810	796	
20	659	727	738	695	905	942	893	803	663	849	753	758	
21	686	811	728	719	772	731	819	855	706	885	819	825	
22	604	772	806	688	855	563	808	905	694	1,024	906	880	
23	640	745	846	625	749	433	753	838	824	1,080	897	874	
TOTAL	**16,998**	**16,934**	**19,374**	**16,829**	**16,581**	**17,026**	**16,293**	**18,138**	**17,323**	**18,219**	**20,027**	**19,986**	**213,729**

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION	)	Case No. PAC-E-11-01
OF ROCKY MOUNTAIN POWER FOR	)	Case No. PAC-E-11-02
APPROVAL OF POWER PURCHASE	)	Case No. PAC-E-11-03
AGREEMENTS BETWEEN RMP AND	)	Case No. PAC-E-11-04
CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-05
	)	
	)	
	)	

ATTACHMENT 5
TO
AFFIDAVIT OF DANA ZENTZ

WESTERNENERGY

SUMMIT POWER

Coyote Hill Wind, LLC

May 12, 2010

VIA EMAIL: bruce.griswold@pacificorp.com

Bruce Griswold
PacifiCorp, Inc.
825 N.E. Multnomah, Suite 600
Portland OR 97232

RE: Coyote Hill Wind, LLC

Dear Bruce:

Coyote Hill Wind, LLC (CHW), an affiliate of Cedar Creek Wind, LLC (Cedar Creek), would like to enter into an Idaho PUC compliant Qualifying Facility (QF) Power Purchase Agreement (PPA) with PacifiCorp. We are hereby requesting that PacifiCorp consider this as a formal request for an offer to purchase power from CHW by PacifiCorp pursuant to a small PURPA resource agreement that is compliant with Idaho state regulatory requirements and PacifiCorp's approved PURPA rates in Idaho for non-fueled (renewable) resources of size 10 aMW or less. As we discussed in general at our meeting of March 24, 2010, CHW is one of the five wind projects being developed by Cedar Creek Wind, LLC, in the Goshen area near Idaho Falls, Idaho. Each of the five projects is separated by a mile or more from each other, and each will be filing a similar request with you.

In July, 2009, Cedar Creek received from PacifiCorp a System Impact Study Report (SIS) for the aggregated interconnection of the five Cedar Creek QF generation projects, including CHW. Cedar Creek and the five affiliated QF projects, including CHW, will be entering into a transmission and interconnection participation agreement which will include a proportional assignment of the SIS, the resultant LGIA, and its benefits from Cedar Creek to CHW.

You have advised me that PacifiCorp Merchant services (the buyer of the PURPA resource output) will require that PacifiCorp Transmission services grant a "Network Resource" (NR) designation to this CHW generator as part of the PURPA resource contracting process. As we discussed earlier this week, PacifiCorp Transmission has increased capacity to accept transmission load from the Goshen Substation due to the addition of the Three Mile Knoll Substation to the PacifiCorp system. As such, a NR designation for CHW by PacifiCorp Transmission may be possible without the need for any system upgrades.

Additionally, as we discussed earlier this week, please be aware that Cedar Creek Wind has executed a firm PTP TSR (AREF#599599) with PacifiCorp Transmission. This PTP path

extends from Goshen (POI) to Mona (PACE). Our understanding is that with the project LGIA and the foregoing PTP services, a NR designation by PacifiCorp Transmission should be possible. Cedar Creek would like to preserve this PTP for additional development. Please be advised and please also advise PacifiCorp Transmission Services[1] that if a NR designation for CHW cannot be achieved without the withdrawal of this PTP, then Cedar Creek will withdraw and terminate its request for PTP service to Mona (AREF #599599) if such path is required to achieve the NR designation for CHW or other affiliated PURPA projects being developed by Cedar Creek.

You have also advised me that PacifiCorp generally follows the procedures outlined in Utah PSCU Schedule No. 38(I)(B)(2) for contracting QF power purchases; even though such schedule is not applicable to Idaho QF purchases by PacifiCorp. In that regard, *Attachment 1* hereto is that (B)(2) checklist. It is my belief that CHW is now in full compliance with that checklist.

At your earliest convenience could you please modify your standard Idaho PURPA contract template to be CHW project specific, using the information contained on the Attachment and the new avoided cost rates, as recently established by the Idaho Public Utilities Commission.

As we have advised you, time is of the essence in moving forward with contracts for the CHW project; due to the Stimulus Act incentives requiring a certain level of construction activity in 2010. In order to commence construction, we need a completed contract with PAC as soon as possible. I or a member or our team will be in contact with you soon to discuss next steps related to finalizing a small PURPA resource contract for CHW.

We hope we have demonstrated our good faith in meeting with you and advising you of the issues we are facing in order to bring on line this wind project and the collective group of Cedar Creek Wind projects. In return for the time we have spent over the course of the last four months in attempting to work through some complex structural and transmission issues with you, we now feel compelled to ask for your expedited response to our request for a "first" contract draft for the CHW project.

Thank you for your attention to the matters requested above.

Sincerely,

Dana C. Zentz

Dana C. Zentz, P.E.
Vice President
Cedar Creek Wind, LLC
Summit Power Group, Inc.

---

[1] Cedar Creek Wind has prior executed a waiver of confidentiality relating to discussion of transmission details between PAC Merchant and PAC Transmission services for this PTP TSR and the associated PURPA projects being developed by Cedar Creek.

Attachment 1

General Project information required by PacifiCorp for Qualifying Facilities in Idaho

Project Name: Coyote Hill Wind, LLC

a. **Generation Technology**
- Wind Turbines
- Siemens 2300 kW
- 60 Hz

b. **Design Capacity**
- 11 Turbines
- Nameplate Capacity: 25,300 kW

Net Power Capacity
- 31% Net Capacity Factor (Annual - Site)
- 68,704 MWHRs/year (Annual - Site)
- 7.84 aMW (Annual - Site)
- Less than 10 aMW

Station Service Requirements
- Will request electrical service from PacifiCorp
- < 500 kW

c. **Monthly Power Deliverables**

Month	MWHRs Total	aMW
Jan	6807	9.11
Feb	5217	7.73
Mar	6658	8.90
Apr	7224	9.98
May	4940	6.61
Jun	5438	7.51
Jul	4053	5.42
Aug	5463	7.30
Sept	4541	6.27
Oct	5637	7.54
Nov	6618	9.14
Dec	6107	8.17

Dispatch Capability

- Wind QF, generally non-dispatchable as Subject to intermittency of wind resource
- Partial dispatchability available through system redispatch and generation curtailment

d. **Proposed Site Location**

- Goshen, Idaho
- 43° 19' Latitude, 112° 02' Longitude

Electrical Interconnection Point

- PacifiCorp Goshen Substation
- 345 kV
- Project has received firm PTP pursuant to AREF#599599 with PacifiCorp
- If a NR designation for CHW cannot be achieved without the withdrawal of the PTP mentioned above, the PTP will be withdrawn in favor of NR designation.
- Project LGIA at Goshen is under final negotiation between QF Owner and Pac Transmission services.

e. **Proposed On-Line Date**

- On or before October 1, 2012

Outstanding Permitting Requirements

- Bingham County, Idaho - Building Permits
- FAA Permits

f. **Demonstration of Ability of Obtain QF Status**

- QF has consulted FERC and is in the process of submitting QF Self Certification
- Project meets all PURPA - QF Requirements

g. **Fuel Types and Sources**

- Renewable, wind is source of generation

h. **Plans for Fuel and Transportation Agreements**

- N/A; no transportable fuel

i. **Proposed Contract Term**

- 20 years, non-levelized

Pricing Provisions

- Idaho Public Utilities Commission - Surrogate Avoided Resource Rates
- Contract Year: 2012

j. **Status of Interconnection Agreements**

- QF will interconnect with PacifiCorp
- Developer has fractional interest in Large Generation Interconnection Request and System Impact Study Report of Project No. Q0255, dated July 22, 2009.
- See above at "Electrical Interconnection Point" for further pertinent detail.

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION	)	Case No. PAC-E-11-01
OF ROCKY MOUNTAIN POWER FOR	)	Case No. PAC-E-11-02
APPROVAL OF POWER PURCHASE	)	Case No. PAC-E-11-03
AGREEMENTS BETWEEN RMP AND	)	Case No. PAC-E-11-04
CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-05
	)	
	)	
	)	

ATTACHMENT 6
TO
AFFIDAVIT OF DANA ZENTZ

From: Griswold, Bruce {Mkt Function} [Bruce.Griswold@PacifiCorp.com]
Sent: Friday, May 21, 2010 3:45 PM
To: Dana Zentz
Cc: Tom Cameron; Ronald Williams; Scott Montgomery; Steve Montgomery - private e-mail; Younie, John; Ken Kaufmann
Subject: RE: Cedar Creek Small PURPA Documents for PacifiCorp
Attachments: Steep Ridge Wind PPA requirements.doc; Coyote Hill Wind PPA requirements.doc; Five Pine Wind PPA requirements.doc; North Point Wind PPA requirements.doc; Rattlesnake Canyon Wind PPA requirements.doc

Dana
We have reviewed the five PURPA contract requests and attached are our review with comments and additional information requests.

Overall the information is sufficient to begin drafts of each PPA, however there are a couple of items to note:

1. We would like a generation production for each project, not the just replicating the same one for each project. I am assuming you want the most accurate profile and output to be reflective of performance at the site under the MAG performance criteria.
2. We will need to ensure we document the interconnection, point of delivery, metering points for each project correctly in order to capture line losses from metering point to the POD.

We have our attorneys working on a draft PPA for one project. I expect it would be ready for circulation late next week after internal review here. I would propose we review and redline on one PPA. Once we have agreed language, we would populate for the other PPAs and do a final review.

Bruce Griswold
PacifiCorp C&T
503-813-5218 Office
503-702-1445 Cell
503-813-6260 Fax

From: Dana Zentz [mailto:dzentz@summitpower.com]
Sent: Friday, May 14, 2010 1:14 PM
To: Griswold, Bruce {Mkt Function}
Cc: Tom Cameron; Ronald Williams; Scott Montgomery; Steve Montgomery - private e-mail
Subject: Cedar Creek Small PURPA Documents for PacifiCorp

Hi Bruce,

Attached please find applications and certifications relating to 5 small PURPA wind projects which are under development by Cedar Creek Wind, LLC. these five projects represent a reconfiguration of the

wind turbines on what was previously known as the Cedar Creek Wind project. We now have this site broken into 5 unique small PURPA projects and wish to immediately begin discussions with PacifiCorp regarding a power purchase agreement for each.

I will look forward to speaking with you next week about this.

Best
--
Dana Zentz,
Vice President
Summit Power Group, Inc.
Cedar Creek Wind, LLC
2006 E. Westminster
Spokane, WA 99223
www.summitpower.com
509-448-7589

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION	)	Case No. PAC-E-11-01
OF ROCKY MOUNTAIN POWER FOR	)	Case No. PAC-E-11-02
APPROVAL OF POWER PURCHASE	)	Case No. PAC-E-11-03
AGREEMENTS BETWEEN RMP AND	)	Case No. PAC-E-11-04
CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-05
	)	
	)	
	)	

ATTACHMENT 7
TO
AFFIDAVIT OF DANA ZENTZ

From: Griswold, Bruce {Mkt Function} [Bruce.Griswold@PacifiCorp.com]
Sent: Thursday, September 30, 2010 10:12 AM
To: Dana Zentz
Cc: Ronald Williams; Scott Montgomery; Wade Riser; Tom Cameron; 'Ken Kaufmann'
Subject: RE: Meeting - Cedar Creek

Dana
My schedule looks best for Tuesday / Wednesday 10/12-13. I have done a preliminary review of the project documents and they look complete. I should be sending you a matrix by project of anything missing. I would also like to schedule a short call later next week to do a final review on interconnection and transmission capacity to ensure everything is lined up there so that as we finalize the PPAs, merchant can request network resource designation for the projects. I will arrange a call-in number including our merchant transmission procurement person as well as Pac Trans. Your waiver will cover the call.

Bruce Griswold
PacifiCorp C&T
503-813-5218 Office
503-702-1445 Cell
503-813-6260 Fax

From: Dana Zentz [mailto:dzentz@summitpower.com]
Sent: Wednesday, September 29, 2010 8:10 PM
To: Griswold, Bruce {Mkt Function}
Cc: Ronald Williams; Scott Montgomery; Wade Riser; Tom Cameron
Subject: Meeting - Cedar Creek

Hi Bruce....could you please nominate times in the next two weeks when we might get together and begin the discussion of the PPA terms? I'm out of pocket on Monday & Tuesday next week, but otherwise can try to make a meeting if you are available...please advise.

Either Salt Lake or Portland location is fine with our side.

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION	)	Case No. PAC-E-11-01
OF ROCKY MOUNTAIN POWER FOR	)	Case No. PAC-E-11-02
APPROVAL OF POWER PURCHASE	)	Case No. PAC-E-11-03
AGREEMENTS BETWEEN RMP AND	)	Case No. PAC-E-11-04
CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-05
	)	
	)	
	)	

ATTACHMENT 8
TO
AFFIDAVIT OF DANA ZENTZ

From: Dana Zentz [mailto:dzentz@summitpower.com]
Sent: Tuesday, November 30, 2010 12:25 AM
To: Ken Kaufmann
Cc: Griswold, Bruce {Mkt Function}; Scott Montgomery; Heather Redman; Robert Gavahan; Tom Cameron; Jeff Brown
Subject: Re: Confirming logistics

Hi Ken....the draft agreement is attached, with our final comments. We have nothing further, other than what is annotated herein.

From: Ken Kaufmann <kaufmann@LKLaw.com>
Date: Mon, 29 Nov 2010 14:42:59 -0800
To: Dana Zentz <dzentz@summitpower.com>
Cc: Bruce Griswold <bruce.griswold@pacificorp.com>, Scott Montgomery <scott@westernenergy.us>, Heather Redman <hredman@summitpower.com>, Bob Gavahan <rgavahan@summitpower.com>, Tom Cameron <tcameron@summitpower.com>, Jeff Brown <jbrown@summitpower.com>
Subject: Re: Confirming logistics

Hello Dana,

Attached please find a proposed final redline for Coyote Hill. Will you please review my redlines and return a draft with all agreed-to redlines accepted, and any new changes shown in redline? In particular, will you please confirm that my calculation of average kW, in Section 4.3.1, is correct. Will you please confirm that the data in the exhibits are correct? I will substitute full size copies of the data tables in the Exhibits of the executed PPA.

When we agree that the Coyote HIll PPA is final, we will commence preparing the other four PPAs using Coyote Hill as a template. Your schedule of turning by the end of today would work well from our perspective.

Sincerely,
Ken

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION	)	Case No. PAC-E-11-01
OF ROCKY MOUNTAIN POWER FOR	)	Case No. PAC-E-11-02
APPROVAL OF POWER PURCHASE	)	Case No. PAC-E-11-03
AGREEMENTS BETWEEN RMP AND	)	Case No. PAC-E-11-04
CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-05
	)	
	)	
	)	

ATTACHMENT 9
TO
AFFIDAVIT OF DANA ZENTZ

From: Dana Zentz <dzentz@summitpower.com>
Date: Fri, 3 Dec 2010 14:46:14 -0800
To: Bruce Griswold <bruce.griswold@pacificorp.com>, Scott Montgomery <scott@westernenergy.us>
Cc: Ken Kaufmann <kaufmann@LKLaw.com>, Carl Barton <cbarton@hollandhart.com>
Subject: Re: Checking in - Cedar Creek PPA execution

Thank you Bruce...

We are very keen to keep our PPA execution on the schedule we have discussed and agreed with you prior.....which would get the PPA's executed before the end of next week. I take it from your message below that you still see this as possible and likely. I will look forward to speaking with you Monday...or even late today if possible?

We are prepared to come to Portland next week so that Scott Montgomery can execute the agreements in person on behalf of Cedar Creek and we can avoid any delay due to execution in "counterparts". Please let me know if that is workable and we will make Scott's travel plans for the appropriate day.

Best,
--
Dana Zentz,
Vice President
Summit Power Group, Inc.
2006 E. Westminster
Spokane, WA 99223
www.summitpower.com
509-448-7589

From: Bruce Griswold <bruce.griswold@pacificorp.com>
Date: Fri, 3 Dec 2010 13:48:09 -0800
To: Dana Zentz <dzentz@summitpower.com>, Scott Montgomery <scott@westernenergy.us>
Cc: Ken Kaufmann <kaufmann@LKLaw.com>
Subject: RE: Checking in

Dana / Scott
Our approval process has slowed a bit specific to Coyote Hill. Our credit folks are going to process all five PPAs for credit approval Monday versus doing them one at a time. That will push the execution back a couple of days on Coyote Hill but accelerate the others so we should be now moving toward execution of all 5 PPAs within the same time frame.

I will call you Monday on status as well as discussing how to make the transfer on the PTP transmission.

Bruce Griswold
PacifiCorp C&T
503-813-5218 Office
503-702-1445 Cell
503-813-6260 Fax

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION	)	Case No. PAC-E-11-01
OF ROCKY MOUNTAIN POWER FOR	)	Case No. PAC-E-11-02
APPROVAL OF POWER PURCHASE	)	Case No. PAC-E-11-03
AGREEMENTS BETWEEN RMP AND	)	Case No. PAC-E-11-04
CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-05
	)	
	)	
	)	

ATTACHMENT 10
TO
AFFIDAVIT OF DANA ZENTZ

From: Dana Zentz [dzentz@summitpower.com]
Sent: Tuesday, December 07, 2010 9:46 AM
To: Bruce Griswold; Ken Kaufmann
Cc: Scott Montgomery; Carl Barton
Subject: Re: Follow up to my voice mail earlier today

Thank you Bruce. I'll try to call you later today.

From: Bruce Griswold <bruce.griswold@pacificorp.com>
Date: Tue, 7 Dec 2010 08:40:37 -0800
To: Dana Zentz <dzentz@summitpower.com>, Ken Kaufmann <kaufmann@LKLaw.com>
Cc: Scott Montgomery <scott@westernenergy.us>, Carl Barton <cbarton@hollandhart.com>
Subject: RE: Follow up to my voice mail earlier today

Dana, sorry i missed your call yesterday. I can talk after 330PM Pacific time.

We are pushing through approvals. Credit should have theirs finalized for all projects tomorrow. We expect to have all PPAs and documents ready for your final review and check of volumes, etc. by Wednesday. We will send out for review as they are finalized.

Bruce Griswold
PacifiCorp C&T
503-813-5218 Office
503-702-1445 Cell
503-813-6260 Fax

From: Dana Zentz [mailto:dzentz@summitpower.com]
Sent: Monday, December 06, 2010 7:00 PM
To: Griswold, Bruce {Mkt Function}; Ken Kaufmann
Cc: Scott Montgomery; Carl Barton
Subject: Follow up to my voice mail earlier today

Hi Bruce,

Wanted to follow up to my voice mail to you earlier today. Would like to discuss, as we had planned late last week, the logistics of finalizing the PPA's for the Cedar Creek PURPA projects.....and also the REC ownership letter draft that we provided you last week.

Do you have a time available on Tuesday afternoon (later is better) for such a call?

Please let me know.

--

Dana Zentz,
Vice President
Summit Power Group, Inc.
2006 E. Westminster
Spokane, WA 99223
www.summitpower.com
509-448-7589

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION	)	Case No. PAC-E-11-01
OF ROCKY MOUNTAIN POWER FOR	)	Case No. PAC-E-11-02
APPROVAL OF POWER PURCHASE	)	Case No. PAC-E-11-03
AGREEMENTS BETWEEN RMP AND	)	Case No. PAC-E-11-04
CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-05
	)	
	)	
	)	

ATTACHMENT 11
TO
AFFIDAVIT OF DANA ZENTZ

From: Griswold, Bruce {Mkt Function}
Sent: Thursday, December 09, 2010 4:35 PM
To: 'Dana Zentz'; 'Scott Montgomery'; 'Carl Barton'
Subject: RE: Cedar Creek PPAs 2nd email

Second of two emails.

Bruce Griswold
PacifiCorp C&T
503-813-5218 Office
503-702-1445 Cell
503-813-6260 Fax

From: Griswold, Bruce {Mkt Function}
Sent: Thursday, December 09, 2010 4:30 PM
To: 'Dana Zentz'; Scott Montgomery; 'Carl Barton'
Subject: FW: Cedar Creek PPAs

First of two emails.

Please find the attached finals on each PPA. Note that we have not included Exhibits B-L.

Bruce Griswold
PacifiCorp C&T
503-813-5218 Office
503-702-1445 Cell
503-813-6260 Fax

BEFORE THE IDAHO PUBLIC UTILITES COMMISSION

IN THE MATTER OF THE APPLICATION	)	Case No. PAC-E-11-01
OF ROCKY MOUNTAIN POWER FOR	)	Case No. PAC-E-11-02
APPROVAL OF POWER PURCHASE	)	Case No. PAC-E-11-03
AGREEMENTS BETWEEN RMP AND	)	Case No. PAC-E-11-04
CEDAR CREEK WIND LLC	)	Case No. PAC-E-11-05
	)	
	)	
	)	

ATTACHMENT 12
TO
AFFIDAVIT OF DANA ZENTZ

From: Griswold, Bruce {Mkt Function} [mailto:Bruce.Griswold@PacifiCorp.com]
Sent: Tuesday, December 21, 2010 5:02 PM
To: Dana Zentz; Scott Montgomery
Cc: Carl Barton; Kelly Fennerty Goodman; Ken Kaufmann; Ron Williams; Jeff Brown; Carol Loughlin
Subject: RE: Cedar Creek PPAs - Executed

Would Kelley be available to come by and sign? that would save a few days of transport. I am in remainder of week.

We will send the PDF of my signature pages today.

We are using the recital page with a December 22, 2010 date when we were able to execute but the filing to the Idaho PUC will establish your LEO date as 12/13/2010 prior to the 12/14/2010 deadline.

Bruce Griswold
PacifiCorp C&T
503-813-5218 Office
503-702-1445 Cell
503-813-6260 Fax

From: Dana Zentz [mailto:dzentz@summitpower.com]
Sent: Tuesday, December 21, 2010 3:14 PM
To: Griswold, Bruce {Mkt Function}; Scott Montgomery
Cc: Carl Barton; Kelly Fennerty Goodman; Ken Kaufmann; Ronald Williams; Jeff Brown; Carol Loughlin
Subject: Re: Cedar Creek PPAs - Executed

Thanks Bruce...good news!

Please send the original signature pages to:

Kelly Goodman, VP,
General Counsel
Summit Power Group, Inc.
2026 NE Mason St.
Portland, OR 97211

I would appreciate an electronic copy of the PDF's signature pages as well.

Best,
--
Dana C. Zentz, P.E.
Vice President
Summit Power Group

509-448-7589
509-954-4103 mobile

From: Bruce Griswold <bruce.griswold@pacificorp.com>
Date: Tue, 21 Dec 2010 13:29:56 -0800
To: Dana Zentz <dzentz@summitpower.com>, Scott Montgomery <scott@westernenergy.us>
Cc: Carl Barton <cbarton@hollandhart.com>, Kelly Goodman <kgoodman@summitpower.com>, Ken Kaufmann <kaufmann@LKLaw.com>
Subject: Cedar Creek PPAs

I have received executive approval for execution of the PPAs. I will be signing today and provide a PDF of the signature page. I would like to provide two originals for signature so that we each have one signed original. Where should I send the originals?

Bruce Griswold
PacifiCorp C&T
503-813-5218 Office
503-702-1445 Cell
503-813-6260 Fax