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April 17, 2008

VIA ELECTRONIC FILING

PUC Filing Center
Public Utility Commission of Oregon
PO Box 2148
Salem, OR 97308-2148

Re: Docket No. UM _____

Enclosed for filing in the above-referenced proceeding are an original and five copies of Idaho Power Company's Petition for a Partial Waiver of Competitive Bidding Guidelines. A copy of this filing has been served on all parties to Idaho Power's last general rate case (UE 167) and 2006 IRP case (LC 41), as indicated on the attached certificate of service.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lisa Rackner", with a long horizontal flourish extending to the right.

Lisa F. Rackner

cc: Service Lists for UE 167 and LC 41

CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document "Petition for a Partial Waiver of Competitive Bidding Guidelines" on the following named persons on the date indicated below by email and/or U.S. Mail addressed to said persons at his or her last-known address indicated below.

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DATED: April 17, 2008.



Lisa F. Rackner
Attorney for Idaho Power Company

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BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM _____

IN THE MATTER OF IDAHO POWER
COMPANY'S REQUEST FOR A PARTIAL
WAIVER OF COMPLETIVE BIDDING
GUIDELINES

PETITION FOR A PARTIAL WAIVER OF
COMPETITIVE BIDDING GUIDELINES
(Expedited Consideration Requested)

8 Pursuant to OAR 860-013-0020, Idaho Power Company ("Idaho Power" or
9 "Company") petitions the Public Utility Commission of Oregon ("Commission") for an order
10 exempting Idaho Power from compliance with several of the guidelines governing
11 competitive bidding adopted by the Commission in Order No. 06-446 ("Competitive
12 Bidding Guidelines"). For the reasons discussed below, Idaho Power requests expedited
13 review of this petition ("Petition").

14 **I. INTRODUCTION**

15 Over the last several years Idaho Power has experienced substantial load growth,
16 and the Company has accordingly planned to add significant base load generation to its
17 portfolio. To that end, the Company's recently-acknowledged 2006 IRP included a
18 250 MW pulverized coal resource, to be added in 2013 and a second 250 MW coal-fired
19 resource, an integrated gasification combined cycle turbine ("IGCC") to be added in 2017.

20 Recent events, however, require a change of course. *First*, due to changes in
21 federal water policy, the Company will have reduced levels of hydro generation available
22 during the peak demand summer months.

23 *Second*, the Company has recently received a number of requests for service to
24 new, large industrial/commercial loads. These new large loads are asking for service to
25 commence in the 2009-2012 period. As a result, the Company finds that it must now be
26 prepared to bring a new base load resource on line earlier than 2013.

1 *Third*, due to the uncertainties associated with permitting and future carbon
2 regulation and the costs of developing coal-fired generation resources, the Company's
3 plan to develop a pulverized coal resource is no longer feasible.

4 For these reasons, the Company has issued a Request for Proposals ("RFP")
5 soliciting bids for power purchase agreements, including tolling agreements, for up to
6 600 MW of firm energy, to be available not later than June 1, 2012. To ensure the
7 availability of base load resources in 2012, the Company will concurrently pursue the
8 development of up to 600 MW of natural gas-fired combined cycle combustion capacity
9 ("CCCT") that will serve as the Benchmark Resource in the competitive bidding process.¹
10 A copy of the RFP is attached as Exhibit A. While the procedures contemplated by the
11 RFP do not adhere to all of the Commission's Competitive Bidding Guidelines, they are
12 designed to produce the same result—a full and fair vetting of all reasonable resource
13 proposals.

14 Not surprisingly, Idaho Power is not alone among electric utilities and other
15 generators in abandoning plans for coal plants in favor of CCCTs. Indeed with demand for
16 CCCT's at an all-time high, orders for the generating equipment (turbines, heat recovery
17 equipment and generators) and the engagement of construction contractors must be
18 completed years in advance of on-line dates. If Idaho Power were to fully comply with all
19 of the Commission's Competitive Bidding Guidelines, (1) it would most likely be unable to
20 secure generating equipment and engage a construction contractor in time to ensure that
21 the Benchmark Resource CCCT would be available if it is selected as the best possible
22 alternative to meet customer demand and (2) other bidders that intend to construct a

23 _____
24 ¹ The RFP's request for up to 600 MW of firm energy by 2012 reflects the potential for service
25 to new large loads. Several of these potential new customers have expressed interest in funding
26 additional generation to accommodate their loads. Prior to acceptance of proposals in the RFP,
Idaho Power will either have secure financial commitments from these new large loads or the amount
of resources to be acquired through the RFP process will be scaled back.

1 CCCT to deliver firm energy under a power purchase agreement will likely face the same
2 equipment acquisition deadlines. Therefore, Idaho Power requests a partial waiver of the
3 Commission's Competitive Bidding Guidelines as described below. This partial waiver is
4 appropriate given the short time frame in which the Company can acquire the necessary
5 resource, the limited nature of the waiver request, and the in-depth involvement of the
6 Idaho Public Utilities Commission ("Idaho Commission") in the RFP process.

7 **II. NOTICE AND EXHIBITS**

8 In accordance with OAR 860-013-0070, Idaho Power hereby waives service by
9 means other than service by electronic mail. Consistent with that waiver, communications
10 regarding this Application should be addressed to all of the following:

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1 **III. BACKGROUND**

2 **A. Idaho Power's 2004 and 2006 Integrated Resource Plans**

3 Idaho Power's 2004 IRP included a 500 MW pulverized coal-fired resource
4 scheduled to come on line in 2011.² In response to uncertainty surrounding potential
5 carbon legislation, in its 2006 IRP Idaho Power replaced half of the 500 MW coal plant
6 with a 250 MW IGCC resource scheduled to come on line in 2017. The IRP retained a
7 250 MW pulverized coal resource to come on line in 2013.³

8 In comments filed in response to the 2006 IRP, Commission Staff expressed
9 concern about the 250 MW pulverized coal-fired resource.⁴ Staff requested that Idaho
10 Power continue to consider alternatives and recommended that the Company delay a final
11 commitment to a pulverized coal resource.⁵

12 In its Order acknowledging the 2006 IRP, the Commission noted the Company's
13 need to add base load generating resources within the timeline planned by the Company,
14 but echoed Staff's concerns about adding a coal resource.⁶ Accordingly, the Commission
15 modified the 2006 IRP to address the proposed coal resource. Pursuant to those
16 modifications, Idaho Power agreed that it would not commit to the development of the
17 2013 coal plant before presenting an update of the 2006 IRP to the Commission.⁷ In the
18 update, Idaho Power agreed to (a) discuss possible federal and state regulation of CO₂
19 emissions and the effects of a cap and trade mechanism or other limits on the Company's

20 ² *Re Idaho Power Co. 2004 Integrated Resource Plan*, Docket LC 36, Order No. 05-782 at 12
21 (June 17, 2005).

22 ³ *Id.* at 10–11.

23 ⁴ *Re Idaho Power Co. Application for Adoption of its 2006 Integrated Resource Plan*, Docket
LC 41, Staff Comments on 2006 Integrated Resource Plan at 8–9 (Mar. 16, 2007).

24 ⁵ *Id.* at 9.

25 ⁶ *Re Idaho Power Co. Application for Adoption of its 2006 Integrated Resource Plan*, Docket
LC 41, Order No. 07-394 (Sept. 12, 2007).

26 ⁷ *Id.* at 22.

1 use of coal; and (b) demonstrate that Idaho Power conducted a rigorous financial and
2 economic analysis of portfolio adjustments that may delay the need for a base load coal
3 resource.⁸

4 **B. Changes in Circumstances since the 2006 Integrated Resource Plan**

5 Since Idaho Power filed its 2006 IRP, the Company's resource needs have
6 changed.

7 First, the Company will need to add the 250 MW base load resource a full year
8 earlier than previously expected. In August 2007 the United States Bureau of
9 Reclamation ("Bureau"), along with Bonneville Power Administration and the U.S. Army
10 Corps of Engineers released the Biological Assessment for Bureau of Reclamation
11 Operations and Maintenance in the Snake River Basin above Brownlee Reservoir. The
12 Bureau's proposed actions include providing flow augmentation water earlier in the spring
13 season as opposed to the current emphasis on delivery in the June to August period.
14 Previously, the Bureau released water for fish passage in the summer, providing Idaho
15 Power with increased hydroelectric generation during its peak-load period in June, July,
16 and August. The fisheries agencies and the Bureau have now decided to move releases
17 of water for fish passage to the spring to provide colder water for fish vitality. By changing
18 the release time, the Bureau has effectively reduced Idaho Power's hydro-electric
19 generation during the summer peak period, thereby accelerating the need for new firm
20 energy resources.

21 Second, Combined Heat and Power and Geothermal resource development has
22 not materialized as robustly as anticipated in the 2006 IRP, and the developers forecasts
23 for PURPA generation have not materialized relative to their contract commitments used
24 in the 2006 IRP.

25 ⁸ *Id.* at 23.
26

1 Third, the Company has received requests for service from several new large
2 loads to commence in the 2009-2012 period.

3 And finally, the Company has abandoned its plan to develop a 250 MW coal-fired
4 resource in 2013 and instead will acquire alternative resources, probably gas-fired, to be
5 available no later than the summer of 2012.

6 As the Commission is aware, political and regulatory responses to climate change
7 have prompted electric utilities to reevaluate the feasibility of adding new coal-fired
8 resources. In Idaho Power's case, the Company has reason to believe that financing a
9 new coal-fired resource would prove extremely difficult. In addition, up until late fall 2007
10 the Company had expected to build the coal-fired resource in partnership with either
11 PacifiCorp or Avista. As a result of recent changes to the law in Oregon and Washington,
12 however, these two utilities are precluded from further consideration of coal-fired
13 resources. Thus, after considering all factors and alternatives, Idaho Power has
14 abandoned its plan to develop a 250 MW coal resource in favor of acquiring, through an
15 RFP process, up to 600 MW of firm or unit contingent energy no later than 2012.

16 Unfortunately, Idaho Power's switch from coal to gas creates serious problems in
17 meeting the 2012 deadline. Idaho Power is only one among many utilities that have
18 concluded that the most practical option for a dispatchable base load resource in the near-
19 term is a CCCT. This simultaneous "race to gas" by multiple utilities throughout the United
20 States (and, in fact, throughout the world) has placed tremendous pressure on the three
21 original equipment manufactures ("OEM") of CCCTs. Idaho Power has been advised by
22 its independent consultant and by the OEMs that all manufacturing capacity for CCCT
23 equipment for deliveries in time to facilitate a 2011 on-line date is fully committed and
24 there are a limited number of manufacturing slots available for delivery of equipment to
25 support an April 1, 2012 on-line date. As a result, Idaho Power has concluded that in
26 order to be assured that a CCCT can be on-line April 1, 2012, Idaho Power must move

1 expeditiously to place an order for the power generation equipment by early summer
2 2008.⁹

3 IV. Proposed RFP Process

4 In response to the above-described changes in circumstances, Idaho Power has
5 developed and commenced an RFP process to obtain up to 600 MW of firm energy which
6 could include up to 600 MW of CCCT resource. In so doing, Idaho Power has sought to
7 balance its need to meet essential deadlines against the need for a process that is as
8 consistent with the Commission's Competitive Bidding Requirements as possible. The
9 proposed process is described in the RFP as follows:

10 The RFP requests proposals for power purchase agreements ("PPA") where the
11 seller supplies fuel and fuel transportation or tolling agreements ("TA") while Idaho Power
12 supplies the fuel and fuel transportation, to supply firm or unit contingent energy,
13 dispatchable on June 1, 2012 or earlier. The minimum proposal size is 50 MW and the
14 maximum is approximately 600 MW. Depending on the size of the proposed resources,
15 Idaho Power may combine proposals to meet its minimum 250 MW requirement. The
16 minimum term of a PPA or TA that Idaho Power will consider is 15 years with at least one
17 five-year renewal option. In the RFP process, the Company will also submit and consider
18 a self-build CCCT as the Benchmark Resource against which it will evaluate proposals
19 and as a fail-safe to be sure at least 250 MW of firm energy will be available in 2012.
20 Bids are due on October 17, 2008.

21 Evaluation of the bids will take place as follows: Initially, the Company will screen
22 proposals for minimum qualifications, such as quantity and term. Second, Idaho Power
23 will evaluate the proposals on the basis of scoring factors. The scoring criteria are

24 ⁹ The purchase order will allow Idaho Power to cancel or assign the power island equipment
25 contract if the self-build CCCT is not the successful respondent in the RFP process.

26

1 described in detail on Page 16 of Exhibit A. Generally, however, Idaho Power will use
2 price as 60 percent of the score and non-price criteria, such as risk and environmental
3 factors, as 40 percent of the score. Third, Idaho Power will notify short-listed respondents
4 with whom it will commence negotiations.

5 The Company will employ an independent consultant to assist the Company in
6 designing the RFP process and evaluating short-listed bids. The independent consultant
7 will independently score all or a sample of the proposals to determine whether the short
8 list is consistent with the scoring criteria. The independent consultant will then compare
9 those results with Idaho Power's scoring and work with the Company to resolve any
10 scoring differences. Idaho Power will provide periodic briefings to the Idaho Commission
11 Staff, and the Oregon Commission Staff if requested, throughout the RFP process. The
12 independent consultant will prepare reports to the Commission as requested by the
13 Company

14 V. DISCUSSION

15 The Competitive Bidding Guidelines specifically allow an electric utility to request a
16 waiver under appropriate circumstances. In this case, where adherence to the Guidelines
17 would jeopardize Idaho Power's ability to meet customer demand, and where the
18 alternative RFP process proposed by the Company will yield fair and reasonable results
19 for customers, the Commission should grant the requested waiver.

20 A. Exemptions from RFP Guidelines

21 In 2006 the Commission adopted Competitive Bidding Guidelines to facilitate the
22 RFP process.¹⁰ These Guidelines establish detailed procedures that are intended to result
23 in a full review and evaluation of all potential resources; they also necessarily result in an
24

25 ¹⁰ *Re Investigation Regarding Competitive Bidding*, Docket UM 1182, Order No. 06-446
26 (Aug. 10, 2006).

1 extremely expensive and time-consuming process. In recognition of this fact, in
2 Guideline 2, the Commission outlined three circumstances under which a utility is not
3 required to issue an RFP:¹¹

- 4 a. Acquisition of a Major Resource in an emergency or where there is a time-
5 limited resource opportunity of unique value to customers ["Exemption 2(a)"];
6 b. Acknowledged IRP provides for an alternative acquisition method for a Major
7 Resource;
8 c. Commission waiver on a case-by-case basis ["Exemption 2(c)].¹²

9 Idaho Power's Petition should be granted under Exemptions 2(a) and 2(c). In
10 adopting the Competitive Bidding Guidelines, the Commission explicitly recognized that a
11 utility might be presented with a time-limited opportunity to acquire a resource—which
12 opportunity might be lost if the Company were required to issue an RFP in accordance
13 with the Competitive Bidding Guidelines. In fact, the Commission contemplated that under
14 such circumstances the utility might not even have time to request a waiver in advance of
15 the acquisition. In such cases, the Commission requires only that the utility notify the
16 Commission after the acquisition and explain why it was unable to follow the RFP
17 process.¹³

18 In this case, Idaho Power does have time to request this partial waiver in advance
19 of the acquisition. However, the pressing need to commence the acquisition process has
20 required the Company to issue its RFP before receiving a waiver from the Commission. In
21 addition, Guideline 2(c) allows the Commission to waive RFP requirements on a case-by-
22 case basis if the utility does not believe the requirement would be suitable to the resource
23 acquisition.¹⁴

23 ¹¹ *Id.* at 4.

24 ¹² Order No. 06-446 at 4.

25 ¹³ *Id.*

26 ¹⁴ *Id.*

1 As described above, due to circumstances beyond the Company's control, Idaho
2 Power now has a critical need for a 250 MW firm energy resource in 2012 and it must plan
3 to construct a CCCT to satisfy that need. It is therefore in the public interest for the
4 Commission to waive those certain requirements of the UM 1182 Competitive Bidding
5 Guidelines that would prevent the Company from meeting this need.

6 **B. Proposed Modifications to RFP Guidelines**

7 Idaho Power has identified specific Competitive Bidding Guidelines that would
8 preclude Idaho Power from meeting the deadlines to acquire a CCCT and should be
9 waived:

10 Guideline Number 5 - Independent Evaluator. This guideline requires utilities to
11 use an Independent Evaluator ("IE") in each RFP to assure equitable and fair evaluation of
12 offers.¹⁵ Guideline No. 5 provides that the IE will contract with and be paid by the utility
13 and will confer with Commission Staff as needed.¹⁶

14 The far-reaching involvement of the IE as contemplated by the Competitive Bidding
15 Guidelines will delay the final conclusion of the RFP process. The use of an IE in the
16 process would almost certainly preclude Idaho Power from meeting deadlines for
17 acquiring a CCCT resource. Idaho Power is also concerned that the involvement of the IE
18 as contemplated in the Commission's Competitive Bidding Guidelines would substantially
19 increase the cost of the RFP process as compared to the cost Idaho Power has previously
20 incurred by utilizing the independent consultant in the manner described above. This is of
21 particular concern given that the Company's ability to recover the costs of an IE in Idaho is
22 questionable.

23 Idaho Power's RFP contemplates the use of an independent consultant to assist
24

25 ¹⁵ *Id.* at 6.

26 ¹⁶ *Id.*

1 the Company in designing its RFP, ensuring that its RFP process is fair, and evaluating
2 short-listed bids. Idaho Power has successfully used independent consultants in previous
3 RFPs. The independent consultant will ensure that the RFP is fair and efficient and can
4 provide the Commission with a sworn statement to that effect. Idaho Power requests that
5 the Commission waive the requirement to use an IE to evaluate this RFP.

6 Guideline Number 6: RFP Design. This guideline requires utilities to conduct
7 bidder and stakeholder workshops to provide all parties and interested persons in the
8 utilities most recent general rate case and IRP dockets with an opportunity to comment on
9 the design of the proposed RFP.¹⁷

10 As previously noted, Idaho Power has concluded that the time required to schedule
11 and conduct multiple formal workshops prior to the issuance of an RFP would inevitably
12 have resulted in significant delays in issuance of the RFP. Idaho Power's need to commit
13 to equipment and construction contracts simply does not allow for the additional time
14 required for full compliance with Guideline 6.

15 The Company will provide periodic informal briefings to the Idaho Commission
16 Staff during the course of the RFP process. Idaho Power would certainly be willing to
17 include the Oregon Commission Staff as a part of those briefings. Accordingly, Idaho
18 Power requests that the Commission waive application of Guideline 6.

19 Guideline Number 7: RFP Approval. This guideline requires the Commission to
20 undertake a public notice and comment process on both the utility's draft RFP and the
21 Commission approval of the draft RFP.¹⁸ The guideline indicates that the Commission will
22 target a decision within sixty (60) days after the draft RFP filing,¹⁹ but the Commission
23

24 ¹⁷ Order No. 06-446 at 7.

25 ¹⁸ *Id.* at 9.

26 ¹⁹ *Id.*

1 obviously cannot commit that the process will be concluded that quickly. Idaho Power's
2 concern with Guideline 7 is the time that will be required to go through the public notice
3 and comment process in conjunction with issuance of the RFP. Delaying the issuance of
4 the RFP by sixty (60) or more days could have made it impossible for the Company to
5 meet the tight time schedules required to ensure that the resource is on-line by April 1,
6 2012. Idaho Power therefore requests that the Commission waive the public notice and
7 comment and Commission approval process in Guideline 7.

8 Guideline Number 8: Benchmark Resource Score. This guideline requires the
9 utility to file a detailed score for any Benchmark Resource with supporting cost information
10 to the Commission and IE approval prior to the opening of the bidding process.²⁰

11 Idaho Power's self-build Benchmark Resource team intends to determine the cost
12 of the Benchmark Resource by issuing separate competitive RFPs to select the power
13 generation equipment and the EPC contractor. There is not sufficient time to allow the
14 Company to complete both RFPs and submit the completed score for the Benchmark
15 Resource prior to the time the Company issued its RFP.

16 Idaho Power recognizes that the Benchmark Resource must be evaluated on a
17 level playing field with other bidders. As Idaho Power has done in prior RFPs that
18 included a utility-sponsored Benchmark Resource, Idaho Power will segregate and secure
19 the bidding information provided by all respondents to ensure there is no transfer of
20 information concerning bids to Idaho Power personnel preparing the Benchmark Resource
21 bid or to other bidders. Idaho Power will also finalize and seal a copy of its bid evaluation
22 manual prior to opening any bids. Idaho Power requests that the Commission waive the
23 requirement that the Company file a detailed score for the Benchmark Resource prior to
24 opening the bidding process.

25 ²⁰ *Id.* at 10.

26

1 **C. The Idaho Commission's Oversight of the Process Will Protect Idaho Power's**
2 **Customers.**

3 Waiver here is especially appropriate where oversight of the RFP process by the
4 Idaho Commission will ensure that all of the Company's customers are protected. More
5 than 95 percent of Idaho Power's revenue requirement is allocated to its Idaho customers.
6 As a result, the Idaho Commission has a significant stake ensuring that Idaho Power
7 conducts a fair RFP process. While the Idaho Commission does not exercise the same
8 degree of oversight as the Oregon Commission's bidding guidelines require prior to
9 issuance of the RFP, the Idaho Commission is no less rigorous in its review of the fairness
10 and efficiency of the procedures its utilities use to conduct and evaluate RFPs.

11 The Idaho Commission has traditionally concentrated its RFP oversight efforts
12 through its Staff during the RFP process and at the time the utility requests approval of its
13 selected resource choice. For example, if the RFP process in this case ultimately
14 concludes that the most cost-effective resource is the construction of the Benchmark
15 Resource (a CCCT to be owned by Idaho Power and placed in Idaho Power's rate base),
16 under Idaho law Idaho Power is obligated to apply to the Idaho Commission for a
17 Certificate of Public Convenience and Necessity ("CPCN") to construct the Benchmark
18 Resource.²¹ The filing of the CPCN application would trigger a full review of the RFP
19 process including the evaluation methods, economic analysis, and fairness of the
20 process.²² The Company's application for a CPCN would be a public process involving
21 potential for intervention by third parties, a thorough Staff review of the Company's RFP
22 process and selected resource, and a public hearing process that would provide the
23 record upon which the Commission would ultimately issue its order either granting or
24 denying the CPCN.

25 ²¹ Idaho Statute 61-526, IDAPA 31.01.01 Rule 112.

26 ²² IDAPA 31.01.01 Rule 113.

1 grant Idaho Power a waiver from compliance with those portions of the Competitive
2 Bidding Guidelines described herein. Due to the short timelines involved in this RFP,
3 Idaho Power requests that the Commission grant expedited review of this Petition.

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DATED: April 17, 2008.

McDOWELL & RACKNER PC

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Lisa F. Rackner

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Exhibit A

April 1, 2008



Idaho Power Company
1221 West Idaho Street
Boise, Idaho 83702

REQUEST FOR PROPOSALS

2012 Baseload Generation

RFP Issue Date: April 1, 2008

Pre-Bid Conference: May 8, 2008
Boise, Idaho

Proposal Due Date: October 17, 2008

RFP Web site:
www.idahopower.com/aboutus/business/rfp/

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19.0 <u>Attachment G, Additional Required Information</u>	

1.0 Purpose and Scope

Idaho Power Company (Idaho Power or the Company), an electric utility serving southern Idaho and eastern Oregon, issues this Request for Proposals (RFP) to solicit competitive proposals for up to approximately 600 MW of energy. Power purchase agreements (PPA) or tolling agreements (TA), to supply firm or unit contingent energy to support the growing electrical demand in Idaho Power's service territory, will be considered.

The Company is issuing this RFP to solicit offers from qualified suppliers (Respondents). By responding, Respondents are bound by the terms and conditions of this RFP. Idaho Power does not plan to accept proposals from any affiliates. However, Idaho Power does plan to submit and evaluate a natural gas-fired combined cycle combustion turbine (CCCT) to be constructed by Idaho Power (Benchmark Resource) as one of the resource alternatives in this RFP. Proposals submitted pursuant to this RFP will be considered and evaluated against each other and the Benchmark Resource.

Respondent's proposals must be based on the terms and conditions specified in the pro forma PPA or TA provided as Attachments C and D to this RFP. The pro forma PPA and TA contracts (Attachments C and D), will be posted to Idaho Power's RFP website during the month of April 2008. See Section 4.0 for additional information on accessing the RFP Web site.

2.0 Resource Targets

In 2006, Idaho Power filed its *2006 Integrated Resource Plan (IRP)*, with the Idaho Public Utilities Commission (IPUC), and the Oregon Public Utility Commission (OPUC). The plan identifies specific planning assumptions and resource needs for upcoming years. The IRP is available on Idaho Power's Web site at: <http://www.idahopower.com/energycenter/irp/2006/2006IRPFinal.htm>

In its 2006 IRP, Idaho Power identified the need for 250 MW of coal-based generation beginning in 2013. An additional 250 MW of IGCC/Clean Coal generation was identified in 2017. However, due to increased costs of coal-fired resources, transmission costs, concerns regarding permitting, uncertainty with respect to future CO₂ regulations, and other changes in its resource portfolio, Idaho Power decided to: (1) issue this RFP and pursue development of a natural gas-fired CCCT located closer to its Treasure Valley load center as a Benchmark Resource, and (2) accelerate the on-line date of this resource to 2012. Consistent with this shift in generation technology and timing, Idaho Power is seeking the following:

2.1 Product

Idaho Power is seeking dispatch-able, first call, non-recallable, physically delivered firm or unit contingent energy, commencing not later than June 1, 2012, that is dedicated solely to Idaho Power's use. This requirement can be met

through a PPA or TA. Build-and-transfer arrangements are not being considered in this RFP.

2.2 Quantity and Proposal Size

Idaho Power anticipates acquiring between approximately 250 MW and 600 MW of dispatch-able energy. The higher amount would be used to serve potential new load. At present, Idaho Power anticipates reaching a final decision on the quantity in June of 2008.

The minimum proposal size is 50 MW. The maximum proposal size is approximately 600 MW. Idaho Power may combine individual proposals to acquire the specified energy.

2.3 Term

For purposes of this solicitation, Idaho Power is requiring that, at a minimum, each PPA and TA proposal must include a 15-year term proposal with at least one (1) 5-year contract renewal option that can be exercised by Idaho Power upon reasonable notice. Proposals for different contract terms and contract options, in addition to the above-referenced 15-year proposal, are encouraged.

3.0 RFP Schedule¹

The tentative schedule listed below may be revised as the RFP process unfolds:

RFP Issue Date	<i>April 1, 2008</i>
Pre-Bid Conference Date	<i>May 8, 2008, 1:30 PM (Mountain Prevailing Time) Auditoriums East & West Idaho Power Company 1221 West Idaho Street Boise, Idaho 83702</i>
<i>Respondents Transmission Requests Filed²</i>	<i>Respondents are encouraged to submit Interconnection Feasibility Study Requests early in the RFP process</i>
Notice of Intent Deadline	<i>May 23, 2008, 3:00 PM (Mountain Prevailing Time)</i>
Question and Answer Period Closes	<i>August 16, 2008, 4:00 PM (Mountain Prevailing Time) (Questions must be received in writing)</i>
Proposal Due Date	<i>October 17, 2008, 4:00 PM (Mountain Prevailing Time)</i>
Short-List Notification	<i>November 2008</i>
Identify Successful Proposal	<i>January 2009</i>
Complete Negotiations	<i>February 2009</i>
Public Utility Commission Filings	<i>February 2009</i>
Commence Energy Delivery	<i>June 1, 2012</i>

The schedule and deadlines shown above apply to this RFP. The Company reserves the right to revise the RFP schedule at any time. Respondents are responsible for accessing the RFP Web site for updated schedules and possible amendments to the RFP or the solicitation process.

¹ These dates are subject to change depending on the quantity of the proposals received.

² Respondents must submit transmission requests under Idaho Power's OATT. It is mandatory that Respondents submit at least a completed transmission Interconnection Feasibility Study Report with each proposal.

4.0 Guidelines for Submitting Proposals

This section describes the guidelines Respondents must follow when submitting proposals.

4.1 Registration on Idaho Power's RFP Web Site

Idaho Power will maintain the RFP, Proposal forms, pro forma PPA and TA, any RFP addendums, and related documents on its Web site at:

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

Respondents are responsible for registering for the restricted area of the RFP Web site, and periodically checking the restricted area of the site for subsequent updates, notices, and postings.

4.2 General Instructions

All inquiries and other communications relating in any manner to this RFP must be submitted by email to the Idaho Power RFP Contact. In lieu of email communication, RFP inquiries and other communications may be sent via personal delivery, overnight courier, or US Mail. Questions or other communications regarding this RFP must be submitted by the deadline specified in Section 3.0, "RFP Schedule". It is the responsibility of the Respondent to make sure that all of their communications are received by the Idaho Power RFP Contact. Any official response from Idaho Power will be in writing.

The Company may distribute Respondent's questions and the Company's answers to such questions to all other Respondents if the Company deems the question to be of general interest. The Company will endeavor to keep the identity of the Respondents anonymous.

Unsolicited contact about the RFP or the process with other Company personnel or attorneys or consultants retained by the Company may result in disqualification of the Respondent's proposal.

4.3 Pre-Bid Conference

Respondents are encouraged to attend the pre-bid conference. The meeting is tentatively set for:

May 8, 2008, 1:30 PM (Mountain Prevailing Time)

Auditoriums East & West
Idaho Power Company Corporate Headquarters
1221 West Idaho Street,
Boise, Idaho 83702

Pre-Bid Conference participants must sign in with Idaho Power Company Security at the front desk prior to proceeding to the auditorium. A list of Pre-Bid Conference participants will be provided on the RFP Web site.

4.4 Instructions for Submitting a Notice of Intent to Bid (NOI)

Respondents must submit a NOI by the deadline specified in Section 3.0, "RFP Schedule". Please refer to Attachment E for a copy of the NOI form.

A completed NOI must be submitted by Respondents who intend to submit a proposal in response to this RFP. Proposals received from Respondents that have not made a timely submission on an NOI will be returned unopened. Idaho Power will use the list of Respondents who have submitted an NOI as its official RFP communications list. Please submit the NOI to the Idaho Power RFP Contact identified below by confirmed e-mail, confirmed facsimile, Certified Mail, Return Receipt Requested, or overnight courier.

IT IS THE RESPONSIBILITY OF THE RESPONDENT TO INSURE RECEIPT OF THE NOI BY THE IDAHO POWER COMPANY RFP CONTACT BY THE NOI FILING DEADLINE DATE. VOICE TELEPHONE NOTICES WILL NOT BE ACKNOWLEDGED.

4.5 Submitting Proposals

All Respondents must submit with their proposal a "Proposal Summary Form" and a "Proposal Pricing Form" as listed in Attachment F, "Required Respondent Proposal Forms," and the Additional Required Information described in Attachment G.

All proposals must be submitted in the format shown in the "Proposal Summary Form" and include the requested information in Attachments F, and G.

The Interconnection Feasibility Study Report(s) must also be submitted on the Proposal Due Date.

Respondent should, at the time of proposal submittal, supply any additional information not included in the forms if such information may be needed for a thorough understanding or evaluation of the proposal. All responses will be considered commitments to be used in defining any agreement between Idaho Power and the Respondent that may arise from this RFP.

A signed printed original, five (5) printed copies of the proposal, and one (1) electronic copy including all attachments, must be submitted. An electronic copy of the completed proposal, pricing information and all other spread sheets included in the proposal must be submitted in Microsoft Excel or compatible format on compact disc or DVD and included in the proposal package.

An electronic version of the response forms may be downloaded from Idaho Power's RFP Web site at: <http://www.idahopower.com/aboutus/business/rfp/>. In the event of a discrepancy between the electronic forms and the printed copy, the printed copy will be considered to be correct. The Company encourages Respondents to deliver the original proposal and the five printed copies of the proposal in three-ring binders.

A duly authorized officer of the Respondent must sign the proposal.

All proposals, including all attachments, must be properly completed and submitted by overnight courier or Registered or Certified Mail, Return Receipt Requested, in both hard copy and electronic versions, to Idaho Power's RFP Contact.

Baseload RFP
Attn: Celeste Schwendiman
Idaho Power Company
1221 W. Idaho Street
Boise, Idaho 83702

(208) 388-6447 (phone)
(208) 388-6449 (fax)

baseloadRFP@idahopower.com

All proposals must be received by Idaho Power's RFP Contact no later than the Proposal Due Date. Idaho Power will return late proposals unopened. Respondents must provide all data requested in the RFP and the applicable attachments. The Company may summarily eliminate non-specific proposals and incomplete offers from further consideration.

The pro forma PPA (Attachment C) and TA (Attachment D) will be the basis for negotiating the PPA or TA with the successful Respondent(s). Any responses to this RFP will be subject to the use of the pro forma PPA and TA. The Respondent must identify any exceptions to the pro forma agreements, in legislative format (strike and edit), in their RFP response(s).

4.6 Validity of Price and Offer

By submitting a proposal, the Respondent acknowledges and agrees that each of its proposals constitutes an offer that shall remain irrevocable until final contracts are signed with the successful Respondent(s).

Detailed cost estimates for the Benchmark Resource will be used as a referent for screening alternatives. After the Proposal Due Date, changing the proposed Benchmark Resource or re-pricing of proposals is not anticipated; therefore Respondents should provide their lowest cost offer on the Proposal Due Date

Respondents selected for the short-list *may* be given the opportunity to refresh the price components of their proposals during the post-bid negotiation process. Likewise, Idaho Power may be given the opportunity to refresh the price component of its Benchmark Resource costs during the post-bid negotiations. The opportunity to refresh proposals will be applied equally i.e., all Respondents including the Benchmark Resource, or none of the Respondents, including the Benchmark Resource.

4.7 Price and Non-Price Evaluation Criteria

Price comprises 60 percent of the evaluation criteria, reflecting Idaho Power's intent and commitment to obtain the best possible value for customers. Non-price factors, comprising 40 percent of the evaluation criteria, primarily reflect risk and other project attributes of the proposals. Idaho Power will also consider the best combination of price and non-price factors.

4.8 Reservation of Rights

This RFP is not, and shall not be, an offer by Idaho Power. Idaho Power is not bound to enter into negotiations or execute an agreement with, or purchase any products from, any Respondent as a result of this RFP. No rights shall be vested in any Respondent, individual or entity by virtue of its preparation to participate in, or its participation in, this RFP. No binding commitment shall arise on the part of Idaho Power to any Respondent under this RFP until and unless the parties execute definitive agreements that become effective in accordance with their terms.

Each Respondent shall be solely responsible for all costs it incurs in preparing to participate in, participating in, or responding to this RFP.

The proposals received will be evaluated and selected based on the information supplied by each Respondent pursuant to this RFP. Idaho Power reserves the right to modify or withdraw from this RFP process, or modify the RFP Schedule and any provisions contained herein, for any reason. As part of our normal course of business, Idaho Power conducts bilateral discussions with developers and other providers. Idaho Power also reserves the right to make purchase commitments at any time to suppliers not participating in this RFP process.

Idaho Power reserves to itself:

- The selection of short-listed proposals and the awarding of contracts, if any, in the exercise of its sole discretion.
- The right to reject any and all proposals, and any portion of a specific proposal for any reason.
- The right to waive any informality or irregularity in any proposal received.
- The right to award a contract to a Respondent based on a combination of price and non-price factors, a qualitative assessment of portfolio fit, and post-bid negotiations.

Idaho Power shall have no obligation to provide a reason for rejecting any proposal received.

4.9 Confidentiality and Nondisclosure

Idaho Power will take reasonable precautions and use reasonable efforts to protect any proprietary and confidential information contained in a proposal *provided* that such information is clearly identified by Respondent as "Proprietary and

Confidential" on the header section of each page on which proprietary and confidential information appears. Such information may be made available under applicable State or Federal law to regulatory commission(s), their staff(s), or other governmental agencies having an interest in these matters. Idaho Power also reserves the right to release such information to its agents or contractors for the purpose of evaluating Respondent proposals but such agents or contractors will be required to observe the same care with respect to disclosure as Idaho Power. Under no circumstances will Idaho Power or IDACORP, Inc. or their agents or contractors, be liable for any damages resulting from any disclosure during or after the solicitation process.

Respondents are advised that proposals are likely to be the subject matter of discovery in regulatory proceedings. Discovery in these cases is routinely restricted by confidentiality agreements and standard protective orders issued by the regulatory agency.

4.10 Limitation of Liability

Neither the Company nor its employees, directors, shareholders, officers, representatives, agents, contractors, affiliate companies, subsidiaries or parent company shall be liable for any expenses Respondent incurs in connection with preparation of a response to this RFP or for any costs, fees or lost or foregone profits of unsuccessful proposals. The Company will not reimburse Respondents for their expenses under any circumstances, regardless of whether the RFP process proceeds to a successful conclusion or is abandoned by the Company at its sole discretion.

4.11 Document Retention

All proposals and related documents supplied to Idaho Power during the RFP process will become the property of Idaho Power. Idaho Power will retain all proposal materials supplied to it and pertinent information generated internally by it in connection with the RFP process in accordance with Idaho Power's document retention policies. None of the materials timely received as part of a proposal will be returned.

4.12 Performance Assurances

The Company will rely on this RFP to meet the electric needs of its customers with dependable and reliable electric service. As a result, the generation resources supporting any PPA or TA negotiated as a result of the RFP should be in commercial operation with a demonstrated high degree of operating availability by June 1, 2012. For the same reason, the Company will require availability guarantees and liquidated damage provisions substantially similar to those detailed in the pro forma PPA (Attachment C) and TA (Attachment D).

The Company may require Respondents selected for the short-list to provide a bid bond or other financial assurance to provide negotiation security at the time of short-list notification.

5.0 Evaluation Process and General Information

This section generally describes Idaho Power's process for evaluating proposals received in response to this RFP and provides additional general information for Respondents. For additional details about our scoring criteria, see the Section 9.0, "Criteria Used for Scoring Qualified Proposals".

5.1 Reviewing, Ranking, and Selecting Proposals

Proposals will be evaluated using a multi-step process.

- **Assessment of Minimum Qualifications:** Proposals will be screened according to pre-established qualifying criteria, i.e., minimum quantity and term, and quality of credit.
- **Evaluation of Scoring Factors:** Overall scores will be comprised of price and non-price factors. A common set of assumptions, e.g., natural gas price forecast, discount rate, environmental cost adders including CO₂ emissions, etc., will be used to evaluate proposals. These assumptions are listed in Attachment B. If the proposal is based on a pass-through fuel cost arrangement, the natural gas price forecast summarized in Attachment B shall be used by Respondent to project the commodity component of the cost of energy. If the proposal is based on a contractually fixed total energy cost, the proposal must include all information pertinent to the computation of the pricing and its escalation. Idaho Power's total system power supply production costs will be in the evaluation, including fuel and variable operation and maintenance cost, additional fixed cost, incremental transmission costs, and reserves. If any of this information is confidential, it should be clearly noted and Idaho Power will maintain confidentiality per Section 4.9.
- **Negotiations:** Short-listed Respondents will be notified for commencement of negotiations.

Idaho Power reserves the right to request additional information regarding any proposal received at any time. Respondents will not be permitted to update pricing information prior to the commencement of negotiations with short-listed Respondents.

5.2 Natural Gas

In the event Respondent proposes that Idaho Power supply the natural gas to support a PPA or TA, Idaho Power will supply "Pipeline Quality" natural gas at the "Pipeline Operator's Delivery Pressure" (Nominal Operating Pressure). Idaho Power anticipates delivering natural gas at the "Mainline Connection" (Mainline Tap) to the lateral serving Respondents project. Any "Facilities" required beyond the above point "Tap Point" of delivery to address quality, transport, or pressure of the delivered natural gas are the sole responsibility of the Respondent for the duration of the contract.

5.3 Tolling Agreement

The pro forma TA in Attachment D provides for Idaho Power to furnish the fuel to be converted into electricity in the gas-fired generation facility. Idaho Power may be willing to include provisions in a TA whereby Idaho Power would provide both fuel and fuel transportation. Respondents proposing a TA are encouraged to propose pricing and contract language reflecting Idaho Power's provision of both fuel and fuel transportation.

5.4 Carbon Tax Risk

Because of its importance, Respondents should address the impact of any future carbon tax or carbon legislation on the pricing of their proposal. Idaho Power is willing to consider sharing carbon tax risk with the successful Respondent.

5.5 Independent Consultant

Idaho Power plans to use an independent consultant, RW Beck Inc., to help ensure that the RFP is conducted fairly and properly and that all offers are treated objectively and consistently. The independent consultant may:

- Consult with Idaho Power in preparing the RFP and evaluation criteria.
- Consult with Idaho Power on evaluation of proposals; Independently score all or a sample of the proposals to determine whether the selection of the short-list is consistent with the scoring criteria.
- Compare the results of the independent consultant's scoring with Idaho Power's scoring and work with Idaho Power to attempt to reconcile and resolve scoring differences.
- Prepare reports as requested by Idaho Power including reports to the IPUC and OPUC as requested by Idaho Power.

5.6 Alternative Bid Structures

In addition to the requested bid-structures described herein, Respondents may submit alternative proposals that differ from the attached term sheet (Attachment A) with respect to the allocation of risks between the Respondent and Idaho Power, provided the risks assigned to each party are clearly identified in the proposals. Risks may include those for providing fuel, covering environmental damage, and providing firm transmission.

5.7 Point of Delivery and Transmission

Idaho Power's preferred Point of Delivery (POD) is a direct interconnection with Idaho Power's transmission system, located near the Treasure Valley load center. For projects not interconnected to the Idaho Power transmission system, confirmation of firm delivery capability or rights to transmit the proposed energy supply to Idaho Power's system will be required prior to execution of any contracts in connection with this RFP. Respondent will be required to supply all

transmission and POD information as detailed in Attachments G – Additional Required Information.

Respondents will be required to submit a completed transmission Interconnection Feasibility Study Report with their proposal.

5.8 Network Resource Designation

Idaho Power will designate the winning proposal(s) as a Network Resource as defined in Idaho Power's Open Access Transmission Tariff (OATT). The OATT is available at:

http://www.oatioasis.com/IPCO/IPCOdocs/IPC_OATT_Vol_6_Order_890A_205_Filing_Clean.pdf

5.9 Transmission Integration

Idaho Power prefers that the transmission interconnection and integration schemes for any generation resource located on its system be designed such that no re-dispatching of Idaho Power network resources is required to satisfy an N-1 outage condition.

5.10 Most Severe Single Contingency

At present, Idaho Power's most severe single contingency is 330 MW. Any resources identified to support Respondent proposals for a PPA or TA should be designed, interconnected, and integrated in such a manner that Idaho Power's most severe single contingency is not increased from its current level of 330 MW.

Respondents are encouraged to work with Idaho Power's transmission group to ensure that their proposals do not increase Idaho Power's most severe single contingency.

6.0 Minimum Qualifications

To be considered for evaluation, all proposals must meet the minimum requirements in the areas specified below.

- 1. Completed Forms:** Respondents must complete all forms and provide all required information.
- 2. Minimum Quantity:** The minimum proposal quantity is 50 MW.
- 3. Minimum Term:** All Respondents must submit one proposal with a term of 15 years with one (1) 5-year renewal option. Respondents are encouraged to submit additional alternative proposals with either shorter or longer contract duration.
- 4. Environmental Costs:** Respondents must confirm that the price offered includes all environmental costs associated with the proposed resource.

5. Interconnection Feasibility Study Report: All Respondents relying on new generation resources to be developed in Idaho Power's service territory are required to submit an Interconnection Feasibility Study Report with their proposal.

7.0 Credit and Respondent Qualifications

All proposals are contingent upon the Respondent meeting and maintaining the credit requirements established by Idaho Power's Credit Department:

Respondent or Guarantor of Respondent must possess a senior unsecured debt rating, issued or reaffirmed within the last 12 months, of no less than "BBB-" from Standard & Poor's or "Baa3" from Moody's at the time of proposal. The Respondent must be able to provide audited, year-end financial statements for all specific entities proposing to contract with Idaho Power and/or any guarantor(s) within 120 days following the end of each fiscal year. During the term of the PPA or TA the Respondent must be able to provide performance assurances in the event Idaho Power believes Respondent's ability to perform or creditworthiness has become unsatisfactory. The Respondent must be willing to grant a present and continuing security interest in any performance assurances or cash equivalent collateral. Respondent must be willing to enter into credit protection conventions similar to those included in the EEI master agreement.

As applicable, the Respondent must provide documentation, satisfactory to Idaho Power, that it is able to schedule power and operate under industry standards established by the Federal Energy Regulatory Commission (FERC), Western Electricity Coordinating Council (WECC), and the North American Energy Reliability Council (NERC).

8.0 New Projects Used to Support Proposals

Respondents proposing new generation projects to support their proposal(s) must demonstrate that their proposed project(s) can meet in-service date, technology, site control, and fuel supply requirements detailed below.

8.1 Commercial In-Service Date

Projects being developed to support proposals should be able to achieve commercial in-service date of no later than April 1, 2012. The Respondent must identify the power supply source, or sources it intends to use to support its proposal(s) commitments on the Proposal Due Date. Idaho Power will consider projects that begin before the specified dates, provided they meet Idaho Power's portfolio needs.

8.2 Technology

Projects being developed to support proposals shall use commercially viable, dispatch-able, generation technology. The Respondent shall specify the

generation technology it proposes to use and provide preliminary design studies-- completed in sufficient detail to identify all major equipment and components. The Respondent will also provide a site layout plan, and a project milestone schedule indicating critical path elements. For generation technologies that are not in common use by electric utilities, the Respondent shall identify electric projects where the technology is already being used or provide documents describing the technology in reasonable detail.

8.3 Site Control

The Respondent must identify the project site location, show site control, and provide satisfactory evidence that the site is not otherwise committed and is available for the full-term of the proposal. The Respondent must have identified all required site-specific permits and have prepared a plan or schedule for obtaining all permits and licenses.

8.4 Fuel Supply

The Respondent must demonstrate physical and commercial access to adequate fuel supply and fuel transportation for the term of the contract proposed.

9.0 Criteria Used for Scoring Qualified Proposals

This section briefly describes the criteria Idaho Power will use to evaluate proposals submitted in response to the RFP. The following tables summarize these criteria. For a more detailed description of information that should accompany each proposal, see Attachment G, "Required Proposal Information".

Table 1. Evaluation Criteria			
Factors	Descriptions	Subtotal	Total
Price	Price - This category captures all fixed and variable costs of the capacity and energy delivered under the proposal. This evaluation will include the nominal and present worth costs of delivered power.		60%
Non-Price			40%
A	<u>Project Development</u> : This category captures the Respondents general background, financing capability and ability to get the project completed on time. <ol style="list-style-type: none"> 1. Permitting status 2. Developer experience 3. Project financing 4. Site Control 	8%	
B	<u>Project Characteristics</u> : This category captures the physical characteristics of any generation resource necessary to support Respondent's proposal. The evaluation criteria for this category generally addresses physical and operational characteristics associated with the production and delivery of power to Idaho Power. <ol style="list-style-type: none"> 1. Point-of-Delivery³ 2. Resource base of energy project 3. O&M reliability characteristics 4. Extension option 5. Option to purchase after initial term 6. Impact on most severe single contingency 	8%	
C	<u>Product Characteristics</u> : This category scores how well the proposed product matches Idaho Power's operational needs. The evaluation criteria for this category generally address price and performance along with the benefits of flexibility and optionality. <ol style="list-style-type: none"> 1. Guaranteed Availability Factor (GAF) 2. Compensation for failure to meet GAF 3. Flexibility, dispatch and load following capability 4. Contract term 5. Seasonal de-rating 6. Operational limitations 	8%	
D	<u>Project Location</u> : This category captures the siting characteristics of any generation resource(s) necessary to support Respondent proposed projects. <u>Specifically</u> : with EPA's recent announcement to change the ozone standard and the likelihood of Ada County being listed as a non-attainment area, the Company is concerned about potential future operating restrictions being placed on any projects located in the Treasure Valley. Idaho Power's evaluation will strictly scrutinize proposals that are supplied or supported by generation resources planned to be built in Ada or Canyon counties; It will also consider whether community opposition to a plant will delay the completion of necessary facilities.	8%	
E	<u>Environmental</u> : This category captures the environmental impacts of proposals, including CO2 emissions. <ol style="list-style-type: none"> 1. Land use 2. Water use and discharge 3. Fish and wildlife 4. Noise output 5. Emissions 	3%	
F	<u>Credit Factors and Financial Strength</u> : This category captures the creditworthiness and strength of the Respondent's financial sustainability.	5%	
Total:			100%

³ Please refer to Section 11.0 Transmission Interconnection

10.0 Post-Bid Negotiations

Idaho Power's goal is to conduct an efficient post-bid negotiation process. Idaho Power will initiate negotiations with a short-list of Respondents whose proposals rank highest in the evaluation process and whose proposed transactions, Idaho Power believes, in its sole discretion, offer value to Idaho Power's energy supply portfolio for customers, and have a reasonable likelihood of being executed.

The number of Respondents with whom negotiations will be held will depend upon the proposals received, the results of the scoring process and other factors described more fully in the RFP. Selection for the short-list and initiation of negotiations do not constitute a winning bid.

Idaho Power intends to negotiate a price and non-price elements during the post-bid negotiations. Any contract contemplated by this RFP shall not bind Idaho Power until execution of a definitive agreement by both Idaho Power and the Respondent and, if required, the agreement is approved or otherwise authorized by the appropriate regulatory agencies.

Idaho Power shall have no obligation to enter into a definitive agreement with any Respondent to this RFP and, at its sole discretion, may terminate negotiations with any Respondent at any time without liability or obligation to any Respondent. Whether or not, and until, negotiations with Respondents produce final and fully executed contracts satisfactory to Idaho Power for its resource targets under the RFP, Idaho Power reserves the right to pursue any and all other resource options available to it.

Notwithstanding the resource targets identified in the 2006 IRP, Idaho Power reserves the right to vary from these targets based on its evaluation of price and non-price factors.

This competitive RFP is being conducted in consultation with the IPUC, the OPUC, and an independent consultant.

11.0 Transmission Interconnection

The preferred POD for products specified in this RFP is a direct interconnection with Idaho Power's transmission system, located near the Treasure Valley load center. Respondent must identify the POD for each proposal, and will be responsible for all transmission arrangements and costs to the specified POD. These costs could include interconnection costs, transmission service, and upgrade costs.

Most of Idaho Power's long-term rights to transmission are already dedicated to existing resources. While Idaho Power will evaluate each proposal and POD on a case-by-case basis, Respondents should assume that Idaho Power has no un-utilized, long-term firm transmission rights that are available to be re-directed to transmit proposed resources to Idaho Power's service territory.

For proposed projects located within Idaho Power's service territory, interconnection to, and transmission service on, Idaho Power's transmission system will be provided under the terms and conditions of Idaho Power's OATT, Idaho Power's Generator Interconnection Guidelines, and all applicable orders and rules.

Confirmation of firm delivery capability or rights to transmit the proposed energy supply to Idaho Power's system will be required prior to execution of any contracts in connection with this RFP.

12.0 About Idaho Power

Idaho Power was incorporated in 1916 and is involved in the generation, purchase, transmission, distribution and sale of electric energy in a 20,000 square mile area in southern Idaho and eastern Oregon with an estimated population of 911,000. Idaho Power holds franchises in 70 cities in Idaho and 9 cities in eastern Oregon and holds certificates from the respective public utility regulatory authorities to serve all or a portion of 25 counties in Idaho and 3 counties in eastern Oregon. As of December 31, 2007, Idaho Power supplied electric energy to approximately 482,000 general business customers and had approximately 2,028 full-time employees.

Idaho Power owns and operates 17 hydroelectric plants; shares ownership in three coal-fired generating plants, owns and operates two combustion turbine plants and acquires energy from various other renewable resources such as wind, small hydro, geothermal and cogeneration plants.

Idaho Power relies heavily on hydroelectric power for its generating needs. Idaho Power customers continue to benefit from some of the lowest electric rates in the US due to efficient operation of the Company's generation and distribution assets.

ATTACHMENT A

Sample Term Sheet

Sample Term Sheet – For Discussion Only

Product	
Seller	
Purchaser	
Tolling Facility	
Available Hours	
Term	
Contract Quantity	
Available Capacity	
Heat Rate	
VOM:	
Delivery Point	
Quality	
Fuel Delivery Point	
Fuel Supply	
Dispatch	
Availability Guarantee	
Maintenance	
Capacity Charge	

ATTACHMENT B

Summary of Assumptions to be used in Evaluation

General Escalation Rate: 2.5%
Idaho Power's WACC: 8.10%
After Tax Discount Rate: 6.98%

Environmental Adders (2006 Dollars):

CO₂ \$14 per ton
 NOx \$2,600 per ton during May-September
 Mercury \$1,443 per oz in years 2012-2017
 \$1,731 per oz in year 2018 and beyond

Natural Gas Forecast
 2007 Northwest Power
 and Conservation
 Council Forecast

Year	2007 NWPCC Median (2006 \$)	2007 NWPCC Median (nominal)
2012	\$5.37	\$6.23
2013	\$5.30	\$6.30
2014	\$5.17	\$6.30
2015	\$5.23	\$6.53
2016	\$5.33	\$6.82
2017	\$5.41	\$7.10
2018	\$5.53	\$7.44
2019	\$5.59	\$7.71
2020	\$5.66	\$8.00
2021	\$5.72	\$8.28
2022	\$5.78	\$8.58
2023	\$5.84	\$8.89
2024	\$5.91	\$9.22
2025	\$5.97	\$9.54
2026	\$6.05	\$9.91
2027	\$6.14	\$10.31
2028	\$6.22	\$10.71
2029	\$6.31	\$11.13
2030	\$6.39	\$11.56
2031	\$6.48	\$12.01

Note: NWPCC Forecast extends through 2030, value for 2031 is estimated.

ATTACHMENT C
Pro forma Power Purchase Agreement (PPA)

*Pro forma PPA to be posted to Idaho Power's
RFP website during April 2008*

ATTACHMENT D
Pro forma Tolling Agreement (TA)

*Pro forma TA to be posted to Idaho Power's
RFP website during April 2008*

ATTACHMENT E
Notice of Intent to Bid

Notice of Intent to Bid Form
Deadline: May 23, 2008, 3:00 PM (Mountain Prevailing Time)
Page 1 of 2

Date:

- 1. Company Name: _____
- 2. Name of Contact Person: _____
- 3. Mailing Address: _____

- 4. Telephone: _____
- 5. Fax: _____
- 6. E-Mail: _____
- 7. Back-Up Contact: _____
- 8. Agreement Term: _____
- 9. Name of Resources, Physical Location
and Capacity (MW): _____
- 11. Location of Power Supply System: _____
- 12. Power Generation Technology: _____
- 13. Primary Fuel: _____
- 14. Previous Transmission Studies:
(Please identify and attach any previous
transmission studies that assess
interconnection and delivery service from
proposed resources to Idaho Power) _____
- 15. Respondent Classification: (Utility, Qualified Facility, Exempt Wholesale Generator, Power
Marketer, etc.) _____

Notice of Intent to Bid Form
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16. Respondent Qualifications: Describe similar power supply services provided by stating (capacity, location, contract commencement date, contract term, etc.) Also, provide current credit rating and other similar information. Attach additional sheets as needed.

17. Is there any information on this form considered to be confidential or proprietary?
(Please Describe)

Respondent Signature: _____

(Duly Authorized Officer)

Please submit the NOI to the Idaho Power RFP Contact by confirmed e-mail, confirmed facsimile, Certified Mail, Return Receipt Requested, or overnight courier.

IT IS THE RESPONSIBILITY OF THE RESPONDENT TO INSURE RECEIPT OF THE NOI BY THE IDAHO POWER COMPANY RFP CONTACT BY THE NOI FILING DEADLINE DATE. VOICE TELEPHONE NOTICES WILL NOT BE ACKNOWLEDGED.

ATTACHMENT F
Required Respondent Proposal Forms

**Proposal Summary Form
Page 1 of 3**

1. Type of Proposal (PPA or TA): _____

2. Brief Description: _____

3. Company Name: _____

4. Name of Contact: _____

5. Mailing Address: _____

6. Telephone: _____
7. Fax: _____
8. E-Mail: _____
9. Proposed Contract Start Date: _____
10. Proposed Contract End Date: _____
11. Information of Proposal Type: (Check and complete corresponding section)

A. Discrete Unit(s)

Unit Rating Summer (MW)	Unit Rating Winter (MW)	In-Service Date	Equivalent Demand Forced Outage Rate (EFOR) ^[1]	Amount of Unit Presently Under Contract to Others (MW)	Annual Hours Maintenance
(a)	(b)	(c)	(d)	(e)	(f)

[1] Equivalent forced outage rate calculated in accordance with NERC Guidelines.

Proposal Summary Form
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B. Varying, Flexible Portfolio (e.g., Power Marketer)

Volume of Transactions Historical								
	1 st Qtr. 2006	2 nd Qtr. 2006	3 rd Qtr. 2006	4 th Qtr. 2006	1 st Qtr. 2007	2 nd Qtr. 2007	3 rd Qtr. 2007	4 th Qtr. 2007
MW								
GWh								

C. System Sale:

Period 12-mo. Ending December 31	System Summer Peak Load ^[1]	Total System Resources, Summer Capacity Rating ^[1]	Resources on Planned Maintenance During Peak Season	Largest Single System Resource
	(a)	(b)	(c)	(d)
2012				
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				

[1] Include only resources and portions thereof to which Idaho Power will have equal or greater priority as all other firm wholesale customers being served by the resources.

Proposal Summary Form
Page 3 of 3

12. Control Area(s) in which potential resources may be located.

13. Certification: Respondent hereby certifies that all of the statements and representations made in this proposal package, including attached documents, are true to the best of the Respondent's knowledge and belief. Respondent agrees to be bound by its representations and the terms and conditions of the Request for Proposals:

Signed: _____

(Typed): _____

Title: _____

(Duly Authorized)

Date: _____

Proposal Pricing Form
Capacity Pricing
Page 1 of 4

Summarize separate capacity components below which comprise the total delivered cost of capacity delivered into the Idaho Power system for each contract year below, expressed in \$/kW-month. If the Respondent does not provide for a separate capacity charge, indicate "N/A" below. Components of Delivered Capacity Rate to be defined by Respondent on page 2 of 4.

Component of Delivered Capacity Rate (\$/kW-mo.)						
12 Mo. Period Ending December 31	A	B	C	D	E	Total A-E
2012						
2013						
2014						
2015						
2016						
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						

**Proposal Pricing Form
Energy Pricing
Page 3 of 4**

To the extent that the proposal reflects energy pricing on the basis of a fuel cost and a heat rate, indicate the appropriate values for each contract year below. If the proposal reflects energy pricing consisting of one or more discrete energy components associated with delivery into the Idaho Power system, identify the components and resulting total as indicated. Components of Delivered Capacity Rate to be defined by Respondent on page 4 of 4.

12 Mo. Period Ending December 31,	Fuel Cost	Heat Rate	Components of Delivered Energy Rate (\$/MWh)				Total F-I
	\$/MMBtu <i>(if applicable)</i>	MMBtu/MWh <i>(if applicable)</i>	F	G	H	I	
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2017							
2018							
2019							
2030							
2031							

Respondent Profile Form
Page 1 of 1

Company Name:		
Name of Contact:		
Title:		
Mailing Address:		
Telephone:	Fax:	E-mail:

Respondent's general background and principal business:

Legal entity that would be the contracting party to a power purchase contract with Idaho Power. State whether this entity will be formed for the sole purpose of the project and a description of the ownership and debt arrangements:

Respondent's senior unsecured debt rating:

- Standard & Poor's
- Moody's Investor Services, Inc.
- Fitch Ratings
- DBRS

ATTACHMENT G
Additional Required Information

Required Proposal Information

Please use the following format to provide required information regarding each proposal. Wherever possible, enter information directly onto the form retaining the outline and bullet formatting. Include and reference attachments where applicable.

For early-stage projects, please fill out sections as applicable.

If using multiple generation resources, please include response for each source with clearly identified project name.

Project Description

Project Name:

Location:

Initial in-service date(s):

Nameplate capacity (MW):

Expected monthly and annual energy generation (MWh):

Term Sheet:

1. Provide a term sheet describing energy product being proposed and price. A sample term sheet is provided in Attachment A.
2. Submit the appropriate pro forma PPA or TA (Attachments C and D), including all requested amendments to the document in legislative format. All modifications of the credit terms and conditions will be used for the credit evaluation.
3. Include any proposed provisions for contract renewal or extension.

One-or two paragraph summary of proposal:

A. Project Development Criteria

Criteria A1: Permitting and Licensing Status

Progress to Date

1. Describe the progress in development or construction of the project to date, including a description of any contracts or letters of intent signed in connection with the project, or a description of other factors demonstrating project progress.
2. Include current status of project design and engineering, and equipment procurement.

Permitting and Licensing Status

1. List and describe the current status and jurisdictional responsibility for all licenses, permits zoning variances, and other regulatory approvals necessary for the construction and operation of the project.
2. Status categories include: approved, not approved but application submitted, working on application, work on application has not begun.
3. For each license, permit, zoning variance and regulatory approval that has not yet been obtained, show the sequencing and duration of permitting and licensing activities in a project schedule diagram, including expected construction time.
4. For projects in the permitting and licensing phase, identify whether there is opposition to the siting of this project and how this opposition impacts project permitting.
5. Discuss in general terms your approach for resolving these permitting issues or any planned mitigation measures.
6. Could any of these permitting issues significantly delay or prevent successful siting of the project?

Milestone Schedule

Submit an overall milestone schedule for the generating project that identifies all key dates including but not limited to dates for regulatory approvals, finalization of transmission and interconnection agreements, finalization of fuel supply agreements, pre-construction milestones and construction milestones. The schedule that is submitted must be attainable; Respondent will be expected to commit to the schedule as part of an executed agreement; Include all aspects of the development including fuel and transmission infrastructure activities.

Criteria A2: Experience of Developer Team

Provide the following information:

1. Describe the developer's participation in successfully developing power production projects in the U.S., emphasizing projects located in the region and similar to the project proposed.
2. List members of the development team.
3. Provide a resume for each individual, including training, experience with power project development, functions performed, and area of expertise.
4. Summarize the current status and a short description of power project development efforts with which team members have been involved. The summary for each team member should include the type of projects developed (e.g., wind, CCCT, biomass, etc.), current owner of the projects, geographic location and current status, e.g., operating in construction, permitted, retired.
5. Describe business-related litigation or regulatory investigations in which the developer or development team members were previously are currently, or are expected to be engaged.

Criteria A3: Project Financing Plans

Provide the financial information listed below to the extent the information is currently available:

1. Describe whether the Respondent intends to internally finance construction of specific generating project(s), or plans to obtain project financing from another source.
2. Describe any existing commitments by financial institutions and provide documentation supporting these commitments. In lieu of such information, describe the plans for securing such commitments.
3. List the name, telephone number and contact person of the Respondents:
 - 3.a. Commercial bank
 - 3.b. Financial advisor
 - 3.c. Bond underwriter
 - 3.d. Other key financial trustee, advisor, counsel or lender
4. Provide a list of all projects in the development phase, identifying the manufacturer of the principal components, counterparties in power sales agreement(s), the state of completion of the project, the estimated operational date, the original estimated operations date, the percentage of the project is over-or-under-budget, and the project financing sources.
5. Identify the extent to which the Respondent is committed to providing additional assets if necessary to complete the project.
6. Has the Respondent already committed to proceed with construction of specific generating projects? If not, what actions or events would need to occur before the Respondent can commit to such construction?
7. If the decision to proceed with the generating project depends on obtaining power purchase and tolling agreements with third parties, please identify the amount of the project output that needs to be subscribed before the Respondent will proceed with construction, and the amount of firm commitments through executed agreements that the Respondent already has for output from the project.
8. Identify the counterparty, product amount and term of each executed agreement. If such information is confidential, please provide a summary of amounts committed.

Criteria A4: Site Control

Site control is an important factor in our RFP evaluation, and should be interpreted to include the site itself, along with all required easements and access required for the site.

1. Describe the level of control of the generation project site, e.g., ownership, lease option, letter of intent
2. If the Respondent does not have control over the project site, describe the actions already taken to obtain control of the site.

B. Project Characteristics

For energy products that are supplied from a specific generating project, or in the case of a portfolio from several generating projects, provide a reasonably detailed description of the project(s), including the information requested below.

PLEASE ATTACH INTERCONNECTION FEASIBILITY STUDY REPORT(S).

Criteria B1: Point-of-Delivery

1. Identify the POD(s) for the proposal:
2. Provide evidence satisfactory to Idaho Power of the Respondent's ability to deliver the power product to each specified POD on a firm basis. Such evidence would include a Transmission Interconnection Feasibility Study Report and executed applicable interconnection and transmission service agreements:
3. Identify any restrictions on operation imposed by applicable interconnection and transmission agreements. Include any requirement to participate in remedial action schemes or requirements to be subject to re-dispatch as identified by the transmission provider.
4. If the proposed POD is not within Idaho Power's service territory, describe the basis upon which the power is expected to be delivered to Idaho Power's service territory, including:
 - 4.a. Firm Delivery – Describe actions taken to secure firm rights to Idaho Power.
 - 4.b. Identify key dates for finalizing the interconnection and transmission agreements.

Dates	Agreements

5. Identify completion dates for transmission facility additions or modifications necessary to secure such service.

Dates	Transmission Facility Additions

Criteria B2: Resource Base of Energy Project

1. Source of supply: Will the proposal be supplied from:
 - 1.a. A specific project.
 - 1.b. A portfolio of projects.
 - 1.c. A system of sale not necessarily tied to specific projects.
 - 1.d. A financial transaction without reliance on specific resources.
2. Identify all project(s) that will be used to supply the proposal.
3. Describe the project site(s), including a description of the facilities of any thermal energy users and any other major structures related to the production of electricity or thermal energy.
4. Concisely describe the technology used for the generation of electricity, including a technical description of, and vendor for, each turbine generator and emissions control technology, as applicable, and each principal fuel or energy source to be used.

5. Provide the necessary design documents that will enable Idaho Power to evaluate the engineering design, equipment and layout of the project.
6. Describe all licensing and regulatory requirements.
7. For products supplied from portfolios or system sales, will the Respondent assign specific regional resources to support the product should a regional or national resource adequacy standard be implemented? If so, identify the resources.

Criteria B3: O&M Reliability

For each project used to support a proposal, provide the following information.

1. Describe the experience and expertise of the project's current (or proposed, if applicable) O&M operator and the recent operating experience(s) of the plant(s).
2. Describe any training program for the plant staff.
3. Does the project have access to support from a centralized engineering staff? If so, please describe.
4. Provide a list of the major critical spare parts held in inventory by the project, either at the site or at a common inventory location, or indicate if such parts are readily available from the vendor.
5. Are spare transformers installed at the site for backup, or otherwise available to the project?
6. Does the project have a long-term service agreement with the vendor for major equipment?
7. Provide projected or guaranteed forced outage rate.
8. Does project anticipate flexibility in planned outage scheduling & will operator be willing to coordinate with Idaho Power system needs?
9. Does developer/operator have other similar plants in operation, and could they provide spare parts if necessary.
10. List major outages planned during contract period.
11. Describe normal annual maintenance outage for the project, including timing and expected duration.
12. Describe the level of participation that Idaho Power would be given in capital and O&M decisions that could affect reliability of plant operations.
 - 12.a. Would Idaho Power have any rights to require replacement of the plant operator?
 - 12.b. If so, under what conditions would Idaho Power have such rights?
 - 12.c. Describe the Respondent's asset management strategy for future operation of the project.

Criteria B4: Contract Extension Options

Describe any contract extension options offered.

Criteria B5: Option to purchase

Describe any options Respondent is willing offer Idaho Power to purchase the project after an initial term of 5, 10, or x years.

Criteria B6: Impact on most severe single contingency

Please Describe – See section 5.10 of the main body of the RFP.

C. Power Product Characteristics

Resource Output

For *all proposals*, provide the following information on the quantity of firm energy and peak capacity, if applicable, offered to Idaho Power from the project. The amount offered must be the quantity of firm energy and capacity metered at the POD.

Criteria C1: Guaranteed Availability Factor

Provide a Guaranteed Availability Factor (GAF) for all proposals:

1. Products that can supply the contracted quantity of megawatts per hour on a firm basis during all hours of the contract term will be deemed to provide a 100 percent GAF. The GAF should be a monthly value, and not include annual scheduled maintenance.
2. Annual maintenance outages must not be scheduled between November 1 and February 28, and between June 1 and September 30.
3. For year-around products, scheduled maintenance shall not exceed 400 hours per year, except for major overhauls required under a manufacturer's long-term service agreement.
4. Scheduled maintenance outage hours in excess of this requirement will be charged against the GAF.

Criteria C2: Compensational Failure to Meet GAF:

If Respondent proposes compensation that is different from the liquidated damages contained in the pro forma PPA and TA, provide detailed information, including proposed dollar amounts, on how Respondent proposes to compensate Idaho Power if the generating project fails to meet its GAF, *i.e.*, full compensation for replacement power, liquidated damages or other mechanisms (see Attachments C and D)

Criteria C3: Power Product Flexibility

1. Completely describe all dispatch and operating schedule flexibility that will be available to Idaho Power by contract.
2. Describe any restrictions or limitations on Idaho Power's right to dispatch, curtail, or schedule reduced energy output from the product (as applicable).
 - 2.a. For dispatch or curtailment describe:
 - 2.a.1. Minimum run time per dispatch call:
 - 2.a.2. Minimum down time per curtailment:
 - 2.a.3. Identify any limitations on unit starts and stops.
 - 2.a.4. Startup time and costs for a cold start:
 - 2.a.5. Startup time and costs for a warm start:
 - 2.a.6. Startup time and costs for a hot start:
 - 2.a.7. Cost impact of dispatch:
 - 2.a.8. Ramping rates:
 - 2.a.9. Multiple party output issues:
 - 2.b. For turn-down (operation at below 100 percent of base output), provide the following:
 - 2.b.1. Minimum turndown value:
 - 2.b.2. Maximum hour-to-hour adjustment:
 - 2.b.3. Cost impact of turndown, if any:
 - 2.b.4. Multiple party output issues:
3. Please provide information about heat rate degradation for plant turn-down.

4. Will Idaho Power have the right to make real time adjustment to pre-schedules? If so, under what conditions will this right be limited?
5. Will Idaho Power have the right to request inter-hour shaping? If so, under what conditions?
6. Is Respondent willing to give Idaho Power the discretion to schedule annual maintenance? If so state any conditions on such scheduling.
7. How will the operating flexibility (associated with dispatchability, turndown, real time adjustments, and inter-hour shaping) affect O&M costs and capital replacements?
8. How does the Respondent envision Idaho Power communicating its needs for operational flexibility to the project, and how will the project respond to such needs?
9. What other operating flexibility is provided by the project that is not adequately described above?
10. Describe in detail the features in project design that will enable the project to provide this operating flexibility.

Criteria C3: Rights to Firm Energy

For each project used to support a proposal, provide if appropriate, the following information.

1. If the Respondent is offering only a portion of the project's firm energy to Idaho Power, describe each entity's rights to the firm energy produced by the project.
2. Describe the process for coordinating the differing operational requirements of the purchasers.

Criteria C3: Additional Project-Specific Benefits

For all proposals, if you believe that there are other project-specific benefits that Idaho Power would find attractive, describe such benefits and the basis for your belief that Idaho Power would find them attractive.

Criteria C3: Spinning Reserve, Load Following & AGC

1. Describe project's capability to provide spinning reserve (any over-firing capability?)
2. Describe project load following capability.
3. Describe whether or not the project will have the capability of being connected to Idaho Power's Energy Management System and operating on automatic generation control (AGC).
4. Describe project's ability to provide system support through supply of reactive power

Criteria C4: Contract Term

Describe any additional contract term alternatives offered in addition to the required 15 year term with one 5 year renewal option.

Criteria C5: Seasonal De-rating

For each project used to support a proposal, provide if appropriate, the following information.

1. To the extent that the guaranteed quantity of energy, peak capacity (if applicable) or heat rate in the proposal is dependent on ambient temperature, clearly identify and describe the relationship and provide estimates for the range of variation.
2. At a minimum, provide an estimate for the quantity of energy, peak capacity (if applicable) and heat rate at 90 degrees F and 15 degrees F.
3. Please provide information in table format concerning the proposed project(s).

Monthly Output Variability of the Proposal (MWh)

<i>Month</i>	<i>Average Energy On-Peak (MWh)</i>	<i>Average Energy Off-Peak (MWh)</i>
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

Criteria C6: Operational Limitations

For each project used to support a proposal, provide if appropriate, the following information.

1. Other factors relevant to resources supporting a proposal that may prevent the resource from meeting its guaranteed monthly quantities of energy (or peak capacity, if applicable).
2. Environmental restrictions, any conditions on term of air permit, etc.
3. Operational limitations.
4. Other factors relevant to resources supporting a proposal that may prevent the resource from meeting its guaranteed monthly quantities of energy (or peak capacity, if applicable).

D. Project Location

Criteria D: Project Location

Provide a description of the specific project location. Idaho Power is concerned about the impact of degradation of air quality in the Treasure Valley on the long-term availability of energy from generation projects developed in the Treasure Valley. Proposals using generation resources, located in Ada or Canyon Counties, will be stringently scrutinized and may not receive full points for this category. The Company will also consider whether community opposition to a proposed generation facility will delay the completion of necessary facilities.

E. Environmental Characteristics

General Information

Idaho Power is willing to consider other project specific environmental benefits that a Respondent is able to offer that are not mentioned in this solicitation. Respondents are encouraged to describe any such project-specific factors that they believe would be valuable to Idaho Power.

If supplying the product from one or more specific resources, provide the following information for each resource.

1. Project name:
2. Discuss known environmental issues related to the development and operation of the project.
3. Describe environmental impacts of, and existing environmental constraints on, existing and proposed projects.
4. Provide the information requested in the following subsections for existing and proposed projects.

Criteria E1: Land Use (for proposed projects only)

1. Please specify the total acres disturbed by your project.
2. Is the proposed project consistent with the recommended uses of adopted local and state land use plans?
3. Will the project need a zoning change?
4. If there is likely to be public controversy related to the proposed project, please explain.

Criteria E2: Water Use & Discharge:

1. Describe any type and quantity of wastewater discharge.
2. Any applicable use of waste water, e.g., land use applications?
3. Describe any water requirements for production, cooling, or cleaning and the water rights/plans associated with meeting these needs.

Criteria E3 Threatened and Endangered Species

1. If the project site or contiguous areas contain any species of plant or animal life identified as threatened or endangered, please list and explain mitigation measures.
2. If the project site contains any plants or animals being proposed or considered as candidates for threatened or endangered lists, please list and explain mitigation measures.

Criteria E3: Fish and Wildlife

1. Provide copies of wildlife studies that have been performed for the project.
2. For wind generation projects, discuss any avian issues, and describe proposed solutions.
3. For proposed hydroelectric projects, discuss whether in-stream flow studies will be required, or have been performed, and the results from such studies.
4. For proposed hydroelectric projects, discuss major license conditions affecting resource management including, but not limited to, whether fish passage facilities will be required.

Criteria E3: Mitigation

Briefly describe any environmental mitigation methods, both required and volunteered, that are included as part of an operating project or will be included as part of a proposed project.

Criteria E4: Noise (for proposed projects only)

1. Characterize the ambient day and night sound environment in the area surrounding the project site.
2. Describe any noise ordinances applicable to project's proposed location.
3. Provide estimates for the day and night noise levels of the proposed project.
4. Describe proposed sound attenuation strategies or equipment planned for the project.

Criteria E5: Emissions

Complete the following table, and provide the information requested below (as applicable).

Emission Disclosures

<i>Emission</i>	<i>Lbs./MWh and ppm @ minimum & full load operating levels</i>
Sulfur Dioxide:	
Nitrogen Oxide:	
Carbon Dioxide:	
Carbon Monoxide:	
Particulate:	
Solid Waste (i.e. ash):	

Describe the following:

1. Air pollution controls used on the project, *e.g.*, type, emissions controlled and removal efficiency.
2. Whether the proposed project will exceed any criteria of the National Ambient Air Quality Standards (NAAQS) for any pollutant when operating on either primary or backup fuel. Also describe the "Prevention of Significant Deterioration Increment Consumption" due to this project, as applicable.
3. State whether the project requires a federal, state or local "air permit":
4. If relevant, include a copy of this permit, if approved, or a copy of the permit application, if submitted.
5. Are there any renewal requirements associated with the "air permit"
6. Describe any significant toxic air pollutants that may be released from the project:
7. Environmental restrictions, any conditions on term of air permit.
8. Operational limitations (environmental or other).

F. Credit Support and Quality of Credit

All transactions are contingent upon the Respondent, or its credit support provider, meeting and maintaining the credit and performance assurance requirements established by Idaho Power's Credit Risk Management Department.

Criteria F: Credit Factors and Financial Strength

Please provide the following:

1. A corporate organizational chart identifying the Respondent and, if applicable, the Respondent's credit support provider.
2. A list describing the relationship of the Respondent to its credit support provider, the developer and development team, or the thermal host, as applicable.
3. The unsecured credit ratings of the Respondent, the Respondent's credit support provider, the developer and the development team, or the thermal host, as applicable.
4. The most recent summary, opinion or update by S&P, Moody's, Fitch and DBRS, as applicable.
5. The DUNS number of the Respondent, the Respondent's credit support provider, developer and the development team, or the thermal host, as applicable.
6. Respondent's audited financial statements for the three most recent fiscal years (Fiscal Years 2005 – 2007). In the event Respondent cannot provide the information, Respondent shall provide that information for its credit support provider.
7. Audited financial statements for the three most recent fiscal years from the developer and development team.
8. Audited financial statements for the three most recent fiscal years from the thermal host associated with a cogeneration resource, if applicable.
9. Performance Assurance Draft: Letter of Credit or Guaranty, if applicable.

Information for Cogeneration Projects

Name:

Corporate owner:

1. Industrial process at the site
2. Describe in detail the effects that the loss of the cogeneration host would have on continued operation of the cogeneration project, including output, operational flexibility, and price.
3. Pertinent operational information concerning the steam host