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July 3, 2014

**VIA ELECTRONIC FILING AND
FEDERAL EXPRESS**

Attention: Filing Center
Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
Salem, Oregon 97302-1166

Re: Docket UM 1610
Investigation into Qualifying Facility Contracting and Pricing – Idaho
Power Company's Application for Approval of its Replacement Compliance
Filing with Order No. 14-058

Dear Filing Center:

In compliance with ORS 757.205, ORS 758.525, and Order No. 14-058 of Docket UM 1610, Idaho Power Company ("Idaho Power" or "Company") hereby submits for filing an original and three (3) copies of the following:

1. Idaho Power's Application for Approval of Its Replacement Compliance Filing for Avoided Cost Rates, Schedule 85, and Standard Contracts in Compliance with Order No. 14-058;
2. Idaho Power's revised Schedule 85, P.U.C. ORE. No. E-27, Cogeneration and Small Power Production Standard Contract Rates, in both clean and redlined formats; and
3. Idaho Power's revised standard qualifying facilities energy sales agreements in both clean and redline formats.

The Company's filing includes updates to Idaho Power's standard energy sales agreements, its standard avoided cost schedule (Schedule 85), and its standard avoided costs. These documents are meant as a replacement filing for the documents previously filed on April 25, 2014. Copies of the Application and its attachments have been served on all parties to this proceeding as indicated in the Certificate of Service.

Public Utility Commission of Oregon
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Page 2 of 2

The Company respectfully requests an effective date of July 3, 2014, for Schedule 85, Cogeneration and Small Power Production Standard Contract Rates, Sheet Nos. 85-1 through 85-13.

Third Revised Sheet No. 85-1 Schedule 85 Cogeneration and Small Power Production
through Standard Contract Rates
Third Revised Sheet No. 85-13

Also enclosed herein are four (4) copies of Idaho Power's workpapers used to prepare this filing.

If you have any questions, please do not hesitate to contact Donovan E. Walker at (208) 388-5317.

Sincerely,

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

Donovan E. Walker

DEW:csb
Enclosures

1 solar QFs was relevant to the renewable avoided cost rates, and not to the standard non-
2 renewable avoided cost rates. Idaho Power does not have renewable avoided cost rates;
3 thus, the objection and clarification does not apply to Idaho Power. It was agreed that
4 Idaho Power would submit a replacement compliance filing that strictly limited the
5 standard contract revisions to those required by Order No. 14-058 and contained its
6 calculations and workpapers for its standard avoided cost rates in compliance with the
7 Order. It was also agreed that Idaho Power would schedule a web-based conference call
8 workshop for July 10, 2014, for the review of its revised compliance filing. Idaho Power
9 has scheduled this workshop for July 10, 2014.

10 Idaho Power submits herewith revised avoided cost prices in its revised Schedule
11 85, Cogeneration and Small Power Production Standard Contract Rates, as well as
12 revised standard contracts that conform with the Order. Idaho Power last updated its
13 avoided cost rates for Oregon effective on April 25, 2012. Order No. 12-146, Case Nos.
14 UM 1590 and UM 1593.

15 **II. DISCUSSION**

16 Order No. 14-058 directed that: the existing methodology for calculating standard
17 avoided cost prices be modified to account for the capacity contribution of different QF
18 resources and for wind integration costs; certain QF standard avoided cost pricing options
19 be eliminated; the criteria for a "single project" be modified to limit the passive investor
20 exemption to independent family or community based projects; and revised mechanical
21 availability language be adopted for use in standard contracts. The Order also directed
22 annual updates on May 1 to four factors utilized to calculate standard avoided cost rates:
23 updated natural gas prices; on- and off-peak forward-looking electricity market prices;
24 changes to the status of the Production Tax Credit; and any other action or change in an
25 acknowledged Integrated Resource Plan ("IRP") update relevant to the calculation of
26 avoided costs. Errata Order No. 14-114 clarified that the utilities are to file rates and

1 contracts in compliance with the Order on April 25, 2014, and initiate May 1 updates in
2 each subsequent year.

3 Page 15 of Order No. 14-058 addresses the different method for the capacity
4 component included in standard avoided cost rates versus that included in the standard
5 renewable avoided cost rates. The objections and clarification that was granted regarding
6 the calculation of capacity for a solar QF are only relevant to the method described for the
7 standard renewable avoided cost rates. Because Idaho Power does not have standard
8 renewable avoided cost rates, the objections and clarification are not relevant to Idaho
9 Power's avoided cost rates. Idaho Power's submitted rates comply with the directives
10 regarding the calculation of capacity from page 15 of Order No. 14-058 for standard
11 avoided cost rates.

12 Idaho Power has modified its Schedule 85, Cogeneration and Small Power
13 Production Standard Contract Rates, as well as its standard contracts to account for the
14 Commission's directives from Order No. 14-058. Submitted herewith, in both clean and
15 redline format, are Idaho Power's revised Schedule 85 setting forth revised avoided cost
16 rates and six revised standard contracts consisting of: Oregon Standard Energy Sales
17 Agreement for Intermittent Resource; Oregon Standard Energy Sales Agreement for
18 Intermittent Resource Out of Service Territory; Oregon Standard Energy Sales Agreement
19 for Non-Intermittent Resource; and Oregon Standard Energy Sales Agreement for Non-
20 Intermittent Resource Out of Service Territory. Idaho Power also submits herewith
21 workpapers, consisting of the model used to calculate the rates contained in Schedule 85,
22 and a matrix summarizing the changes that were made to the standard contracts. Idaho
23 Power started with its existing Schedule 85, Intermittent, Non-Intermittent, and Out of
24 Service Territory standard contracts and made the changes necessary to comply with the
25 Order. Avoided cost prices utilize inputs from Idaho Power's 2013 IRP.

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III. CONCLUSION

Idaho Power respectfully requests that the Commission find that the Company's revised avoided cost prices, revised standard contract forms, and revised Schedule 85 comply with Order No. 14-058 and Order No. 14-114 and approve them as filed.

Respectfully submitted this 3rd day of July 2014.

IDAHO POWER COMPANY



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1 **CERTIFICATE OF SERVICE**

2 **Docket No. UM 1610**

3 I hereby certify that on July 3, 2014, I served IDAHO POWER COMPANY'S
4 APPLICATION FOR APPROVAL OF ITS REPLACEMENT COMPLIANCE FILING FOR
5 AVOIDED COST RATES, SCHEDULE 85, AND STANDARD CONTRACTS IN
6 COMPLIANCE WITH ORDER NO. 14-058 upon all parties of record in this proceeding by
7 electronic mail only as all parties have waived paper service.

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SCHEDULE 85

COGENERATION AND SMALL POWER PRODUCTION STANDARD CONTRACT RATES

CLEAN FORMAT

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES

AVAILABILITY

Service under this schedule is available for power delivered to the Company's control area within the State of Oregon.

APPLICABILITY

Service under this schedule is applicable to any Seller that:

1. Owns or operates a Qualifying Facility with a Nameplate Capacity rating of 10 MW or less and desires to sell Energy generated by the Qualifying Facility to the Company in compliance with all the terms and conditions of the Standard Contract;
2. Meets all applicable requirements of the Company's Generation Interconnection Process.

For Qualifying Facilities with a Nameplate Capacity rating greater than 10 MW, a negotiated Non-Standard Contract between the Seller and the Company is required.

DEFINITIONS

Energy means the electric energy, expressed in kWh, generated by the Qualifying Facility and delivered by the Seller to the Company in accordance with the conditions of this schedule and the Standard Contract. Energy is measured net of Losses and Station Use.

Generation Interconnection Process is the Company's generation interconnection application and engineering review process developed to ensure a safe and reliable generation interconnection in compliance with all applicable regulatory requirements, Prudent Electrical Practices and national safety standards. The Generation Interconnection Process is managed by the Company's Delivery Business Unit.

Heat Rate Conversion Factor is 7,100 MMBTU divided by 1,000.

Heavy Load (HL) Hours are the daily hours from hour ending 0700-2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. (N)
|
(N)

Intermittent describes a Qualifying Facility that produces electrical energy from the use of wind, solar or run of river hydro as the prime mover.

Light Load (LL) Hours are the daily hours from hour ending 2300-0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. (N)
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(N)

Losses are the loss of electric energy occurring as a result of the transformation and transmission of electric energy from the Qualifying Facility to the Point of Delivery.

Nameplate Capacity means the full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovolt amperes, kilowatts, volts, or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.

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SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

DEFINITIONS (Continued)

Non-Standard Contract is a negotiated contract between any Seller that owns or operates a Qualifying Facility with a nameplate capacity rating greater than 10 MW and desires to sell Energy generated by the Qualifying Facility to the Company. The starting point for negotiation of price is the Avoided Cost Components established in this schedule and may be modified to address specific factors mandated by federal and state law, including

(M)
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(M)

1. The utility's system cost data;
2. The availability of capacity or energy from a Qualifying Facility during the system daily and seasonal peak periods, including:
 - a. The ability of the utility to dispatch the qualifying facility;
 - b. The expected or demonstrated reliability of the qualifying facility;
 - c. The terms of any contract or other legally enforceable obligation, including the duration of the obligation, termination notice requirement and sanctions for non-compliance;
 - d. The extent to which scheduled outages of the qualifying facility can be usefully coordinated with scheduled outages of the utility's facilities;
 - e. The usefulness of energy and capacity supplied from a qualifying facility during system emergencies, including its ability to separate its load from its generation;
 - f. The individual and aggregate value of energy and capacity from qualifying facilities on the electric utility's system; and
 - g. The smaller capacity increments and the shorter lead times available with additions of capacity from qualifying facilities; and
3. The relationship of the availability of energy or capacity from the Qualifying Facility to the ability of the electric utility to avoid costs, including the deferral of capacity additions and the reduction of fossil fuel use; and
4. The costs or savings resulting from variations in line losses from those that would have existed in the absence of purchases from a Qualifying Facility, if the purchasing electric utility generated an equivalent amount of energy itself or purchased an equivalent amount of electric energy or capacity.

Non-Standard Contract is a negotiated contract between any Seller that owns or operates a Qualifying Facility with a Nameplate Capacity rating greater than 10 MW and desires to sell Energy generated by the Qualifying Facility to the Company. The guidelines for negotiating a Non-Standard Contract are more specifically described later in this schedule in Guidelines for Negotiation of Power Purchase Agreements for Qualifying Facilities with Nameplate Capacity of 10 MW or Larger.

Point of Delivery is the location where the Company's and the Seller's electrical facilities are inter-connected or where the Company's and the Seller's host transmission provider's electrical facilities are interconnected.

Prudent Electrical Practices are those practices, methods and equipment that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully and with safety, dependability, efficiency and economy.

PURPA means the Public Utility Regulatory Policies Act of 1978.

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

DEFINITIONS (Continued)

Qualifying Facility or QF is a cogeneration facility or a small power production facility which meets the PURPA criteria for qualification set forth in Subpart B of Part 292, Subchapter K, Chapter I, Title 18, of the Code of Federal Regulations.

Seasonality Factor is the factor used in determining the seasonal purchase price of energy. The applicable factors are:

- 73.50% for Season 1 (March, April, May);
- 120.00% for Season 2 (July, August, November, December);
- 100.00% for Season 3 (June, September, October, January, February).

Seller is any entity that owns or operates a Qualifying Facility and desires to sell Energy to the Company.

Standard Contracts are the pro forma Energy Sales Agreements the Company maintains on file with the Public Utility Commission of Oregon for Intermittent and non-intermittent on-system Qualifying Facilities and Intermittent and non-intermittent off-system Qualifying Facilities, with a Nameplate Capacity of 10 MW or less.

Station Use is electric energy used to operate the Qualifying Facility which is auxiliary to or directly related to the generation of electricity and which, but for the generation of electricity, would not be consumed by the Seller.

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS

There are two separate processes required for a Seller to deliver and sell energy from a Qualifying Facility to the Company. These processes may be completed separately or simultaneously.

1. Generation Interconnection Process

All generation projects physically interconnecting to the Company's electrical system, regardless of size, location or ownership, must successfully complete the Generation Interconnection Process prior to the project delivering energy to the Company. A complete description of the Small Generator Interconnection Procedures, the Interconnection Application and Company contact information is maintained on the Idaho Power website at www.idahopower.com, or Seller may contact the Company's Delivery Business Unit at 1-208-388-2658 for further information.

All generation projects delivering power under the off-system Energy Sales Agreement must successfully complete a comparable Generation Interconnection Process with the Seller's host interconnection provider and transmission provider.

2. Energy Sales Agreement

To begin the process of completing a Standard Contract or negotiating a Non-Standard Contract, for a proposed project, the Seller must submit to the Company a request for an Energy Sales Agreement. All requests will be processed in the order of receipt by the Company.

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS (Continued)

2. Energy Sales Agreement (Continued)

a. Communications

Unless otherwise directed by the Company, all communications to the Company regarding an Energy Sales Agreement should be directed in writing as follows:

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

b. Procedures

- i. The Company's approved Energy Sales Agreement may be obtained from the Company's website at <http://www.idahopower.com> or if the Seller is unable to obtain it from the website, the Company will send a copy within 10 business days of a written request.
- ii. In order to obtain a project specific draft Energy Sales Agreement the Seller must provide in writing to the Company, general project information required for the completion of an Energy Sales Agreement, including, but not limited to:
 - a) Date of request
 - b) Company / Organization that will be the contracting party
 - c) Contract notification information including name, address and telephone number
 - d) Verification that the Qualifying Facility meets the "Eligibility for Standard Rates and Contract" criteria
 - e) Copy of the Qualifying Facility's QF certificate
 - f) Copy of the FERC license (applicable to hydro projects only)
 - g) Location of the proposed project including general area and specific legal property description
 - h) Description of the proposed project including specific equipment models, types, sizes and configurations
 - i) Type of project (wind, hydro, geothermal etc)
 - j) Nameplate capacity of the proposed project
 - k) Schedule 85 pricing option selected
 - l) Desired term of the Energy Sales Agreement
 - m) Annual net energy amount
 - n) Maximum capacity of the Qualifying Facility
 - o) Estimated first energy date
 - p) Estimated operation date
 - q) Point of Delivery
 - r) Status of the Generation Interconnection Process

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS (Continued)

b. Procedures (Continued)

- iii. The Company shall provide a draft Energy Sales Agreement when all information described in Paragraph 2 above has been received in writing from the Seller. Within 15 business days following receipt of all information required in Paragraph 2 the Company will provide the Seller with a draft Energy Sales Agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utility Commission in this Schedule.
- iv. The Company will respond within 15 business days to any written comments and proposals that the Seller provides in response to the draft Energy Sales Agreement.
- v. If the Seller desires to proceed with the Energy Sales Agreement after reviewing the Company's draft Energy Sales Agreement, it may request in writing that the Company prepare a final draft Energy Sales Agreement. In connection with such request, the Seller must provide the Company with an updated status of the Generation Interconnection Process which indicates that the Seller's provided information (i.e. first energy date, operation date, etc.) are realistically attainable and any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft Energy Sales Agreement. Once the Company has received the written request for a final draft Energy Sales Agreement and all additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft Energy Sales Agreement, the Company will provide Seller with a final draft Energy Sales Agreement within 15 business days.
- vi. After reviewing the final draft Energy Sales Agreement, the Seller may either prepare another set of written comments and proposals or approve the final draft Energy Sales Agreement. If the Seller prepares written comments and proposals, the Company will respond within 15 business days to those comments and proposals.
- vii. When both parties are in full agreement as to all terms and conditions of the final draft Energy Sales Agreement, the Company will prepare and forward to the Seller within 15 business days a final executable version of the Energy Sales Agreement. Once the Seller executes the Energy Sales Agreement and returns all copies to the Company, the Company will execute the Energy Sales Agreement. Following the Company's execution a completely executed copy will be returned to the Seller. Prices and other terms and conditions in the Energy Sales Agreement will not be final and binding until the Energy Sales Agreement has been executed by both parties.

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
 (Continued)

AVOIDED COST PRICE

(C)

Standard Avoided Cost Prices for Baseload QF

Year	Capacity Price	Capacity Cost Allocated to On-Peak Hours	Energy Only Price	On-Peak	Off-Peak
	\$/kW-yr	(\$/MWh)	\$/MWh	\$/MWh	\$/MWh
	(a)	(b)	(c)	(d)	(e)
2014	Market Based Prices			\$42.25	\$29.50
2015	2014 through 2015			\$39.75	\$29.09
2016	\$66.20	\$13.62	\$43.16	\$56.78	\$43.16
2017	\$68.19	\$14.03	\$44.82	\$58.85	\$44.82
2018	\$70.24	\$14.45	\$46.72	\$61.17	\$46.72
2019	\$72.34	\$14.88	\$49.30	\$64.18	\$49.30
2020	\$74.51	\$15.33	\$51.98	\$67.31	\$51.98
2021	\$76.75	\$15.79	\$55.90	\$71.69	\$55.90
2022	\$79.05	\$16.26	\$60.49	\$76.75	\$60.49
2023	\$81.42	\$16.75	\$64.48	\$81.23	\$64.48
2024	\$83.86	\$17.25	\$67.94	\$85.19	\$67.94
2025	\$86.37	\$17.77	\$71.86	\$89.63	\$71.86
2026	\$88.96	\$18.30	\$75.63	\$93.93	\$75.63
2027	\$91.63	\$18.85	\$79.88	\$98.73	\$79.88
2028	\$94.38	\$19.41	\$83.40	\$102.81	\$83.40
2029	\$97.22	\$20.00	\$87.39	\$107.39	\$87.39
2030	\$100.13	\$20.60	\$91.79	\$112.39	\$91.79
2031	\$103.14	\$21.21	\$96.25	\$117.46	\$96.25
2032	\$106.23	\$21.85	\$101.27	\$123.12	\$101.27
2033	\$109.41	\$22.50	\$106.00	\$128.50	\$106.00
2034	\$112.70	\$23.18	\$114.03	\$137.21	\$114.03
2035	\$116.08	\$23.88	\$121.87	\$145.75	\$121.87
2036	\$119.56	\$24.59	\$124.93	\$149.52	\$124.93
2037	\$123.15	\$25.33	\$130.92	\$156.25	\$130.92
2038	\$126.84	\$26.09	\$137.10	\$163.19	\$137.10
2039	\$130.64	\$26.87	\$143.47	\$170.34	\$143.47
2040	\$134.56	\$27.68	\$149.99	\$177.67	\$149.99

(C)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

AVOIDED COST PRICE (CONTINUED)

Standard Avoided Cost Prices for Wind QF

(N)

Year	Capacity Price	Capacity Cost Allocated to On-Peak Hours	Energy Only Price	Wind Capacity Contribution	Capacity Payment On-Peak Hours	Wind Integration Charge	On-Peak	Off-Peak
	\$/kW-yr	(\$/MWh)	\$/MWh		\$/MWh	\$/MWh	\$/MWh	\$/MWh
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
2014	Market Based Prices					\$6.50	\$35.75	\$23.00
2015	2014 through 2015					\$6.50	\$33.25	\$22.59
2016	\$66.20	\$13.62	\$43.16	3.9%	\$0.53	\$6.50	\$37.19	\$36.66
2017	\$68.19	\$14.03	\$44.82	3.9%	\$0.55	\$6.50	\$38.87	\$38.32
2018	\$70.24	\$14.45	\$46.72	3.9%	\$0.56	\$6.50	\$40.78	\$40.22
2019	\$72.34	\$14.88	\$49.30	3.9%	\$0.58	\$6.50	\$43.38	\$42.80
2020	\$74.51	\$15.33	\$51.98	3.9%	\$0.60	\$6.50	\$46.08	\$45.48
2021	\$76.75	\$15.79	\$55.90	3.9%	\$0.62	\$6.50	\$50.02	\$49.40
2022	\$79.05	\$16.26	\$60.49	3.9%	\$0.63	\$6.50	\$54.62	\$53.99
2023	\$81.42	\$16.75	\$64.48	3.9%	\$0.65	\$6.50	\$58.63	\$57.98
2024	\$83.86	\$17.25	\$67.94	3.9%	\$0.67	\$6.50	\$62.11	\$61.44
2025	\$86.37	\$17.77	\$71.86	3.9%	\$0.69	\$6.50	\$66.05	\$65.36
2026	\$88.96	\$18.30	\$75.63	3.9%	\$0.71	\$6.50	\$69.84	\$69.13
2027	\$91.63	\$18.85	\$79.88	3.9%	\$0.74	\$6.50	\$74.12	\$73.38
2028	\$94.38	\$19.41	\$83.40	3.9%	\$0.76	\$6.50	\$77.66	\$76.90
2029	\$97.22	\$20.00	\$87.39	3.9%	\$0.78	\$6.50	\$81.67	\$80.89
2030	\$100.13	\$20.60	\$91.79	3.9%	\$0.80	\$6.50	\$86.09	\$85.29
2031	\$103.14	\$21.21	\$96.25	3.9%	\$0.83	\$6.50	\$90.58	\$89.75
2032	\$106.23	\$21.85	\$101.27	3.9%	\$0.85	\$6.50	\$95.62	\$94.77
2033	\$109.41	\$22.50	\$106.00	3.9%	\$0.88	\$6.50	\$100.38	\$99.50
2034	\$112.70	\$23.18	\$114.03	3.9%	\$0.90	\$6.50	\$108.43	\$107.53
2035	\$116.08	\$23.88	\$121.87	3.9%	\$0.93	\$6.50	\$116.30	\$115.37
2036	\$119.56	\$24.59	\$124.93	3.9%	\$0.96	\$6.50	\$119.39	\$118.43
2037	\$123.15	\$25.33	\$130.92	3.9%	\$0.99	\$6.50	\$125.41	\$124.42
2038	\$126.84	\$26.09	\$137.10	3.9%	\$1.02	\$6.50	\$131.62	\$130.60
2039	\$130.64	\$26.87	\$143.47	3.9%	\$1.05	\$6.50	\$138.02	\$136.97
2040	\$134.56	\$27.68	\$149.99	3.9%	\$1.08	\$6.50	\$144.57	\$143.49

(N)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

AVOIDED COST PRICE (CONTINUED)

Standard Avoided Cost Prices for PV Solar QF

Year	Capacity Price	Capacity Cost Allocated to On-Peak Hours	Energy Only Price	PV Solar Capacity Contribution	Capacity Payment On-Peak Hours	On-Peak	Off-Peak
	\$/kW-yr	(\$/MWh)	\$/MWh		\$/MWh	\$/MWh	\$/MWh
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
2014	Market Based Prices					\$42.25	\$29.50
2015	2014 through 2015					\$39.75	\$29.09
2016	\$66.20	\$13.62	\$43.16	32.0%	\$4.36	\$47.52	\$43.16
2017	\$68.19	\$14.03	\$44.82	32.0%	\$4.49	\$49.31	\$44.82
2018	\$70.24	\$14.45	\$46.72	32.0%	\$4.62	\$51.34	\$46.72
2019	\$72.34	\$14.88	\$49.30	32.0%	\$4.76	\$54.06	\$49.30
2020	\$74.51	\$15.33	\$51.98	32.0%	\$4.91	\$56.89	\$51.98
2021	\$76.75	\$15.79	\$55.90	32.0%	\$5.05	\$60.95	\$55.90
2022	\$79.05	\$16.26	\$60.49	32.0%	\$5.20	\$65.69	\$60.49
2023	\$81.42	\$16.75	\$64.48	32.0%	\$5.36	\$69.84	\$64.48
2024	\$83.86	\$17.25	\$67.94	32.0%	\$5.52	\$73.46	\$67.94
2025	\$86.37	\$17.77	\$71.86	32.0%	\$5.69	\$77.55	\$71.86
2026	\$88.96	\$18.30	\$75.63	32.0%	\$5.86	\$81.49	\$75.63
2027	\$91.63	\$18.85	\$79.88	32.0%	\$6.03	\$85.91	\$79.88
2028	\$94.38	\$19.41	\$83.40	32.0%	\$6.21	\$89.61	\$83.40
2029	\$97.22	\$20.00	\$87.39	32.0%	\$6.40	\$93.79	\$87.39
2030	\$100.13	\$20.60	\$91.79	32.0%	\$6.59	\$98.38	\$91.79
2031	\$103.14	\$21.21	\$96.25	32.0%	\$6.79	\$103.04	\$96.25
2032	\$106.23	\$21.85	\$101.27	32.0%	\$6.99	\$108.26	\$101.27
2033	\$109.41	\$22.50	\$106.00	32.0%	\$7.20	\$113.20	\$106.00
2034	\$112.70	\$23.18	\$114.03	32.0%	\$7.42	\$121.45	\$114.03
2035	\$116.08	\$23.88	\$121.87	32.0%	\$7.64	\$129.51	\$121.87
2036	\$119.56	\$24.59	\$124.93	32.0%	\$7.87	\$132.80	\$124.93
2037	\$123.15	\$25.33	\$130.92	32.0%	\$8.11	\$139.03	\$130.92
2038	\$126.84	\$26.09	\$137.10	32.0%	\$8.35	\$145.45	\$137.10
2039	\$130.64	\$26.87	\$143.47	32.0%	\$8.60	\$152.07	\$143.47
2040	\$134.56	\$27.68	\$149.99	32.0%	\$8.86	\$158.85	\$149.99

(N)

(N)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

NET ENERGY PURCHASE PRICE

For contract years one (1) through (15) fifteen, the monthly Net Energy Purchase Price will be calculated as follows:

(D)(M)
(N)

For all Energy delivered to the Company on a monthly basis during HL hours the Net Energy Purchase Price will be:

The On-Peak price from the preceding applicable Standard Avoided Cost Price tables multiplied by the appropriate Seasonality Factor.

For all Energy delivered to the Company on a monthly basis during LL hours the Net Energy Purchase Price will be:

The Off-Peak price from the preceding applicable Standard Avoided Cost Price tables multiplied by the appropriate Seasonality Factor.

(N)

For all periods after the end of the fifteenth (15th) contract year, the Company will pay the Seller monthly, for Energy delivered and accepted at the Point of Delivery in accordance with the Seller's election of the following options:

(C)
(C)

Option 1 – Dead Band Method

(D)
(T)

Net Energy Purchase Price =

On-Peak = (AGPU + Capacity Payment On-Peak Hours) X Seasonality Factor

(C)

Off-Peak = AGPU X Seasonality Factor

(T)

Actual Gas Price Used (AGPU) =

90% of Fuel Cost if

Indexed Fuel Cost is less than 90% Fuel Cost; else

110% of Fuel Cost if

Indexed Fuel Cost is greater than 110% Fuel Cost; else

Indexed Fuel Cost

where

On-Peak and Off-Peak are established in this schedule by QF resource type for the applicable calendar year of the actual Net Energy deliveries to the Company, and

(C)

Indexed Fuel Cost is the applicable weighted monthly average index price of natural gas at Sumas multiplied by the Heat Rate Conversion Factor.

(M)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

NET ENERGY PURCHASE PRICE (Continued)

Option 2 – Gas Market Method

(M)
(T)

Net Energy Purchase Price =

On-Peak = (AGPU + Capacity Payment On-Peak Hours) X Seasonality Factor

(C)

Off-Peak = AGPU X Seasonality Factor

(T)

Actual Gas Price Used (AGPU) = Indexed Fuel Cost

where

On-Peak and Off-Peak are established in this schedule by QF resource type for the applicable calendar year of the actual Net Energy deliveries to the Company, and

(C)

Indexed Fuel Cost is the applicable weighted monthly average index price of natural gas at Sumas multiplied by the Heat Rate Conversion Factor.

MISCELLANEOUS PROVISIONS

Insurance

Qualifying Facilities with a Nameplate Capacity of 200 kilowatts or smaller are not required to provide evidence of liability insurance.

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS FOR QFS WITH A NAMEPLATE CAPACITY OF 10 MW OR LARGER

1. The Company will not impose terms and conditions beyond what is standard practice. The Edison Electric Institute master agreement and the Company's Standard Contracts are useful starting points in negotiating QF agreements.
2. The Company will provide an indicative pricing proposal for a QF that plans to provide firm energy or capacity and chooses avoided cost rates calculated at the time of the obligation. The Company will provide an indicative pricing proposal within 30 days of receipt of the information the Company requires from the QF. The proposal may include other terms and conditions, tailored to the individual characteristics of the proposed project. The avoided cost rates in the indicative pricing proposal will be based on the following:
 - a. The starting point for negotiations is the avoided cost calculated under the modeling methodology approved by the Idaho Public Utilities Commission for QFs over 10 MW, as refined by the Oregon Public Utility Commission to incorporate stochastic analyses of electric and natural gas prices, loads, hydro and unplanned outages.
 - b. The prospective QF may request in writing that the Company prepare a draft power purchase agreement to serve as the basis for negotiations. The Company may require additional information from the QF necessary to prepare a draft agreement.

(M)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
 (Continued)

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS WITH A NAMEPLATE CAPACITY OF 10 MW OR LARGER (Continued)

- (M)
- c. Within 30 days of receiving the required information, the Company will provide a draft power purchase agreement containing a comprehensive set of proposed terms and conditions.
 - d. The QF must submit in writing a statement of its intention to begin negotiations with the Company and may include written comments and proposals. The Company is not obligated to begin negotiations until it receives written notification from the QF. The Company will not unreasonably delay negotiations and will respond in good faith to all proposals by the QF.
 - e. When the parties have agreed, the Company will prepare a final version of the contract within 15 business days. A contract is not final and binding until signed by both parties.
 - f. At any time after 60 days from the date the QF has provided its written notification pursuant to paragraph d., the QF may file a complaint with the Oregon Public Utility Commission asking the Commission to adjudicate any unresolved contract terms and conditions.
3. QFs have the unilateral right to select a contract length of up to 20 years for a PURPA contract. The contract length selected by the QF may impact other contractual issues including, but not limited to, the avoided cost determination with respect to that QF.
 4. The Company should consider the QF to be providing firm energy or capacity if the contract requires delivery of a specified amount of energy or capacity over a specified term and includes sanctions for non-compliance under a legally enforceable obligation. The Company shall not determine that a QF provides no capacity value simply because the Company did not select it through a competitive bidding process. For a QF providing firm energy or capacity:
 - a. The Company and the QF should negotiate the time periods when the QF may schedule outages and the advance notification requirement for such outages, using provisions in the Company's partial requirements tariffs as guidance.
 - b. The QF should be required to make best efforts to meet its capacity obligations during Company system emergencies.
 - c. The Company and the QF should negotiate security, default, damage and termination provisions that keep the Company and its ratepayers whole in the event the QF fails to meet obligations under the contract.
 - d. Delay of commercial operation should not be a cause of termination if the Company determines at the time of contract execution that it will be resource-sufficient as of the QF on-line date specified in the contract; however, damages may be appropriate.
 - e. Lack of natural motive force for testing to prove commercial operation should not be a cause of termination.
 - f. The Company should include a provision in the contract that states the Company may require a QF terminated due to its default and wishing to resume selling to the Company be subject to the terms of the original contract until its end date.
- (M)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
 (Continued)

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS WITH A NAMEPLATE CAPACITY OF 10 MW OR LARGER (Continued)

5. An "as available" obligation for delivery of energy, including deliveries in excess of Nameplate Capacity or the amount committed in the QF contract, should be treated as a non-firm commitment. Non-firm commitments should not be subject to minimum delivery requirements, default damages for construction delay or under-delivery, default damages for the QF choosing to terminate the contract early, or default security for these purposes.
6. For QFs unable to establish creditworthiness, the Company must at a minimum allow the QF to choose either a letter of credit or cash escrow for providing default security. When determining security requirements, the Company should take into account the risk associated with the QF based on such factors as its size and type of supply commitments.
7. When QF rates are based on avoided costs calculated at the time of delivery, the Company should use day-ahead on- and off-peak market index prices at the appropriate market hub(s).
 - a. For QFs providing firm energy or capacity that choose this option, avoided cost rates should be based on day-ahead market index prices for firm purchases.
 - b. For QFs providing energy on an "as available" basis, avoided cost rates should be based on day-ahead market index prices for non-firm purchases.
8. The Company should not make adjustments to standard avoided cost rates other than those approved by the Oregon Public Utility Commission and consistent with these guidelines.
9. The Company should make adjustments to avoided costs for reliability on an expected forward-looking basis. The Company should design QF rates to provide an incentive for the QF to achieve the contracted level and timing of energy deliveries.
10. The Company should make adjustments to avoided costs for dispatchability on a probabilistic, forward-looking basis.
11. If avoided cost rates for a QF are calculated at the time of the obligation and the Company's avoided resource is a fossil fuel plant, the Company should adjust avoided cost rates for the resource deficiency period to take into account avoided fossil fuel price risk.
12. Avoided cost rates for wind QFs should be adjusted for integration cost estimates based on studies conducted for the Company's system, unless the QF contracts for integration services with a third party.
 - a. The Company should use the most recent integration cost data available, consistent with its evaluation of competitively bid and self-build wind resources.
 - b. The portion of integration costs attributable to reserves costs should be based on the difference in such costs between the wind QF and the Company proxy plant.

(M)

(M)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS WITH A NAMEPLATE CAPACITY OF 10 MW OR LARGER (Continued)

- (M)
- c. The Company should base first-year integration costs on the actual level of wind resources in the control area, plus the proposed QF. Integration costs for years two through five of the contract should be based on the expected level of wind resources in the control area each year, including the new resources the Company expects to add. Integration costs should be fixed at the year-five level, adjusted for inflation, for the remainder of the life of the wind projects in the control area.
 - d. The Company is prohibited from using a long-range planning target for wind resources as the basis for integration costs. However, if the Company is subject to near-term targets under a mandatory Renewable Portfolio Standard, the Company may base its integration costs on the level of renewable resources it must acquire over the next 10 years.
 - e. In determining integration costs, the Company should make reasonable estimates regarding the portion of renewable resources to be acquired that will be intermittent resources.
13. The Company should adjust avoided cost rates for QF line losses relative to the Company proxy plant based on a proximity-based approach.
14. The Company should evaluate whether there are potential savings due to transmission and distribution system upgrades that can be avoided or deferred as a result of the QFs location relative to the Company proxy plant and adjust avoided cost rates accordingly.
15. The Company should not adjust avoided cost rates for any distribution or transmission system upgrades needed to accept QF power. Such costs should be separately charged as part of the interconnection process.
16. The Company should not adjust avoided cost rates based on its determination of the additional cost it might incur for any debt imputation by a credit rating agency.
17. Regarding Surplus Sale and Simultaneous Purchase and Sale:
- a. QFs may either contract with the Company for a “surplus sale” or for a “simultaneous purchase and sale” provided, however, that the QFs selection of either such contractual arrangement shall not be inconsistent with any retail tariff provision of the Company then in effect or any agreement between the QF and the Company;
 - b. The two sale/purchase arrangements described in paragraph 17. a will be available to QFs regardless of whether they qualify for standard contracts and rates or non-standard contracts and rates, however the “simultaneous purchase and sale” is not available to QFs not directly connected to the Company’s electrical system;
 - c. The negotiation parameters and guidelines should be the same for both sale/purchase arrangements described in paragraph 17. a; and
 - d. The avoided cost calculations by the Company do not require adjustment solely as a result of the selection of one of the sale/purchase arrangements described in paragraph 17.a., rather than the other.
- (M)

SCHEDULE 85

COGENERATION AND SMALL POWER PRODUCTION STANDARD CONTRACT RATES

REDLINE FORMAT

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES

AVAILABILITY

Service under this schedule is available for power delivered to the Company's control area within the State of Oregon.

APPLICABILITY

Service under this schedule is applicable to any Seller that:

1. Owns or operates a Qualifying Facility with a Nameplate Capacity rating of 10 MW or less and desires to sell Energy generated by the Qualifying Facility to the Company in compliance with all the terms and conditions of the Standard Contract;
2. Meets all applicable requirements of the Company's Generation Interconnection Process.

For Qualifying Facilities with a Nameplate Capacity rating greater than 10 MW, a negotiated Non-Standard Contract between the Seller and the Company is required.

DEFINITIONS

Energy means the electric energy, expressed in kWh, generated by the Qualifying Facility and delivered by the Seller to the Company in accordance with the conditions of this schedule and the Standard Contract. Energy is measured net of Losses and Station Use.

Generation Interconnection Process is the Company's generation interconnection application and engineering review process developed to ensure a safe and reliable generation interconnection in compliance with all applicable regulatory requirements, Prudent Electrical Practices and national safety standards. The Generation Interconnection Process is managed by the Company's Delivery Business Unit.

Heat Rate Conversion Factor is 7,100 MMBTU divided by 1,000.

~~Heavy Load (HL) Hours are the daily hours from hour ending 0700-2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.~~

(N)
|
(N)

Intermittent describes a Qualifying Facility that produces electrical energy from the use of wind, solar or run of river hydro as the prime mover.

~~Light Load (LL) Hours are the daily hours from hour ending 2300-0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.~~

(N)
|
(N)

Losses are the loss of electric energy occurring as a result of the transformation and transmission of electric energy from the Qualifying Facility to the Point of Delivery.

Nameplate Capacity means the full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovolt amperes, kilowatts, volts, or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.

~~Non Standard Contract is a negotiated contract between any Seller that owns or operates a Qualifying Facility with a nameplate capacity rating greater than 10 MW and desires to sell Energy generated by the Qualifying~~

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IDAHO POWER COMPANY ~~SECOND~~THIRD REVISED SHEET NO. 85-1

CANCELS

P.U.C. ORE. NO. E-27 ~~FIRST~~SECOND REVISED SHEET NO. 85-1

~~Facility to the Company. The starting point for negotiation of price is the Avoided Cost Components established in this schedule and may be modified to address specific factors mandated by federal and state law, including~~

~~1. The utility's system cost data;~~

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

DEFINITIONS (Continued)

Non-Standard Contract is a negotiated contract between any Seller that owns or operates a Qualifying Facility with a nameplate capacity rating greater than 10 MW and desires to sell Energy generated by the Qualifying Facility to the Company. The starting point for negotiation of price is the Avoided Cost Components established in this schedule and may be modified to address specific factors mandated by federal and state law, including

(M)
|
(M)

1. The utility's system cost data:

2. The availability of capacity or energy from a Qualifying Facility during the system daily and seasonal peak periods, including:
 - a. The ability of the utility to dispatch the qualifying facility;
 - b. The expected or demonstrated reliability of the qualifying facility;
 - c. The terms of any contract or other legally enforceable obligation, including the duration of the obligation, termination notice requirement and sanctions for non-compliance;
 - d. The extent to which scheduled outages of the qualifying facility can be usefully coordinated with scheduled outages of the utility's facilities;
 - e. The usefulness of energy and capacity supplied from a qualifying facility during system emergencies, including its ability to separate its load from its generation;
 - f. The individual and aggregate value of energy and capacity from qualifying facilities on the electric utility's system; and
 - g. The smaller capacity increments and the shorter lead times available with additions of capacity from qualifying facilities; and
3. The relationship of the availability of energy or capacity from the Qualifying Facility to the ability of the electric utility to avoid costs, including the deferral of capacity additions and the reduction of fossil fuel use; and
4. The costs or savings resulting from variations in line losses from those that would have existed in the absence of purchases from a Qualifying Facility, if the purchasing electric utility generated an equivalent amount of energy itself or purchased an equivalent amount of electric energy or capacity.

Non-Standard Contract is a negotiated contract between any Seller that owns or operates a Qualifying Facility with a Nameplate Capacity rating greater than 10 MW and desires to sell Energy generated by the Qualifying Facility to the Company. The guidelines for negotiating a Non-Standard Contract are more specifically described later in this schedule in Guidelines for Negotiation of Power Purchase Agreements for Qualifying Facilities with Nameplate Capacity of 10 MW or Larger.

Point of Delivery is the location where the Company's and the Seller's electrical facilities are inter-connected or where the Company's and the Seller's host transmission provider's electrical facilities are interconnected.

Prudent Electrical Practices are those practices, methods and equipment that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully and with safety, dependability, efficiency and economy.

PURPA means the Public Utility Regulatory Policies Act of 1978.

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

DEFINITIONS (Continued)

Qualifying Facility or QF is a cogeneration facility or a small power production facility which meets the PURPA criteria for qualification set forth in Subpart B of Part 292, Subchapter K, Chapter I, Title 18, of the Code of Federal Regulations.

Seasonality Factor is the factor used in determining the seasonal purchase price of energy. The applicable factors are:

- 73.50% for Season 1 (March, April, May);
- 120.00% for Season 2 (July, August, November, December);
- 100.00% for Season 3 (June, September, October, January, February).

Seller is any entity that owns or operates a Qualifying Facility and desires to sell Energy to the Company.

Standard Contracts are the pro forma Energy Sales Agreements the Company maintains on file with the Public Utility Commission of Oregon for Intermittent and non-intermittent on-system Qualifying Facilities and Intermittent and non-intermittent off-system Qualifying Facilities, with a Nameplate Capacity of 10 MW or less.

Station Use is electric energy used to operate the Qualifying Facility which is auxiliary to or directly related to the generation of electricity and which, but for the generation of electricity, would not be consumed by the Seller.

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS

There are two separate processes required for a Seller to deliver and sell energy from a Qualifying Facility to the Company. These processes may be completed separately or simultaneously.

1. Generation Interconnection Process

All generation projects physically interconnecting to the Company's electrical system, regardless of size, location or ownership, must successfully complete the Generation Interconnection Process prior to the project delivering energy to the Company. A complete description of the Small Generator Interconnection Procedures, the Interconnection Application and Company contact information is maintained on the Idaho Power website at www.idahopower.com, or Seller may contact the Company's Delivery Business Unit at 1-208-388-2658 for further information.

All generation projects delivering power under the off-system Energy Sales Agreement must successfully complete a comparable Generation Interconnection Process with the Seller's host interconnection provider and transmission provider.

2. Energy Sales Agreement

To begin the process of completing a Standard Contract or negotiating a Non-Standard Contract, for a proposed project, the Seller must submit to the Company a request for an Energy Sales Agreement. All requests will be processed in the order of receipt by the Company.

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS (Continued)

2. Energy Sales Agreement (Continued)

a. Communications

Unless otherwise directed by the Company, all communications to the Company regarding an Energy Sales Agreement should be directed in writing as follows:

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

b. Procedures

- i. The Company's approved Energy Sales Agreement may be obtained from the Company's website at <http://www.idahopower.com> or if the Seller is unable to obtain it from the website, the Company will send a copy within 10 business days of a written request.
- ii. In order to obtain a project specific draft Energy Sales Agreement the Seller must provide in writing to the Company, general project information required for the completion of an Energy Sales Agreement, including, but not limited to:
 - a) Date of request
 - b) Company / Organization that will be the contracting party
 - c) Contract notification information including name, address and telephone number
 - d) Verification that the Qualifying Facility meets the "Eligibility for Standard Rates and Contract" criteria
 - e) Copy of the Qualifying Facility's QF certificate
 - f) Copy of the FERC license (applicable to hydro projects only)
 - g) Location of the proposed project including general area and specific legal property description
 - h) Description of the proposed project including specific equipment models, types, sizes and configurations
 - i) Type of project (wind, hydro, geothermal etc)
 - j) Nameplate capacity of the proposed project
 - k) Schedule 85 pricing option selected
 - l) Desired term of the Energy Sales Agreement
 - m) Annual net energy amount
 - n) Maximum capacity of the Qualifying Facility
 - o) Estimated first energy date
 - p) Estimated operation date
 - q) Point of Delivery
 - r) Status of the Generation Interconnection Process

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

QUALIFYING FACILITY INFORMATION INQUIRY PROCESS (Continued)

b. Procedures (Continued)

- iii. The Company shall provide a draft Energy Sales Agreement when all information described in Paragraph 2 above has been received in writing from the Seller. Within 15 business days following receipt of all information required in Paragraph 2 the Company will provide the Seller with a draft Energy Sales Agreement including current standard avoided cost prices and/or other optional pricing mechanisms as approved by the Oregon Public Utility Commission in this Schedule.
- iv. The Company will respond within 15 business days to any written comments and proposals that the Seller provides in response to the draft Energy Sales Agreement.
- v. If the Seller desires to proceed with the Energy Sales Agreement after reviewing the Company's draft Energy Sales Agreement, it may request in writing that the Company prepare a final draft Energy Sales Agreement. In connection with such request, the Seller must provide the Company with an updated status of the Generation Interconnection Process which indicates that the Seller's provided information (i.e. first energy date, operation date, etc.) are realistically attainable and any additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft Energy Sales Agreement. Once the Company has received the written request for a final draft Energy Sales Agreement and all additional or clarified project information that the Company reasonably determines to be necessary for the preparation of a final draft Energy Sales Agreement, the Company will provide Seller with a final draft Energy Sales Agreement within 15 business days.
- vi. After reviewing the final draft Energy Sales Agreement, the Seller may either prepare another set of written comments and proposals or approve the final draft Energy Sales Agreement. If the Seller prepares written comments and proposals, the Company will respond within 15 business days to those comments and proposals.
- vii. When both parties are in full agreement as to all terms and conditions of the final draft Energy Sales Agreement, the Company will prepare and forward to the Seller within 15 business days a final executable version of the Energy Sales Agreement. Once the Seller executes the Energy Sales Agreement and returns all copies to the Company, the Company will execute the Energy Sales Agreement. Following the Company's execution a completely executed copy will be returned to the Seller. Prices and other terms and conditions in the Energy Sales Agreement will not be final and binding until the Energy Sales Agreement has been executed by both parties.

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

AVOIDED COST COMPONENTS PRICE

(C)

The Avoided Cost Components are calculated based upon the Surrogate Avoided Resource methodology (SAR) for determining the Company's standard avoided costs.

Year	Capacity Cost (mills/kWh)	Fuel Cost (mills/kWh)
2012	Resource Sufficiency Period (2012 through 2015)	
2013		
2014		
2015		
2016	13.56	44.41
2017	13.97	46.73
2018	14.39	49.33
2019	14.82	51.93
2020	15.26	54.68
2021	15.72	57.64
2022	16.20	60.84
2023	16.68	64.05
2024	17.18	67.50
2025	17.70	71.25
2026	18.23	74.99
2027	18.77	79.08
2028	19.34	83.38
2029	19.92	87.89
2030	20.52	92.62
2031	21.13	96.93
2032	21.77	101.74
2033	22.42	106.72
2034	23.09	111.87
2035	23.79	117.17

Standard Avoided Cost Prices for Baseload QF

Year	Capacity Price	Capacity Cost Allocated to On-Peak Hours	Energy Only Price	On-Peak	Off-Peak
	\$/kW-yr	(\$/MWh)	\$/MWh	\$/MWh	\$/MWh
	(a)	(b)	(c)	(d)	(e)
2014	Market Based Prices			\$42.25	\$29.50
2015	2014 through 2015			\$39.75	\$29.09
2016	\$66.20	\$13.62	\$43.16	\$56.78	\$43.16
2017	\$68.19	\$14.03	\$44.82	\$58.85	\$44.82
2018	\$70.24	\$14.45	\$46.72	\$61.17	\$46.72
2019	\$72.34	\$14.88	\$49.30	\$64.18	\$49.30
2020	\$74.51	\$15.33	\$51.98	\$67.31	\$51.98
2021	\$76.75	\$15.79	\$55.90	\$71.69	\$55.90
2022	\$79.05	\$16.26	\$60.49	\$76.75	\$60.49
2023	\$81.42	\$16.75	\$64.48	\$81.23	\$64.48
2024	\$83.86	\$17.25	\$67.94	\$85.19	\$67.94

(C)

2025	\$86.37	\$17.77	\$71.86	\$89.63	\$71.86
2026	\$88.96	\$18.30	\$75.63	\$93.93	\$75.63
2027	\$91.63	\$18.85	\$79.88	\$98.73	\$79.88
2028	\$94.38	\$19.41	\$83.40	\$102.81	\$83.40
2029	\$97.22	\$20.00	\$87.39	\$107.39	\$87.39
2030	\$100.13	\$20.60	\$91.79	\$112.39	\$91.79
2031	\$103.14	\$21.21	\$96.25	\$117.46	\$96.25
2032	\$106.23	\$21.85	\$101.27	\$123.12	\$101.27
2033	\$109.41	\$22.50	\$106.00	\$128.50	\$106.00
2034	\$112.70	\$23.18	\$114.03	\$137.21	\$114.03
2035	\$116.08	\$23.88	\$121.87	\$145.75	\$121.87
2036	\$119.56	\$24.59	\$124.93	\$149.52	\$124.93
2037	\$123.15	\$25.33	\$130.92	\$156.25	\$130.92
2038	\$126.84	\$26.09	\$137.10	\$163.19	\$137.10
2039	\$130.64	\$26.87	\$143.47	\$170.34	\$143.47
2040	\$134.56	\$27.68	\$149.99	\$177.67	\$149.99

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

AVOIDED COST PRICE (CONTINUED)

Standard Avoided Cost Prices for Wind QF

(N)

Year	Capacity Price	Capacity Cost Allocated to On-Peak Hours	Energy Only Price	Wind Capacity Contribution	Capacity Payment On-Peak Hours	Wind Integration Charge	On-Peak	Off-Peak
	\$/kW-yr	(\$/MWh)	\$/MWh		\$/MWh	\$/MWh	\$/MWh	\$/MWh
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
2014	Market Based Prices					\$6.50	\$35.75	\$23.00
2015	2014 through 2015					\$6.50	\$33.25	\$22.59
2016	\$66.20	\$13.62	\$43.16	3.9%	\$0.53	\$6.50	\$37.19	\$36.66
2017	\$68.19	\$14.03	\$44.82	3.9%	\$0.55	\$6.50	\$38.87	\$38.32
2018	\$70.24	\$14.45	\$46.72	3.9%	\$0.56	\$6.50	\$40.78	\$40.22
2019	\$72.34	\$14.88	\$49.30	3.9%	\$0.58	\$6.50	\$43.38	\$42.80
2020	\$74.51	\$15.33	\$51.98	3.9%	\$0.60	\$6.50	\$46.08	\$45.48
2021	\$76.75	\$15.79	\$55.90	3.9%	\$0.62	\$6.50	\$50.02	\$49.40
2022	\$79.05	\$16.26	\$60.49	3.9%	\$0.63	\$6.50	\$54.62	\$53.99
2023	\$81.42	\$16.75	\$64.48	3.9%	\$0.65	\$6.50	\$58.63	\$57.98
2024	\$83.86	\$17.25	\$67.94	3.9%	\$0.67	\$6.50	\$62.11	\$61.44
2025	\$86.37	\$17.77	\$71.86	3.9%	\$0.69	\$6.50	\$66.05	\$65.36
2026	\$88.96	\$18.30	\$75.63	3.9%	\$0.71	\$6.50	\$69.84	\$69.13
2027	\$91.63	\$18.85	\$79.88	3.9%	\$0.74	\$6.50	\$74.12	\$73.38
2028	\$94.38	\$19.41	\$83.40	3.9%	\$0.76	\$6.50	\$77.66	\$76.90
2029	\$97.22	\$20.00	\$87.39	3.9%	\$0.78	\$6.50	\$81.67	\$80.89
2030	\$100.13	\$20.60	\$91.79	3.9%	\$0.80	\$6.50	\$86.09	\$85.29
2031	\$103.14	\$21.21	\$96.25	3.9%	\$0.83	\$6.50	\$90.58	\$89.75
2032	\$106.23	\$21.85	\$101.27	3.9%	\$0.85	\$6.50	\$95.62	\$94.77
2033	\$109.41	\$22.50	\$106.00	3.9%	\$0.88	\$6.50	\$100.38	\$99.50
2034	\$112.70	\$23.18	\$114.03	3.9%	\$0.90	\$6.50	\$108.43	\$107.53
2035	\$116.08	\$23.88	\$121.87	3.9%	\$0.93	\$6.50	\$116.30	\$115.37
2036	\$119.56	\$24.59	\$124.93	3.9%	\$0.96	\$6.50	\$119.39	\$118.43
2037	\$123.15	\$25.33	\$130.92	3.9%	\$0.99	\$6.50	\$125.41	\$124.42
2038	\$126.84	\$26.09	\$137.10	3.9%	\$1.02	\$6.50	\$131.62	\$130.60
2039	\$130.64	\$26.87	\$143.47	3.9%	\$1.05	\$6.50	\$138.02	\$136.97
2040	\$134.56	\$27.68	\$149.99	3.9%	\$1.08	\$6.50	\$144.57	\$143.49

(N)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

AVOIDED COST PRICE (CONTINUED)

Standard Avoided Cost Prices for PV Solar QF

Year	Capacity Price	Capacity Cost Allocated to On-Peak Hours	Energy Only Price	PV Solar Capacity Contribution	Capacity Payment On-Peak Hours	On-Peak	Off-Peak
	\$/kW-yr	(\$/MWh)	\$/MWh		\$/MWh	\$/MWh	\$/MWh
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
2014	Market Based Prices					\$42.25	\$29.50
2015	2014 through 2015					\$39.75	\$29.09
2016	\$66.20	\$13.62	\$43.16	32.0%	\$4.36	\$47.52	\$43.16
2017	\$68.19	\$14.03	\$44.82	32.0%	\$4.49	\$49.31	\$44.82
2018	\$70.24	\$14.45	\$46.72	32.0%	\$4.62	\$51.34	\$46.72
2019	\$72.34	\$14.88	\$49.30	32.0%	\$4.76	\$54.06	\$49.30
2020	\$74.51	\$15.33	\$51.98	32.0%	\$4.91	\$56.89	\$51.98
2021	\$76.75	\$15.79	\$55.90	32.0%	\$5.05	\$60.95	\$55.90
2022	\$79.05	\$16.26	\$60.49	32.0%	\$5.20	\$65.69	\$60.49
2023	\$81.42	\$16.75	\$64.48	32.0%	\$5.36	\$69.84	\$64.48
2024	\$83.86	\$17.25	\$67.94	32.0%	\$5.52	\$73.46	\$67.94
2025	\$86.37	\$17.77	\$71.86	32.0%	\$5.69	\$77.55	\$71.86
2026	\$88.96	\$18.30	\$75.63	32.0%	\$5.86	\$81.49	\$75.63
2027	\$91.63	\$18.85	\$79.88	32.0%	\$6.03	\$85.91	\$79.88
2028	\$94.38	\$19.41	\$83.40	32.0%	\$6.21	\$89.61	\$83.40
2029	\$97.22	\$20.00	\$87.39	32.0%	\$6.40	\$93.79	\$87.39
2030	\$100.13	\$20.60	\$91.79	32.0%	\$6.59	\$98.38	\$91.79
2031	\$103.14	\$21.21	\$96.25	32.0%	\$6.79	\$103.04	\$96.25
2032	\$106.23	\$21.85	\$101.27	32.0%	\$6.99	\$108.26	\$101.27
2033	\$109.41	\$22.50	\$106.00	32.0%	\$7.20	\$113.20	\$106.00
2034	\$112.70	\$23.18	\$114.03	32.0%	\$7.42	\$121.45	\$114.03
2035	\$116.08	\$23.88	\$121.87	32.0%	\$7.64	\$129.51	\$121.87
2036	\$119.56	\$24.59	\$124.93	32.0%	\$7.87	\$132.80	\$124.93
2037	\$123.15	\$25.33	\$130.92	32.0%	\$8.11	\$139.03	\$130.92
2038	\$126.84	\$26.09	\$137.10	32.0%	\$8.35	\$145.45	\$137.10
2039	\$130.64	\$26.87	\$143.47	32.0%	\$8.60	\$152.07	\$143.47
2040	\$134.56	\$27.68	\$149.99	32.0%	\$8.86	\$158.85	\$149.99

(N)

(N)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

NET ENERGY PURCHASE PRICE

~~During the period of resource sufficiency, the Company will pay the Seller the following fixed market based prices:~~

Year	On-Peak (mills/kWh)	Off-Peak (mills/kWh)
2012	23.15	15.92
2013	31.14	23.31
2014	37.00	26.40
2015	40.00	28.65

~~For contract years one (1) through (15) fifteen, the monthly Net Energy Purchase Price will be calculated as follows:~~

~~For all Energy delivered to the Company on a monthly basis during HL hours the Net Energy Purchase Price will be:~~

~~The On-Peak price from the preceding applicable Standard Avoided Cost Price tables multiplied by the appropriate Seasonality Factor.~~

~~For all Energy delivered to the Company on a monthly basis during LL hours the Net Energy Purchase Price will be:~~

~~The Off-Peak price from the preceding applicable Standard Avoided Cost Price tables multiplied by the appropriate Seasonality Factor.~~

~~For all other periods after the end of the fifteenth (15th) contract year, the Company will pay the Seller monthly, for each kWh of Energy delivered and accepted at the Point of Delivery during the preceding calendar month, in accordance with the Seller's election Standard Contract, an amount determined by the Seller's choice of one of the following options:~~

~~Option 1 - Fixed Price Method~~

~~Net Energy Purchase Price =~~

$$\begin{aligned}
 \text{On-peak} &= (\text{Fuel Cost} + \text{Capacity Cost}) \times \text{Seasonality Factor} \\
 \text{Off-peak} &= \text{Fuel Cost} \times \text{Seasonality Factor}
 \end{aligned}$$

~~where~~

~~Fuel Cost and Capacity Cost are the Avoided Cost Components established in this schedule for the applicable calendar year of the actual Net Energy deliveries to the Company.~~

~~Option 21 - Dead Band Method~~

~~Net Energy Purchase Price =~~

$$\begin{aligned}
 \text{On-pPeak} &= (\text{AGPU} + \text{Capacity Cost} \times \text{Payment On-Peak Hours}) \times \text{Seasonality Factor} \\
 \text{Off-pPeak} &= \text{AGPU} \times \text{Seasonality Factor}
 \end{aligned}$$

$$\begin{aligned}
 \text{Actual Gas Price Used (AGPU)} &= \\
 &90\% \text{ of Fuel Cost if}
 \end{aligned}$$

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(N)

(N)

(C)

(C)

(D)

(T)

(C)

(T)

(C)

(M)

Indexed Fuel Cost is less than 90% Fuel Cost; else
110% of Fuel Cost if
Indexed Fuel Cost is greater than 110% Fuel Cost; else
Indexed Fuel Cost

where

~~On-Peak and Off-Peak are Fuel Cost and Capacity Cost are the Avoided Cost Components~~ established in this schedule by QF resource type for the applicable calendar year of the actual Net Energy deliveries to the Company, and

Indexed Fuel Cost is the applicable weighted monthly average index price of natural gas at Sumas multiplied by the Heat Rate Conversion Factor.

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

NET ENERGY PURCHASE PRICE (Continued)Option 32 – Gas Market Method

Net Energy Purchase Price =

On-~~p~~Peak = (AGPU + Capacity ~~Cost~~ Payment On-Peak Hours) X Seasonality Factor (C)Off-~~p~~Peak = AGPU X Seasonality Factor (T)

Actual Gas Price Used (AGPU) = Indexed Fuel Cost

where

On-Peak and Off-Peak are Capacity Cost is the Avoided Cost Component established in this schedule by QF resource type for the applicable calendar year of the actual Net Energy deliveries to the Company, and (C)

Indexed Fuel Cost is the applicable weighted monthly average index price of natural gas at Sumas multiplied by the Heat Rate Conversion Factor.

MISCELLANEOUS PROVISIONSInsurance

Qualifying Facilities with a Nameplate Capacity of 200 kilowatts or smaller are not required to provide evidence of liability insurance.

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS WITH A NAMEPLATE CAPACITY OF 10 MW OR LARGER

1. The Company will not impose terms and conditions beyond what is standard practice. The Edison Electric Institute master agreement and the Company's Standard Contracts are useful starting points in negotiating QF agreements.
2. The Company will provide an indicative pricing proposal for a QF that plans to provide firm energy or capacity and chooses avoided cost rates calculated at the time of the obligation. The Company will provide an indicative pricing proposal within 30 days of receipt of the information the Company requires from the QF. The proposal may include other terms and conditions, tailored to the individual characteristics of the proposed project. The avoided cost rates in the indicative pricing proposal will be based on the following:
 - a. The starting point for negotiations is the avoided cost calculated under the modeling methodology approved by the Idaho Public Utilities Commission for QFs over 10 MW, as refined by the Oregon Public Utility Commission to incorporate stochastic analyses of electric and natural gas prices, loads, hydro and unplanned outages.
 - b. The prospective QF may request in writing that the Company prepare a draft power purchase agreement to serve as the basis for negotiations. The Company may require additional information from the QF necessary to prepare a draft agreement. (M)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS WITH A NAMEPLATE CAPACITY OF 10 MW OR LARGER (Continued)

(M)

- c. Within 30 days of receiving the required information, the Company will provide a draft power purchase agreement containing a comprehensive set of proposed terms and conditions.
 - d. The QF must submit in writing a statement of its intention to begin negotiations with the Company and may include written comments and proposals. The Company is not obligated to begin negotiations until it receives written notification from the QF. The Company will not unreasonably delay negotiations and will respond in good faith to all proposals by the QF.
 - e. When the parties have agreed, the Company will prepare a final version of the contract within 15 business days. A contract is not final and binding until signed by both parties.
 - f. At any time after 60 days from the date the QF has provided its written notification pursuant to paragraph d., the QF may file a complaint with the Oregon Public Utility Commission asking the Commission to adjudicate any unresolved contract terms and conditions.
3. QFs have the unilateral right to select a contract length of up to 20 years for a PURPA contract. The contract length selected by the QF may impact other contractual issues including, but not limited to, the avoided cost determination with respect to that QF.
4. The Company should consider the QF to be providing firm energy or capacity if the contract requires delivery of a specified amount of energy or capacity over a specified term and includes sanctions for non-compliance under a legally enforceable obligation. The Company shall not determine that a QF provides no capacity value simply because the Company did not select it through a competitive bidding process. For a QF providing firm energy or capacity:
- a. The Company and the QF should negotiate the time periods when the QF may schedule outages and the advance notification requirement for such outages, using provisions in the Company's partial requirements tariffs as guidance.
 - b. The QF should be required to make best efforts to meet its capacity obligations during Company system emergencies.
 - c. The Company and the QF should negotiate security, default, damage and termination provisions that keep the Company and its ratepayers whole in the event the QF fails to meet obligations under the contract.
 - d. Delay of commercial operation should not be a cause of termination if the Company determines at the time of contract execution that it will be resource-sufficient as of the QF on-line date specified in the contract; however, damages may be appropriate.
 - e. Lack of natural motive force for testing to prove commercial operation should not be a cause of termination.
 - f. The Company should include a provision in the contract that states the Company may require a QF terminated due to its default and wishing to resume selling to the Company be subject to the terms of the original contract until its end date.

(M)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS WITH A NAMEPLATE CAPACITY OF 10 MW OR LARGER (Continued)

5. An "as available" obligation for delivery of energy, including deliveries in excess of Nameplate Capacity or the amount committed in the QF contract, should be treated as a non-firm commitment. Non-firm commitments should not be subject to minimum delivery requirements, default damages for construction delay or under-delivery, default damages for the QF choosing to terminate the contract early, or default security for these purposes.
6. For QFs unable to establish creditworthiness, the Company must at a minimum allow the QF to choose either a letter of credit or cash escrow for providing default security. When determining security requirements, the Company should take into account the risk associated with the QF based on such factors as its size and type of supply commitments.
7. When QF rates are based on avoided costs calculated at the time of delivery, the Company should use day-ahead on- and off-peak market index prices at the appropriate market hub(s).
 - a. For QFs providing firm energy or capacity that choose this option, avoided cost rates should be based on day-ahead market index prices for firm purchases.
 - b. For QFs providing energy on an "as available" basis, avoided cost rates should be based on day-ahead market index prices for non-firm purchases.
8. The Company should not make adjustments to standard avoided cost rates other than those approved by the Oregon Public Utility Commission and consistent with these guidelines.
9. The Company should make adjustments to avoided costs for reliability on an expected forward-looking basis. The Company should design QF rates to provide an incentive for the QF to achieve the contracted level and timing of energy deliveries.
10. The Company should make adjustments to avoided costs for dispatchability on a probabilistic, forward-looking basis.
11. If avoided cost rates for a QF are calculated at the time of the obligation and the Company's avoided resource is a fossil fuel plant, the Company should adjust avoided cost rates for the resource deficiency period to take into account avoided fossil fuel price risk.
12. Avoided cost rates for wind QFs should be adjusted for integration cost estimates based on studies conducted for the Company's system, unless the QF contracts for integration services with a third party.
 - a. The Company should use the most recent integration cost data available, consistent with its evaluation of competitively bid and self-build wind resources.
 - b. The portion of integration costs attributable to reserves costs should be based on the difference in such costs between the wind QF and the Company proxy plant.

(M)

(M)

SCHEDULE 85
COGENERATION AND SMALL POWER
PRODUCTION STANDARD
CONTRACT RATES
(Continued)

GUIDELINES FOR NEGOTIATION OF POWER PURCHASE AGREEMENTS
FOR QFS WITH A NAMEPLATE CAPACITY OF 10 MW OR LARGER (Continued)

- c. The Company should base first-year integration costs on the actual level of wind resources in the control area, plus the proposed QF. Integration costs for years two through five of the contract should be based on the expected level of wind resources in the control area each year, including the new resources the Company expects to add. Integration costs should be fixed at the year-five level, adjusted for inflation, for the remainder of the life of the wind projects in the control area.
- d. The Company is prohibited from using a long-range planning target for wind resources as the basis for integration costs. However, if the Company is subject to near-term targets under a mandatory Renewable Portfolio Standard, the Company may base its integration costs on the level of renewable resources it must acquire over the next 10 years.
- e. In determining integration costs, the Company should make reasonable estimates regarding the portion of renewable resources to be acquired that will be intermittent resources.
13. The Company should adjust avoided cost rates for QF line losses relative to the Company proxy plant based on a proximity-based approach.
14. The Company should evaluate whether there are potential savings due to transmission and distribution system upgrades that can be avoided or deferred as a result of the QFs location relative to the Company proxy plant and adjust avoided cost rates accordingly.
15. The Company should not adjust avoided cost rates for any distribution or transmission system upgrades needed to accept QF power. Such costs should be separately charged as part of the interconnection process.
16. The Company should not adjust avoided cost rates based on its determination of the additional cost it might incur for any debt imputation by a credit rating agency.
17. Regarding Surplus Sale and Simultaneous Purchase and Sale:
- a. QFs may either contract with the Company for a "surplus sale" or for a "simultaneous purchase and sale" provided, however, that the QFs selection of either such contractual arrangement shall not be inconsistent with any retail tariff provision of the Company then in effect or any agreement between the QF and the Company;
- b. The two sale/purchase arrangements described in paragraph 17. a will be available to QFs regardless of whether they qualify for standard contracts and rates or non-standard contracts and rates, however the "simultaneous purchase and sale" is not available to QFs not directly connected to the Company's electrical system;
- c. The negotiation parameters and guidelines should be the same for both sale/purchase arrangements described in paragraph 17. a; and
- d. The avoided cost calculations by the Company do not require adjustment solely as a result of the selection of one of the sale/purchase arrangements described in paragraph 17.a., rather than the other.

**WORKPAPERS
FOR
SCHEDULE 85**

Exhibit 1
Standard Avoided Cost Prices for Baseload QF

Year	Capacity Price	Capacity Cost Allocated to On-Peak Hours	Energy Only Price	On-Peak	Off-Peak
	\$/kW-yr	(\$/MWh)	\$/MWh	\$/MWh	\$/MWh
	(a)	(b)	(c)	(d)	(e)
		(a) / (8.76 x 100.0% x 55.5%)		(b) + (c)	(b)

Year	Market Based Prices			On-Peak	Off-Peak
2014	Market Based Prices			\$42.25	\$29.50
2015	2014 through 2015			\$39.75	\$29.09
2016	\$66.20	\$13.62	\$43.16	\$56.78	\$43.16
2017	\$68.19	\$14.03	\$44.82	\$58.85	\$44.82
2018	\$70.24	\$14.45	\$46.72	\$61.17	\$46.72
2019	\$72.34	\$14.88	\$49.30	\$64.18	\$49.30
2020	\$74.51	\$15.33	\$51.98	\$67.31	\$51.98
2021	\$76.75	\$15.79	\$55.90	\$71.69	\$55.90
2022	\$79.05	\$16.26	\$60.49	\$76.75	\$60.49
2023	\$81.42	\$16.75	\$64.48	\$81.23	\$64.48
2024	\$83.86	\$17.25	\$67.94	\$85.19	\$67.94
2025	\$86.37	\$17.77	\$71.86	\$89.63	\$71.86
2026	\$88.96	\$18.30	\$75.63	\$93.93	\$75.63
2027	\$91.63	\$18.85	\$79.88	\$98.73	\$79.88
2028	\$94.38	\$19.41	\$83.40	\$102.81	\$83.40
2029	\$97.22	\$20.00	\$87.39	\$107.39	\$87.39
2030	\$100.13	\$20.60	\$91.79	\$112.39	\$91.79
2031	\$103.14	\$21.21	\$96.25	\$117.46	\$96.25
2032	\$106.23	\$21.85	\$101.27	\$123.12	\$101.27
2033	\$109.41	\$22.50	\$106.00	\$128.50	\$106.00
2034	\$112.70	\$23.18	\$114.03	\$137.21	\$114.03
2035	\$116.08	\$23.88	\$121.87	\$145.75	\$121.87
2036	\$119.56	\$24.59	\$124.93	\$149.52	\$124.93
2037	\$123.15	\$25.33	\$130.92	\$156.25	\$130.92
2038	\$126.84	\$26.09	\$137.10	\$163.19	\$137.10
2039	\$130.64	\$26.87	\$143.47	\$170.34	\$143.47
2040	\$134.56	\$27.68	\$149.99	\$177.67	\$149.99

Columns

- (a) Full Fixed Cost of a Proxy CCCT less capitalized energy
- (b) 100.0% is the on-peak capacity factor of the Proxy Resource
- (c) Fuel and Capitalized Energy Cost of the Proxy CCCT
- (d) 2014-2015 On-Peak Market Prices
- (e) 2014-2015 Off-Peak Market Prices

Exhibit 2
Standard Avoided Cost Prices for Wind QF

Year	Capacity Price	Capacity Cost Allocated to On-Peak Hours	Energy Only Price	Wind Capacity Contribution	Capacity Payment On-Peak Hours	Wind Integration Charge	On-Peak	Off-Peak
	\$/kW-yr	(\$/MWh)	\$/MWh		\$/MWh	\$/MWh	\$/MWh	\$/MWh
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
		(a) / (8.76 x 100.0% x 55.5%)			(b) * (d)		(c) + (e) - (f)	(c) - (f)
2014	Market Based Prices					\$6.50	\$35.75	\$23.00
2015	2014 through 2015					\$6.50	\$33.25	\$22.59
2016	\$66.20	\$13.62	\$43.16	3.9%	\$0.53	\$6.50	\$37.19	\$36.66
2017	\$68.19	\$14.03	\$44.82	3.9%	\$0.55	\$6.50	\$38.87	\$38.32
2018	\$70.24	\$14.45	\$46.72	3.9%	\$0.56	\$6.50	\$40.78	\$40.22
2019	\$72.34	\$14.88	\$49.30	3.9%	\$0.58	\$6.50	\$43.38	\$42.80
2020	\$74.51	\$15.33	\$51.98	3.9%	\$0.60	\$6.50	\$46.08	\$45.48
2021	\$76.75	\$15.79	\$55.90	3.9%	\$0.62	\$6.50	\$50.02	\$49.40
2022	\$79.05	\$16.26	\$60.49	3.9%	\$0.63	\$6.50	\$54.62	\$53.99
2023	\$81.42	\$16.75	\$64.48	3.9%	\$0.65	\$6.50	\$58.63	\$57.98
2024	\$83.86	\$17.25	\$67.94	3.9%	\$0.67	\$6.50	\$62.11	\$61.44
2025	\$86.37	\$17.77	\$71.86	3.9%	\$0.69	\$6.50	\$66.05	\$65.36
2026	\$88.96	\$18.30	\$75.63	3.9%	\$0.71	\$6.50	\$69.84	\$69.13
2027	\$91.63	\$18.85	\$79.88	3.9%	\$0.74	\$6.50	\$74.12	\$73.38
2028	\$94.38	\$19.41	\$83.40	3.9%	\$0.76	\$6.50	\$77.66	\$76.90
2029	\$97.22	\$20.00	\$87.39	3.9%	\$0.78	\$6.50	\$81.67	\$80.89
2030	\$100.13	\$20.60	\$91.79	3.9%	\$0.80	\$6.50	\$86.09	\$85.29
2031	\$103.14	\$21.21	\$96.25	3.9%	\$0.83	\$6.50	\$90.58	\$89.75
2032	\$106.23	\$21.85	\$101.27	3.9%	\$0.85	\$6.50	\$95.62	\$94.77
2033	\$109.41	\$22.50	\$106.00	3.9%	\$0.88	\$6.50	\$100.38	\$99.50
2034	\$112.70	\$23.18	\$114.03	3.9%	\$0.90	\$6.50	\$108.43	\$107.53
2035	\$116.08	\$23.88	\$121.87	3.9%	\$0.93	\$6.50	\$116.30	\$115.37
2036	\$119.56	\$24.59	\$124.93	3.9%	\$0.96	\$6.50	\$119.39	\$118.43
2037	\$123.15	\$25.33	\$130.92	3.9%	\$0.99	\$6.50	\$125.41	\$124.42
2038	\$126.84	\$26.09	\$137.10	3.9%	\$1.02	\$6.50	\$131.62	\$130.60
2039	\$130.64	\$26.87	\$143.47	3.9%	\$1.05	\$6.50	\$138.02	\$136.97
2040	\$134.56	\$27.68	\$149.99	3.9%	\$1.08	\$6.50	\$144.57	\$143.49

Columns

- (a) Full Fixed Cost of a Proxy CCCT less capitalized energy
- (b) 100.0% is the on-peak capacity factor of the Proxy Resource
- (c) Fuel and Capitalized Energy Cost of the Proxy CCCT
- (f) 2014-2015 On-Peak Market Prices
- (g) 2014-2015 Off-Peak Market Prices

Exhibit 3
Standard Avoided Cost Prices for PV Solar QF

Year	Capacity Price	Capacity Cost Allocated to On-Peak Hours	Energy Only Price	PV Solar Capacity Contribution	Capacity Payment On-Peak Hours	On-Peak	Off-Peak
	\$/kW-yr	(\$/MWh)	\$/MWh		\$/MWh	\$/MWh	\$/MWh
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
		(a) / (8.76 x 100.0% x 55.5%)			(b) * (d)	(c) + (e)	= (c)

Year	Market Based Prices					On-Peak	Off-Peak
Year	2014 through 2015					\$/MWh	\$/MWh
2014						\$42.25	\$29.50
2015						\$39.75	\$29.09
2016	\$66.20	\$13.62	\$43.16	32.0%	\$4.36	\$47.52	\$43.16
2017	\$68.19	\$14.03	\$44.82	32.0%	\$4.49	\$49.31	\$44.82
2018	\$70.24	\$14.45	\$46.72	32.0%	\$4.62	\$51.34	\$46.72
2019	\$72.34	\$14.88	\$49.30	32.0%	\$4.76	\$54.06	\$49.30
2020	\$74.51	\$15.33	\$51.98	32.0%	\$4.91	\$56.89	\$51.98
2021	\$76.75	\$15.79	\$55.90	32.0%	\$5.05	\$60.95	\$55.90
2022	\$79.05	\$16.26	\$60.49	32.0%	\$5.20	\$65.69	\$60.49
2023	\$81.42	\$16.75	\$64.48	32.0%	\$5.36	\$69.84	\$64.48
2024	\$83.86	\$17.25	\$67.94	32.0%	\$5.52	\$73.46	\$67.94
2025	\$86.37	\$17.77	\$71.86	32.0%	\$5.69	\$77.55	\$71.86
2026	\$88.96	\$18.30	\$75.63	32.0%	\$5.86	\$81.49	\$75.63
2027	\$91.63	\$18.85	\$79.88	32.0%	\$6.03	\$85.91	\$79.88
2028	\$94.38	\$19.41	\$83.40	32.0%	\$6.21	\$89.61	\$83.40
2029	\$97.22	\$20.00	\$87.39	32.0%	\$6.40	\$93.79	\$87.39
2030	\$100.13	\$20.60	\$91.79	32.0%	\$6.59	\$98.38	\$91.79
2031	\$103.14	\$21.21	\$96.25	32.0%	\$6.79	\$103.04	\$96.25
2032	\$106.23	\$21.85	\$101.27	32.0%	\$6.99	\$108.26	\$101.27
2033	\$109.41	\$22.50	\$106.00	32.0%	\$7.20	\$113.20	\$106.00
2034	\$112.70	\$23.18	\$114.03	32.0%	\$7.42	\$121.45	\$114.03
2035	\$116.08	\$23.88	\$121.87	32.0%	\$7.64	\$129.51	\$121.87
2036	\$119.56	\$24.59	\$124.93	32.0%	\$7.87	\$132.80	\$124.93
2037	\$123.15	\$25.33	\$130.92	32.0%	\$8.11	\$139.03	\$130.92
2038	\$126.84	\$26.09	\$137.10	32.0%	\$8.35	\$145.45	\$137.10
2039	\$130.64	\$26.87	\$143.47	32.0%	\$8.60	\$152.07	\$143.47
2040	\$134.56	\$27.68	\$149.99	32.0%	\$8.86	\$158.85	\$149.99

Columns

- (a) Full Fixed Cost of a Proxy CCCT less capitalized energy
- (b) 100.0% is the on-peak capacity factor of the Proxy Resource
- (c) Fuel and Capitalized Energy Cost of the Proxy CCCT
- (f) 2014-2015 On-Peak Market Prices
- (g) 2014-2015 Off-Peak Market Prices

Exhibit 4
Standard Avoided Cost Prices - Summary

Deliveries During Calendar Year	Baseload QF		Wind QF		PV Solar QF	
	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Energy Price	Off-Peak Energy Price	On-Peak Energy Price	Off-Peak Energy Price
	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh	\$/MWh
	(a)	(b)	(c)	(d)	(e)	(f)
2014	42.25	29.50	35.75	23.00	42.25	29.50
2015	39.75	29.09	33.25	22.59	39.75	29.09
2016	56.78	43.16	37.19	36.66	47.52	43.16
2017	58.85	44.82	38.87	38.32	49.31	44.82
2018	61.17	46.72	40.78	40.22	51.34	46.72
2019	64.18	49.30	43.38	42.80	54.06	49.30
2020	67.31	51.98	46.08	45.48	56.89	51.98
2021	71.69	55.90	50.02	49.40	60.95	55.90
2022	76.75	60.49	54.62	53.99	65.69	60.49
2023	81.23	64.48	58.63	57.98	69.84	64.48
2024	85.19	67.94	62.11	61.44	73.46	67.94
2025	89.63	71.86	66.05	65.36	77.55	71.86
2026	93.93	75.63	69.84	69.13	81.49	75.63
2027	98.73	79.88	74.12	73.38	85.91	79.88
2028	102.81	83.40	77.66	76.90	89.61	83.40
2029	107.39	87.39	81.67	80.89	93.79	87.39
2030	112.39	91.79	86.09	85.29	98.38	91.79
2031	117.46	96.25	90.58	89.75	103.04	96.25
2032	123.12	101.27	95.62	94.77	108.26	101.27
2033	128.50	106.00	100.38	99.50	113.20	106.00
2034	137.21	114.03	108.43	107.53	121.45	114.03
2035	145.75	121.87	116.30	115.37	129.51	121.87
2036	149.52	124.93	119.39	118.43	132.80	124.93
2037	156.25	130.92	125.41	124.42	139.03	130.92
2038	163.19	137.10	131.62	130.60	145.45	137.10
2039	170.34	143.47	138.02	136.97	152.07	143.47
2040	177.67	149.99	144.57	143.49	158.85	149.99

- (1) Capacity Contribution to Peak for Avoided Proxy Resource and Baseload QF resource are assumed 100%.
- (2) The standard avoided cost price for wind is reduced by an integration charge of \$6.50
If QF wind resource is not in Idaho Power's BAA, no reduction is required.
- (3) Sufficiency Period ends December 31, 2015 and Deficiency Period begins January 1, 2016.

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	1/2013	2/2013	3/2013	4/2013	5/2013	6/2013
Load Forecast (95th% w/ no DSM)	(2,513)	(2,392)	(2,099)	(1,978)	(2,813)	(3,272)
Existing DSM (Energy Efficiency)	7	7	7	8	8	8
Peak-Hour Forecast w/ demand response	(2,505)	(2,384)	(2,092)	(1,971)	(2,805)	(3,264)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(2,505)	(2,384)	(2,092)	(1,971)	(2,805)	(3,264)
Existing Resources						
Coal						
Gas (Langley Gulch)	1,024	1,024	1,024	1,024	966	1,024
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	854	1,085	1,023	1,062	1,133	1,027
Shoshone Falls Upgrade (90 th %)	245	246	224	244	347	360
Shoshone Falls Upgrade (90 th %)	0	0	0	0	0	0
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,099	1,331	1,247	1,306	1,480	1,387
CSPP (PURPA)	73	76	82	117	163	171
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	11	22	22	22	22	22
Clatskanie Exchange - Take	4	4	4	6	6	7
Clatskanie Exchange - Return	0	0	(10)	(15)	0	0
Total Power Purchase Agreements	29	40	30	27	42	43
Firm Pacific NW Import Capability	0	0	0	0	205	292
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	2,940	3,186	3,099	3,189	3,572	3,632
Monthly Surplus/Deficit	0	0	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	0	0	0	1	2	3
Commercial	6	6	6	6	6	7
Residential	0	0	0	0	0	0
Total New DSM Peak Reduction	6	6	6	7	9	10
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2013	8/2013	9/2013	10/2013	11/2013	12/2013
Load Forecast (95th% w/ no DSM)	(3,390)	(3,035)	(2,785)	(2,033)	(2,274)	(2,690)
Existing DSM (Energy Efficiency)	8	8	8	8	7	7
Peak-Hour Forecast w/ demand response	(3,382)	(3,027)	(2,778)	(2,026)	(2,267)	(2,683)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(3,382)	(3,027)	(2,778)	(2,026)	(2,267)	(2,683)
Existing Resources						
Coal						
Gas (Langley Gulch)	1,024	1,024	1,024	1,024	1,024	1,024
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	916	878	761	887	673	938
Shoshone Falls Upgrade (90 th %)	304	270	255	249	240	245
Shoshone Falls Upgrade (90 th %)	0	0	0	0	0	0
Sho-Ban Water Lease	48	0	0	0	0	0
Total Hydro (90th%)	1,268	1,148	1,016	1,136	912	1,183
CSPP (PURPA)	177	168	155	117	84	77
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	6	4	3	1	2	3
Clatskanie Exchange - Return	0	0	0	(10)	(15)	0
Total Power Purchase Agreements	41	40	39	27	23	39
Firm Pacific NW Import Capability	194	264	68	0	0	0
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,420	3,359	3,018	3,020	2,759	3,038
Monthly Surplus/Deficit	0	0	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	3	3	1	0	0	0
Commercial	7	7	6	6	6	6
Residential	0	0	0	0	0	0
Total New DSM Peak Reduction	10	9	8	7	6	7
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	1/2014	2/2014	3/2014	4/2014	5/2014	6/2014
Load Forecast (95th% w/ no DSM)	(2,548)	(2,417)	(2,129)	(2,010)	(2,868)	(3,325)
Existing DSM (Energy Efficiency)	14	14	14	15	16	16
Peak-Hour Forecast w/ demand response	(2,534)	(2,403)	(2,115)	(1,996)	(2,852)	(3,310)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(2,534)	(2,403)	(2,115)	(1,996)	(2,852)	(3,310)
Existing Resources						
Coal						
Gas (Langley Gulch)	1,024	1,024	1,024	966	1,024	1,024
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	852	1,078	1,017	1,061	1,132	1,024
Shoshone Falls Upgrade (90 th %)	244	245	224	243	343	356
Shoshone Falls Upgrade (90 th %)	0	0	0	0	0	0
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,097	1,323	1,241	1,304	1,475	1,380
CSPP (PURPA)	75	89	93	128	174	182
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	11	22	22	22	22	22
Clatskanie Exchange - Take	4	4	4	6	6	7
Clatskanie Exchange - Return	0	0	(10)	(15)	0	0
Total Power Purchase Agreements	29	40	30	27	42	43
Firm Pacific NW Import Capability	0	0	0	0	230	352
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	2,940	3,192	3,103	3,141	3,661	3,697
Monthly Surplus/Deficit	0	0	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	0	0	0	1	4	6
Commercial	13	13	13	13	13	13
Residential	0	0	0	0	0	0
Total New DSM Peak Reduction	13	13	13	14	17	19
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2014	8/2014	9/2014	10/2014	11/2014	12/2014
Load Forecast (95th% w/ no DSM)	(3,458)	(3,087)	(2,837)	(2,061)	(2,303)	(2,718)
Existing DSM (Energy Efficiency)	16	16	15	14	14	14
Peak-Hour Forecast w/ demand response	(3,442)	(3,071)	(2,822)	(2,047)	(2,289)	(2,704)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(3,442)	(3,071)	(2,822)	(2,047)	(2,289)	(2,704)
Existing Resources						
Coal						
Gas (Langley Gulch)	1,024	1,024	1,024	1,024	1,024	1,024
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	914	874	758	880	673	935
Shoshone Falls Upgrade (90 th %)	303	269	255	248	238	244
Shoshone Falls Upgrade (90 th %)	0	0	0	0	0	0
Sho-Ban Water Lease	48	0	0	0	0	0
Total Hydro (90th%)	1,265	1,143	1,012	1,129	911	1,179
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	6	4	3	1	2	3
Clatskanie Exchange - Return	0	0	0	(10)	(15)	0
Total Power Purchase Agreements	41	40	39	27	23	39
Firm Pacific NW Import Capability	237	277	113	0	0	1
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,471	3,379	3,070	3,024	2,769	3,047
Monthly Surplus/Deficit	0	0	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	6	5	3	0	0	0
Commercial	13	13	13	13	13	13
Residential	0	0	0	0	0	0
Total New DSM Peak Reduction	20	19	16	14	13	13
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	1/2015	2/2015	3/2015	4/2015	5/2015	6/2015
Load Forecast (95th% w/ no DSM)	(2,552)	(2,435)	(2,129)	(2,002)	(2,922)	(3,369)
Existing DSM (Energy Efficiency)	21	21	21	22	24	24
Peak-Hour Forecast w/ demand response	(2,530)	(2,413)	(2,108)	(1,980)	(2,898)	(3,345)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(2,530)	(2,413)	(2,108)	(1,980)	(2,898)	(3,345)
Existing Resources						
Coal						
Gas (Langley Gulch)	1,024	1,024	1,024	1,024	1,024	1,024
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	855	1,080	1,029	1,062	1,134	1,025
Shoshone Falls Upgrade (90 th %)	244	246	231	245	352	365
Shoshone Falls Upgrade (90 th %)	0	0	0	0	0	0
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,100	1,326	1,260	1,307	1,487	1,390
CSPP (PURPA)	86	89	93	128	174	182
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	11	22	22	22	22	22
Clatskanie Exchange - Take	4	4	4	6	6	7
Clatskanie Exchange - Return	0	0	(10)	(15)	0	0
Total Power Purchase Agreements	29	40	30	27	42	43
Firm Pacific NW Import Capability	0	0	0	0	276	342
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	2,954	3,195	3,122	3,202	3,718	3,697
Monthly Surplus/Deficit	0	0	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	0	0	0	2	6	8
Commercial	19	19	19	19	19	20
Residential	1	1	1	1	1	1
Total New DSM Peak Reduction	20	20	20	21	26	28
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	1/2016	2/2016	3/2016	4/2016	5/2016	6/2016
Load Forecast (95th% w/ no DSM)	(2,572)	(2,452)	(2,144)	(2,013)	(2,967)	(3,401)
Existing DSM (Energy Efficiency)	26	26	26	27	29	30
Peak-Hour Forecast w/ demand response	(2,546)	(2,426)	(2,118)	(1,986)	(2,937)	(3,371)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(2,546)	(2,426)	(2,118)	(1,986)	(2,937)	(3,371)
Existing Resources						
Coal						
Gas (Langley Gulch)	1,024	1,024	1,024	1,024	966	1,024
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	854	1,082	1,026	1,061	1,133	1,022
Shoshone Falls Upgrade (90 th %)	244	248	231	244	353	365
Shoshone Falls Upgrade (90 th %)	0	0	0	0	0	0
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,098	1,329	1,257	1,305	1,485	1,388
CSPP (PURPA)	86	89	93	128	174	182
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	11	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	25	36	36	36	36	36
Firm Pacific NW Import Capability	0	0	0	0	314	342
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	2,948	3,194	3,125	3,209	3,692	3,688
Monthly Surplus/Deficit	0	0	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	0	0	0	2	7	9
Commercial	25	24	24	24	25	25
Residential	2	2	2	2	2	2
Total New DSM Peak Reduction	27	26	26	28	33	36
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2016	8/2016	9/2016	10/2016	11/2016	12/2016
Load Forecast (95th% w/ no DSM)	(3,571)	(3,163)	(2,916)	(2,109)	(2,329)	(2,764)
Existing DSM (Energy Efficiency)	30	29	28	26	26	26
Peak-Hour Forecast w/ demand response	(3,541)	(3,134)	(2,888)	(2,083)	(2,303)	(2,738)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(3,541)	(3,134)	(2,888)	(2,083)	(2,303)	(2,738)
Existing Resources						
Coal						
Gas (Langley Gulch)	1,024	1,024	1,024	1,024	1,024	1,024
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	911	797	753	881	672	934
Shoshone Falls Upgrade (90 th %)	303	233	256	252	241	244
Shoshone Falls Upgrade (90 th %)	0	0	0	0	0	0
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,215	1,030	1,009	1,133	913	1,178
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	272	178	0	0	34
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,415	3,256	3,129	3,037	2,784	3,076
Monthly Surplus/Deficit	(126)	0	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	10	8	4	1	0	0
Commercial	25	25	24	24	24	24
Residential	2	2	2	2	2	2
Total New DSM Peak Reduction	37	35	31	27	26	26
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(89)	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	1/2017	2/2017	3/2017	4/2017	5/2017	6/2017
Load Forecast (95th% w/ no DSM)	(2,603)	(2,475)	(2,169)	(2,038)	(3,016)	(3,445)
Existing DSM (Energy Efficiency)	30	30	30	31	34	35
Peak-Hour Forecast w/ demand response	(2,574)	(2,445)	(2,139)	(2,007)	(2,982)	(3,410)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(2,574)	(2,445)	(2,139)	(2,007)	(2,982)	(3,410)
Existing Resources						
Coal						
Gas (Langley Gulch)	1,024	1,024	1,024	1,024	1,024	1,024
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	852	1,080	1,023	1,060	1,132	1,020
Shoshone Falls Upgrade (90 th %)	244	246	231	244	350	363
Shoshone Falls Upgrade (90 th %)	0	0	0	0	0	0
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,096	1,326	1,254	1,304	1,482	1,383
CSPP (PURPA)	86	89	93	128	174	182
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	11	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	25	36	36	36	36	36
Firm Pacific NW Import Capability	0	0	0	0	359	347
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	2,946	3,191	3,123	3,208	3,791	3,688
Monthly Surplus/Deficit	0	0	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	0	0	0	2	8	11
Commercial	29	29	29	29	30	30
Residential	4	4	4	4	4	3
Total New DSM Peak Reduction	33	33	33	35	41	44
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2017	8/2017	9/2017	10/2017	11/2017	12/2017
Load Forecast (95th% w/ no DSM)	(3,632)	(3,208)	(2,961)	(2,134)	(2,358)	(2,795)
Existing DSM (Energy Efficiency)	35	34	33	30	30	30
Peak-Hour Forecast w/ demand response	(3,596)	(3,174)	(2,929)	(2,103)	(2,328)	(2,765)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(3,596)	(3,174)	(2,929)	(2,103)	(2,328)	(2,765)
Existing Resources						
Coal						
Gas (Langley Gulch)	1,024	1,024	1,024	1,024	1,024	1,024
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	909	794	750	875	673	932
Shoshone Falls Upgrade (90 th %)	303	232	256	252	240	244
Shoshone Falls Upgrade (90 th %)	0	0	0	0	0	0
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,212	1,026	1,006	1,126	914	1,176
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	269	219	0	0	61
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,413	3,250	3,167	3,030	2,785	3,101
Monthly Surplus/Deficit	(184)	0	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	11	9	5	1	0	0
Commercial	30	30	29	29	29	30
Residential	3	3	4	4	4	4
Total New DSM Peak Reduction	45	43	38	34	33	33
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(139)	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2018	8/2018	9/2018	10/2018	11/2018	12/2018
Load Forecast (95th% w/ no DSM)	(3,691)	(3,251)	(3,003)	(2,154)	(2,381)	(2,823)
Existing DSM (Energy Efficiency)	40	39	37	34	34	34
Peak-Hour Forecast w/ demand response	(3,651)	(3,212)	(2,966)	(2,120)	(2,347)	(2,789)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(3,651)	(3,212)	(2,966)	(2,120)	(2,347)	(2,789)
Existing Resources						
Coal						
Gas (Langley Gulch)	1,024	1,024	1,024	1,024	1,024	1,024
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	907	790	747	870	673	930
Shoshone Falls Upgrade (90 th %)	302	231	255	250	240	243
Shoshone Falls Upgrade (90 th %)	0	0	0	0	0	0
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,209	1,021	1,002	1,121	912	1,173
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	267	257	0	0	86
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,409	3,243	3,201	3,025	2,784	3,123
Monthly Surplus/Deficit	(242)	0	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	13	11	6	1	0	0
Commercial	36	36	35	35	35	35
Residential	6	6	7	7	7	7
Total New DSM Peak Reduction	55	53	48	42	42	42
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(187)	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2019	8/2019	9/2019	10/2019	11/2019	12/2019
Load Forecast (95th% w/ no DSM)	(3,752)	(3,295)	(3,046)	(2,176)	(2,406)	(2,851)
Existing DSM (Energy Efficiency)	45	44	41	38	37	37
Peak-Hour Forecast w/ demand response	(3,707)	(3,251)	(3,005)	(2,139)	(2,368)	(2,814)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(3,707)	(3,251)	(3,005)	(2,139)	(2,368)	(2,814)
Existing Resources						
Coal						
Gas (Langley Gulch)						
Hydro (90 th %)—HCC	1,024	1,024	1,024	1,024	1,024	1,024
Hydro (90 th %)—Other	300	300	300	300	300	300
Shoshone Falls Upgrade (90 th %)	905	787	744	862	674	927
Sho-Ban Water Lease	302	231	229	250	238	242
	2	0	0	0	0	2
	0	0	0	0	0	0
Total Hydro (90th%)	1,208	1,018	973	1,112	912	1,171
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	265	270	0	0	111
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,409	3,237	3,184	3,016	2,783	3,146
Monthly Surplus/Deficit	(298)	(14)	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	15	12	7	1	0	0
Commercial	41	41	40	39	40	40
Residential	9	9	10	10	10	10
Total New DSM Peak Reduction	65	62	56	50	49	50
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(233)	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2020	8/2020	9/2020	10/2020	11/2020	12/2020
Load Forecast (95th% w/ no DSM)	(3,817)	(3,342)	(3,092)	(2,204)	(2,436)	(2,885)
Existing DSM (Energy Efficiency)	51	49	46	43	42	42
Peak-Hour Forecast w/ demand response	(3,766)	(3,293)	(3,046)	(2,161)	(2,394)	(2,843)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(3,766)	(3,293)	(3,046)	(2,161)	(2,394)	(2,843)
Existing Resources						
Coal						
Gas (Langley Gulch)	1,024	1,024	1,024	1,024	1,024	1,024
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	902	783	741	853	673	927
Shoshone Falls Upgrade (90 th %)	301	230	228	250	237	241
Shoshone Falls Upgrade (90 th %)	2	0	0	0	0	2
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,205	1,013	968	1,103	910	1,170
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	262	269	0	4	139
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,406	3,230	3,179	3,007	2,785	3,173
Monthly Surplus/Deficit	(360)	(64)	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	17	14	8	1	0	0
Commercial	47	47	45	45	46	45
Residential	8	8	9	9	9	9
Total New DSM Peak Reduction	72	69	62	55	55	54
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(288)	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	1/2021	2/2021	3/2021	4/2021	5/2021	6/2021
Load Forecast (95th% w/ no DSM)	(2,720)	(2,564)	(2,261)	(2,126)	(3,222)	(3,627)
Existing DSM (Energy Efficiency)	45	45	45	48	54	55
Peak-Hour Forecast w/ demand response	(2,674)	(2,519)	(2,216)	(2,079)	(3,168)	(3,572)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(2,674)	(2,519)	(2,216)	(2,079)	(3,168)	(3,572)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	841	1,066	1,004	1,054	1,127	1,009
Shoshone Falls Upgrade (90 th %)	242	243	229	243	341	328
Sho-Ban Water Lease	3	2	0	0	8	10
	0	0	0	0	0	0
Total Hydro (90th%)	1,086	1,311	1,233	1,297	1,476	1,347
CSPP (PURPA)	86	89	93	128	174	182
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	11	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	25	36	36	36	36	36
Firm Pacific NW Import Capability	87	0	0	0	434	395
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	2,965	3,118	3,044	3,143	3,802	3,643
Monthly Surplus/Deficit	0	0	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	0	0	0	4	13	19
Commercial	51	51	50	51	52	53
Residential	9	9	9	9	9	8
Total New DSM Peak Reduction	60	60	60	64	74	80
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2021	8/2021	9/2021	10/2021	11/2021	12/2021
Load Forecast (95th% w/ no DSM)	(3,882)	(3,391)	(3,139)	(2,232)	(2,463)	(2,919)
Existing DSM (Energy Efficiency)	56	54	51	46	45	45
Peak-Hour Forecast w/ demand response	(3,827)	(3,337)	(3,088)	(2,186)	(2,418)	(2,874)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(3,827)	(3,337)	(3,088)	(2,186)	(2,418)	(2,874)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	899	779	737	840	674	923
Shoshone Falls Upgrade (90 th %)	300	229	227	248	235	241
Shoshone Falls Upgrade (90 th %)	2	0	0	0	0	2
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,202	1,008	964	1,089	909	1,166
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	290	313	320	0	83	225
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,398	3,218	3,168	2,935	2,806	3,197
Monthly Surplus/Deficit	(429)	(119)	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	20	16	9	2	0	0
Commercial	53	53	51	51	51	51
Residential	8	8	9	9	9	9
Total New DSM Peak Reduction	80	77	69	62	60	60
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(349)	(41)	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2022	8/2022	9/2022	10/2022	11/2022	12/2022
Load Forecast (95th% w/ no DSM)	(3,941)	(3,432)	(3,180)	(2,257)	(2,487)	(2,950)
Existing DSM (Energy Efficiency)	60	58	55	50	49	49
Peak-Hour Forecast w/ demand response	(3,881)	(3,374)	(3,126)	(2,207)	(2,438)	(2,901)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(3,881)	(3,374)	(3,126)	(2,207)	(2,438)	(2,901)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	896	775	733	831	674	920
Shoshone Falls Upgrade (90 th %)	300	228	226	247	234	240
Shoshone Falls Upgrade (90 th %)	2	0	0	0	0	2
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,198	1,003	960	1,078	909	1,162
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	308	318	0	103	254
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,341	3,208	3,162	2,924	2,826	3,222
Monthly Surplus/Deficit	(540)	(166)	0	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	22	19	10	2	0	0
Commercial	60	60	58	58	58	58
Residential	8	8	9	9	9	10
Total New DSM Peak Reduction	91	88	78	70	68	67
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(449)	(78)	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	1/2023	2/2023	3/2023	4/2023	5/2023	6/2023
Load Forecast (95th% w/ no DSM)	(2,771)	(2,603)	(2,301)	(2,164)	(3,319)	(3,709)
Existing DSM (Energy Efficiency)	52	52	52	55	62	64
Peak-Hour Forecast w/ demand response	(2,719)	(2,551)	(2,249)	(2,109)	(3,257)	(3,645)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(2,719)	(2,551)	(2,249)	(2,109)	(3,257)	(3,645)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	835	1,061	1,001	1,051	1,124	1,003
Shoshone Falls Upgrade (90 th %)	241	242	228	241	336	323
Sho-Ban Water Lease	3	2	0	0	7	9
	0	0	0	0	0	0
Total Hydro (90th%)	1,078	1,305	1,229	1,292	1,467	1,335
CSPP (PURPA)	86	89	93	128	174	181
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	11	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	25	36	36	36	36	36
Firm Pacific NW Import Capability	136	0	0	0	431	346
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,007	3,112	3,040	3,138	3,790	3,580
Monthly Surplus/Deficit	0	0	0	0	0	(65)
2013 IRP DSM (Energy Efficiency)						
Irrigation	0	0	0	5	18	25
Commercial	64	64	64	64	65	67
Residential	10	10	10	10	10	9
Total New DSM Peak Reduction	74	74	73	79	92	100
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2023	8/2023	9/2023	10/2023	11/2023	12/2023
Load Forecast (95th% w/ no DSM)	(4,000)	(3,474)	(3,222)	(2,278)	(2,510)	(2,976)
Existing DSM (Energy Efficiency)	65	62	58	53	52	52
Peak-Hour Forecast w/ demand response	(3,935)	(3,412)	(3,164)	(2,225)	(2,458)	(2,924)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(3,935)	(3,412)	(3,164)	(2,225)	(2,458)	(2,924)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	893	770	730	828	674	918
Shoshone Falls Upgrade (90 th %)	299	227	225	246	234	240
Shoshone Falls Upgrade (90 th %)	2	0	0	0	0	2
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,195	997	955	1,074	908	1,159
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	306	316	0	123	291
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,337	3,201	3,156	2,921	2,845	3,257
Monthly Surplus/Deficit	(598)	(211)	(9)	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	26	22	11	2	0	0
Commercial	67	67	64	64	64	65
Residential	9	9	10	10	10	10
Total New DSM Peak Reduction	101	97	85	76	74	74
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(497)	(114)	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2024	8/2024	9/2024	10/2024	11/2024	12/2024
Load Forecast (95th% w/ no DSM)	(4,055)	(3,511)	(3,259)	(2,296)	(2,522)	(2,993)
Existing DSM (Energy Efficiency)	68	66	62	56	55	55
Peak-Hour Forecast w/ demand response	(3,987)	(3,445)	(3,198)	(2,240)	(2,467)	(2,938)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(3,987)	(3,445)	(3,198)	(2,240)	(2,467)	(2,938)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	891	766	727	819	673	917
Shoshone Falls Upgrade (90 th %)	298	226	225	245	233	239
Shoshone Falls Upgrade (90 th %)	2	0	0	0	0	2
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,191	992	951	1,064	906	1,158
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	303	315	0	132	312
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,334	3,192	3,150	2,911	2,852	3,276
Monthly Surplus/Deficit	(653)	(254)	(47)	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	29	25	13	2	0	0
Commercial	74	74	72	71	71	72
Residential	11	11	12	12	12	12
Total New DSM Peak Reduction	114	109	97	86	84	84
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(539)	(144)	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2025	8/2025	9/2025	10/2025	11/2025	12/2025
Load Forecast (95th% w/ no DSM)	(4,105)	(3,542)	(3,291)	(2,312)	(2,527)	(3,009)
Existing DSM (Energy Efficiency)	72	69	64	58	57	57
Peak-Hour Forecast w/ demand response	(4,033)	(3,473)	(3,226)	(2,254)	(2,470)	(2,952)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(4,033)	(3,473)	(3,226)	(2,254)	(2,470)	(2,952)
Existing Resources						
Coal						
Gas (Langley Gulch)						
Hydro (90 th %)—HCC	966	966	966	966	966	966
Hydro (90 th %)—Other	300	300	300	300	300	300
Shoshone Falls Upgrade (90 th %)	888	761	723	812	674	914
Sho-Ban Water Lease	298	225	224	245	232	239
	2	0	0	0	0	2
	0	0	0	0	0	0
Total Hydro (90th%)	1,188	987	947	1,057	906	1,155
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	300	313	0	135	321
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,331	3,184	3,144	2,903	2,854	3,282
Monthly Surplus/Deficit	(703)	(289)	(82)	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	33	28	15	3	0	0
Commercial	80	80	77	77	78	77
Residential	14	14	16	16	16	16
Total New DSM Peak Reduction	127	122	108	96	94	93
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(575)	(167)	0	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	1/2026	2/2026	3/2026	4/2026	5/2026	6/2026
Load Forecast (95th% w/ no DSM)	(2,810)	(2,640)	(2,326)	(2,180)	(3,450)	(3,811)
Existing DSM (Energy Efficiency)	59	59	59	62	71	74
Peak-Hour Forecast w/ demand response	(2,751)	(2,581)	(2,267)	(2,117)	(3,379)	(3,737)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(2,751)	(2,581)	(2,267)	(2,117)	(3,379)	(3,737)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	827	1,050	994	1,046	1,109	995
Shoshone Falls Upgrade (90 th %)	239	241	227	239	331	318
Sho-Ban Water Lease	3	2	0	0	6	8
	0	0	0	0	0	0
Total Hydro (90th%)	1,068	1,292	1,222	1,285	1,447	1,322
CSPP (PURPA)	86	89	93	128	174	182
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	11	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	25	36	36	36	36	36
Firm Pacific NW Import Capability	183	0	0	0	427	342
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,044	3,099	3,032	3,131	3,766	3,564
Monthly Surplus/Deficit	0	0	0	0	0	(173)
2013 IRP DSM (Energy Efficiency)						
Irrigation	0	0	0	7	26	36
Commercial	83	83	83	83	84	86
Residential	21	21	21	21	21	18
Total New DSM Peak Reduction	104	104	104	111	131	141
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	(32)

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2026	8/2026	9/2026	10/2026	11/2026	12/2026
Load Forecast (95th% w/ no DSM)	(4,157)	(3,578)	(3,328)	(2,332)	(2,548)	(3,036)
Existing DSM (Energy Efficiency)	75	72	67	60	59	59
Peak-Hour Forecast w/ demand response	(4,083)	(3,506)	(3,262)	(2,272)	(2,489)	(2,977)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(4,083)	(3,506)	(3,262)	(2,272)	(2,489)	(2,977)
Existing Resources						
Coal						
Gas (Langley Gulch)						
Hydro (90 th %)—HCC	966	966	966	966	966	966
Hydro (90 th %)—Other	300	300	300	300	300	300
Shoshone Falls Upgrade (90 th %)	885	758	720	803	675	910
Sho-Ban Water Lease	297	225	223	244	231	238
	2	0	0	0	0	2
	0	0	0	0	0	0
Total Hydro (90th%)	1,184	982	943	1,047	906	1,150
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	298	311	0	154	319
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,327	3,177	3,138	2,893	2,874	3,275
Monthly Surplus/Deficit	(756)	(329)	(124)	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	38	32	17	3	0	0
Commercial	86	86	83	83	84	83
Residential	18	18	21	21	21	21
Total New DSM Peak Reduction	142	136	120	107	105	104
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(613)	(193)	(3)	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2027	8/2027	9/2027	10/2027	11/2027	12/2027
Load Forecast (95th% w/ no DSM)	(4,217)	(3,622)	(3,372)	(2,354)	(2,570)	(3,061)
Existing DSM (Energy Efficiency)	77	74	69	63	61	61
Peak-Hour Forecast w/ demand response	(4,139)	(3,547)	(3,303)	(2,291)	(2,509)	(3,000)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(4,139)	(3,547)	(3,303)	(2,291)	(2,509)	(3,000)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	882.4	753.7	716.2	795.7	675.6	891.3
Shoshone Falls Upgrade (90 th %)	296.2	223.9	222.7	243.8	230.5	237.7
Sho-Ban Water Lease	2	0	0	0	0	2
	0	0	0	0	0	0
Total Hydro (90th%)	1,181	978	939	1,040	906	1,131
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	295	308	0	174	317
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,324	3,170	3,131	2,886	2,894	3,254
Monthly Surplus/Deficit	(816)	(378)	(172)	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	43	36	19	4	0	0
Commercial	92	92	89	89	89	89
Residential	23	23	27	27	27	27
Total New DSM Peak Reduction	158	151	134	119	115	115
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(658)	(226)	(37)	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	1/2028	2/2028	3/2028	4/2028	5/2028	6/2028
Load Forecast (95th% w/ no DSM)	(2,844)	(2,667)	(2,350)	(2,201)	(3,538)	(3,891)
Existing DSM (Energy Efficiency)	63	62	62	66	75	79
Peak-Hour Forecast w/ demand response	(2,781)	(2,605)	(2,288)	(2,135)	(3,463)	(3,812)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(2,781)	(2,605)	(2,288)	(2,135)	(3,463)	(3,812)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	825.0	1047.9	990.6	1044.4	1107.9	992.1
Shoshone Falls Upgrade (90 th %)	238.7	239.8	226.9	213.9	330.4	317.5
Sho-Ban Water Lease	3	2	0	0	6	8
	0	0	0	0	0	0
Total Hydro (90th%)	1,066	1,289	1,218	1,258	1,444	1,318
CSPP (PURPA)	86	89	93	128	174	182
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	11	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	25	36	36	36	36	36
Firm Pacific NW Import Capability	236	0	7	0	423	342
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,095	3,097	3,035	3,104	3,759	3,560
Monthly Surplus/Deficit	0	0	0	0	0	(252)
2013 IRP DSM (Energy Efficiency)						
Irrigation	0	0	0	9	33	46
Commercial	96	94	94	95	96	98
Residential	33	33	33	33	33	29
Total New DSM Peak Reduction	128	127	127	137	161	174
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	(78)

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2028	8/2028	9/2028	10/2028	11/2028	12/2028
Load Forecast (95th% w/ no DSM)	(4,270)	(3,659)	(3,408)	(2,370)	(2,579)	(3,079)
Existing DSM (Energy Efficiency)	79	76	71	64	63	63
Peak-Hour Forecast w/ demand response	(4,191)	(3,582)	(3,337)	(2,306)	(2,517)	(3,016)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(4,191)	(3,582)	(3,337)	(2,306)	(2,517)	(3,016)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	882.4	753.7	716.2	795.7	675.6	891.3
Shoshone Falls Upgrade (90 th %)	296.2	223.9	222.7	243.8	230.5	237.7
Sho-Ban Water Lease	2	0	0	0	0	2
	0	0	0	0	0	0
Total Hydro (90th%)	1,181	978	939	1,040	906	1,131
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	293	306	0	182	314
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,324	3,168	3,129	2,886	2,902	3,251
Monthly Surplus/Deficit	(868)	(414)	(208)	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	48	40	21	4	0	0
Commercial	98	98	95	95	95	96
Residential	29	29	33	33	33	33
Total New DSM Peak Reduction	175	168	149	132	128	128
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(693)	(247)	(59)	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2029	8/2029	9/2029	10/2029	11/2029	12/2029
Load Forecast (95th% w/ no DSM)	(4,325)	(3,697)	(3,447)	(2,389)	(2,598)	(3,104)
Existing DSM (Energy Efficiency)	81	78	73	65	64	64
Peak-Hour Forecast w/ demand response	(4,244)	(3,619)	(3,375)	(2,324)	(2,534)	(3,040)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(4,244)	(3,619)	(3,375)	(2,324)	(2,534)	(3,040)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	882.4	753.7	716.2	795.7	675.6	891.3
Shoshone Falls Upgrade (90 th %)	296.2	223.9	222.7	243.8	230.5	237.7
Sho-Ban Water Lease	2	0	0	0	0	2
	0	0	0	0	0	0
Total Hydro (90th%)	1,181	978	939	1,040	906	1,131
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	290	304	0	199	312
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,324	3,165	3,127	2,886	2,919	3,249
Monthly Surplus/Deficit	(920)	(454)	(248)	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	54	45	24	5	0	0
Commercial	104	104	101	100	100	101
Residential	33	33	37	38	38	37
Total New DSM Peak Reduction	191	182	163	142	138	139
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(729)	(271)	(85)	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2030	8/2030	9/2030	10/2030	11/2030	12/2030
Load Forecast (95th% w/ no DSM)	(4,391)	(3,748)	(3,498)	(2,418)	(2,631)	(3,142)
Existing DSM (Energy Efficiency)	83	80	74	67	65	66
Peak-Hour Forecast w/ demand response	(4,308)	(3,668)	(3,424)	(2,351)	(2,566)	(3,077)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(4,308)	(3,668)	(3,424)	(2,351)	(2,566)	(3,077)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	882	754	716	796	676	891
Shoshone Falls Upgrade (90 th %)	296	224	223	244	230	238
Shoshone Falls Upgrade (90 th %)	2	0	0	0	0	2
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,181	978	939	1,040	906	1,131
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	287	302	0	231	310
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,324	3,162	3,125	2,886	2,951	3,247
Monthly Surplus/Deficit	(984)	(507)	(299)	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	56	47	25	5	0	0
Commercial	109	109	106	105	105	106
Residential	38	38	43	43	43	43
Total New DSM Peak Reduction	202	194	174	152	148	149
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(782)	(313)	(125)	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2031	8/2031	9/2031	10/2031	11/2031	12/2031
Load Forecast (95th% w/ no DSM)	(4,448)	(3,790)	(3,540)	(2,437)	(2,646)	(3,163)
Existing DSM (Energy Efficiency)	84	81	75	68	66	66
Peak-Hour Forecast w/ demand response	(4,365)	(3,710)	(3,465)	(2,369)	(2,580)	(3,097)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(4,365)	(3,710)	(3,465)	(2,369)	(2,580)	(3,097)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	882	754	716	796	676	891
Shoshone Falls Upgrade (90 th %)	296	224	223	244	230	238
Shoshone Falls Upgrade (90 th %)	2	0	0	0	0	2
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,181	978	939	1,040	906	1,131
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	285	300	0	245	308
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,324	3,160	3,123	2,886	2,965	3,245
Monthly Surplus/Deficit	(1,041)	(550)	(342)	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	58	49	26	5	0	0
Commercial	114	114	110	109	111	110
Residential	42	42	48	48	47	48
Total New DSM Peak Reduction	214	205	184	162	159	158
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(827)	(345)	(158)	0	0	0

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	1/2032	2/2032	3/2032	4/2032	5/2032	6/2032
Load Forecast (95th% w/ no DSM)	(2,933)	(2,719)	(2,416)	(2,260)	(3,722)	(4,057)
Existing DSM (Energy Efficiency)	67	67	67	70	81	84
Peak-Hour Forecast w/ demand response	(2,867)	(2,652)	(2,349)	(2,189)	(3,642)	(3,973)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(2,867)	(2,652)	(2,349)	(2,189)	(3,642)	(3,973)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	825	1,048	991	1,044	1,108	992
Shoshone Falls Upgrade (90 th %)	239	240	227	214	330	317
Sho-Ban Water Lease	3	2	0	0	6	8
	0	0	0	0	0	0
Total Hydro (90th%)	1,066	1,289	1,218	1,258	1,444	1,318
CSPP (PURPA)	86	89	93	128	174	182
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	11	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	25	36	36	36	36	36
Firm Pacific NW Import Capability	313	10	85	33	416	342
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,172	3,107	3,113	3,137	3,752	3,560
Monthly Surplus/Deficit	0	0	0	0	0	(413)
2013 IRP DSM (Energy Efficiency)						
Irrigation	0	0	0	12	42	59
Commercial	115	115	114	114	117	119
Residential	52	52	52	52	52	46
Total New DSM Peak Reduction	167	167	167	178	210	224
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	0	0	0	0	0	(190)

Table 1
2013 IRP Load & Resource Balance
First Deficit Year - 2016

Peak-hour Load and Resource Balance	7/2032	8/2032	9/2032	10/2032	11/2032	12/2032
Load Forecast (95th% w/ no DSM)	(4,503)	(3,829)	(3,579)	(2,455)	(2,661)	(3,185)
Existing DSM (Energy Efficiency)	84	81	75	68	67	67
Peak-Hour Forecast w/ demand response	(4,418)	(3,748)	(3,504)	(2,387)	(2,594)	(3,118)
Existing DSM (DR)	0	0	0	0	0	0
Peak-Hour Forecast w/DR	(4,418)	(3,748)	(3,504)	(2,387)	(2,594)	(3,118)
Existing Resources						
Coal						
Gas (Langley Gulch)	966	966	966	966	966	966
Hydro (90 th %)—HCC	300	300	300	300	300	300
Hydro (90 th %)—Other	882	754	716	796	676	891
Shoshone Falls Upgrade (90 th %)	296	224	223	244	230	238
Shoshone Falls Upgrade (90 th %)	2	0	0	0	0	2
Sho-Ban Water Lease	0	0	0	0	0	0
Total Hydro (90th%)	1,181	978	939	1,040	906	1,131
CSPP (PURPA)	189	179	167	128	96	88
Power Purchase Agreements						
Elkhorn Valley Wind	5	5	5	5	5	5
Raft River Geothermal	9	9	9	9	9	9
Neal Hot Springs Geothermal	21	22	22	22	22	22
Clatskanie Exchange - Take	0	0	0	0	0	0
Clatskanie Exchange - Return	0	0	0	0	0	0
Total Power Purchase Agreements	35	36	36	36	36	36
Firm Pacific NW Import Capability	237	281	299	0	259	306
Gas Peakers	416	416	416	416	416	416
Existing Resource Subtotal	3,324	3,156	3,122	2,886	2,979	3,243
Monthly Surplus/Deficit	(1,095)	(592)	(382)	0	0	0
2013 IRP DSM (Energy Efficiency)						
Irrigation	61	51	27	5	0	0
Commercial	119	119	115	115	115	115
Residential	46	46	52	52	52	52
Total New DSM Peak Reduction	226	216	194	172	167	167
Remaining Monthly Surplus/Deficit (CAPACITY DEFICIENCY)	(869)	(375)	(187)	0	0	0

Table 2
Avoided Costs (\$/MWh)
Energy Prices 2014 through 2016

Year	Winter Season					Summer Season				Winter Season		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

On-Peak (HLH Market Purchase)

2014	40.98	73.63	31.76	28.56	25.75	26.25	41.50	50.75	48.00	44.25	44.80	50.80
2015	45.50	43.35	43.35	30.30	27.95	27.95	43.85	43.70	43.65	42.35	42.45	42.60
2016	40.95	40.95	40.95	29.65	29.65	29.65	45.15	45.15	45.15	42.45	42.45	42.45

Off-Peak (LLH Market Purchase)

2014	39.34	62.18	18.75	12.25	6.50	7.25	18.50	35.10	37.35	36.50	37.15	43.15
2015	38.75	36.55	36.60	15.00	14.70	14.60	28.65	28.50	28.45	35.60	35.75	35.90
2016	34.30	34.30	34.30	15.90	15.90	15.90	30.85	30.85	30.85	36.20	36.20	36.20

Combined (55.5% On-Peak 44.5% Off-Peak)

2014	40.25	68.53	25.97	21.30	17.18	17.80	31.27	43.79	43.26	40.80	41.40	47.40
2015	42.50	40.32	40.35	23.49	22.05	22.01	37.09	36.94	36.89	39.35	39.47	39.62
2016	37.99	37.99	37.99	23.53	23.53	23.53	38.79	38.79	38.79	39.67	39.67	39.67

Annual Average

	On-Peak	Off-Peak	Combined
2014	\$42.25	\$29.50	\$36.58
2015	\$39.75	\$29.09	\$35.01
2016	\$39.55	\$29.31	\$34.99

NOTES:

Jan - Mar 2014 are settled monthly market prices at mid-Columbia (April 16, 2014) from Inter-Continental Exchange (ICE)
Apr 2014 -Dec 2016 are forward monthly market quotes at mid-Columbia (April 16, 2014) from Inter-Continental Exchange (ICE)

Total Light-Load Hours	3,898	44.5%
Mon-Sat - Hour Ending 2300-0600 PST		
All Day Sundays		
6 NERC Holidays		
Total Heavy-Load Hours	4,862	55.5%
Mon-Sat - Hour Ending 0700-2200 PST		
Less 6 NERC Holidays		
Total Hours in a Year	8,760	100.0%

Table 3
Capitalized Energy Costs

Year	Combined Cycle CT Fixed Costs	Simple Cycle CT Fixed Costs	Capitalized Energy Costs	Capitalized Energy Costs 58.6% CF
	(\$/kW-yr)	(\$/kW-yr)	(\$/kW-yr)	(\$/MWh)
	(a)	(b)	(c) ((a) - (b))	(d) (c)/(8.760 x 58.6%)
2016	\$104.63	\$66.20	\$38.43	\$7.49
2017	\$107.77	\$68.19	\$39.58	\$7.71
2018	\$111.01	\$70.24	\$40.77	\$7.94
2019	\$114.34	\$72.34	\$42.00	\$8.18
2020	\$117.75	\$74.51	\$43.24	\$8.42
2021	\$121.26	\$76.75	\$44.51	\$8.67
2022	\$124.92	\$79.05	\$45.87	\$8.94
2023	\$128.67	\$81.42	\$47.25	\$9.20
2024	\$132.52	\$83.86	\$48.66	\$9.48
2025	\$136.48	\$86.37	\$50.11	\$9.76
2026	\$140.60	\$88.96	\$51.64	\$10.06
2027	\$144.83	\$91.63	\$53.20	\$10.36
2028	\$149.19	\$94.38	\$54.81	\$10.68
2029	\$153.66	\$97.22	\$56.44	\$10.99
2030	\$158.25	\$100.13	\$58.12	\$11.32
2031	\$163.01	\$103.14	\$59.87	\$11.66
2032	\$167.90	\$106.23	\$61.67	\$12.01
2033	\$172.92	\$109.41	\$63.51	\$12.37
2034	\$178.14	\$112.70	\$65.44	\$12.75
2035	\$183.49	\$116.08	\$67.41	\$13.13
2036	\$188.98	\$119.56	\$69.42	\$13.52
2037	\$194.63	\$123.15	\$71.48	\$13.92
2038	\$200.47	\$126.84	\$73.63	\$14.34
2039	\$206.49	\$130.64	\$75.85	\$14.78
2040	\$212.66	\$134.56	\$78.10	\$15.21

Columns

- (a) Table 8 Column (f)
- (b) Table 8 Column (f)
- (d) 58.6% CCCT Energy Weighted Capacity Factor - Table 8 page 3

Table 4
Total Avoided Energy Cost

Year	Combined Cycle		Capitalized Energy Costs 58.6% CF	Total Avoided Energy Cost
	Gas Price	Energy Cost		
	(\$/MMBtu)	(\$/MWh)	(\$/MWh)	(\$/MWh)
	(a)	(b)	(c)	(d)
		(a) x 6.720		(b) + (c)
2016	\$5.31	\$35.67	\$7.49	\$43.16
2017	\$5.52	\$37.11	\$7.71	\$44.82
2018	\$5.77	\$38.78	\$7.94	\$46.72
2019	\$6.12	\$41.12	\$8.18	\$49.30
2020	\$6.48	\$43.56	\$8.42	\$51.98
2021	\$7.03	\$47.23	\$8.67	\$55.90
2022	\$7.67	\$51.55	\$8.94	\$60.49
2023	\$8.23	\$55.28	\$9.20	\$64.48
2024	\$8.70	\$58.46	\$9.48	\$67.94
2025	\$9.24	\$62.10	\$9.76	\$71.86
2026	\$9.76	\$65.57	\$10.06	\$75.63
2027	\$10.34	\$69.52	\$10.36	\$79.88
2028	\$10.82	\$72.72	\$10.68	\$83.40
2029	\$11.37	\$76.40	\$10.99	\$87.39
2030	\$11.97	\$80.47	\$11.32	\$91.79
2031	\$12.59	\$84.59	\$11.66	\$96.25
2032	\$13.28	\$89.26	\$12.01	\$101.27
2033	\$13.93	\$93.63	\$12.37	\$106.00
2034	\$15.07	\$101.28	\$12.75	\$114.03
2035	\$16.18	\$108.74	\$13.13	\$121.87
2036	\$16.58	\$111.41	\$13.52	\$124.93
2037	\$17.41	\$117.00	\$13.92	\$130.92
2038	\$18.27	\$122.76	\$14.34	\$137.10
2039	\$19.15	\$128.69	\$14.78	\$143.47
2040	\$20.06	\$134.78	\$15.21	\$149.99

Columns

- (a) Table 9 Column (d)
- (b) 6.720 MWh/MMBtu Heat Rate - Table 8
- (c) Table 3 Column (d)

Table 5
Total Avoided Cost

Year	Avoided Firm Capacity Costs	Total Avoided Energy Cost	Total Avoided Costs At Stated Capacity Factor		
			75%	85%	90%
	(\$/kW-yr)	(\$/MWh)	(\$/MWh)	(\$/MWh)	(\$/MWh)
	(a)	(b)	(c)	(d)	(e)
			(b)+(a)/(8.76 x 0.75)	(b)+(a)/(8.76 x 0.85)	(b)+(a)/(8.76 x 0.9)
2016	\$66.20	\$43.16	\$53.24	\$52.05	\$51.56
2017	\$68.19	\$44.82	\$55.20	\$53.98	\$53.47
2018	\$70.24	\$46.72	\$57.41	\$56.15	\$55.63
2019	\$72.34	\$49.30	\$60.31	\$59.02	\$58.48
2020	\$74.51	\$51.98	\$63.32	\$61.99	\$61.43
2021	\$76.75	\$55.90	\$67.58	\$66.21	\$65.63
2022	\$79.05	\$60.49	\$72.52	\$71.11	\$70.52
2023	\$81.42	\$64.48	\$76.87	\$75.41	\$74.81
2024	\$83.86	\$67.94	\$80.70	\$79.20	\$78.58
2025	\$86.37	\$71.86	\$85.01	\$83.46	\$82.82
2026	\$88.96	\$75.63	\$89.17	\$87.58	\$86.91
2027	\$91.63	\$79.88	\$93.83	\$92.19	\$91.50
2028	\$94.38	\$83.40	\$97.77	\$96.08	\$95.37
2029	\$97.22	\$87.39	\$102.19	\$100.45	\$99.72
2030	\$100.13	\$91.79	\$107.03	\$105.24	\$104.49
2031	\$103.14	\$96.25	\$111.95	\$110.10	\$109.33
2032	\$106.23	\$101.27	\$117.44	\$115.54	\$114.74
2033	\$109.41	\$106.00	\$122.65	\$120.69	\$119.88
2034	\$112.70	\$114.03	\$131.18	\$129.17	\$128.32
2035	\$116.08	\$121.87	\$139.54	\$137.46	\$136.59
2036	\$119.56	\$124.93	\$143.13	\$140.99	\$140.09
2037	\$123.15	\$130.92	\$149.66	\$147.46	\$146.54
2038	\$126.84	\$137.10	\$156.41	\$154.13	\$153.19
2039	\$130.64	\$143.47	\$163.35	\$161.01	\$160.04
2040	\$134.56	\$149.99	\$170.47	\$168.06	\$167.06

Columns

- (a) Table 3 Column (b)
- (b) Table 4 Column (d)

Table 6
On- & Off- Peak Energy Prices

Year	Avoided Firm Capacity Costs	Capacity Cost Allocated to On-Peak Hours	Total Avoided Energy Cost	On-Peak 4,862 Hours	Off-Peak 3,898 Hours
	(\$/kW-yr)	(\$/MWh)	(\$/MWh)	(\$/MWh)	(\$/MWh)
	(a)	(b)	(c)	(d)	(e)
		(a) / (8.76 x 100.0% x 55.5%)		(b) + (c)	= (c)
2016	\$66.20	\$13.62	\$43.16	\$56.78	\$43.16
2017	\$68.19	\$14.03	\$44.82	\$58.85	\$44.82
2018	\$70.24	\$14.45	\$46.72	\$61.17	\$46.72
2019	\$72.34	\$14.88	\$49.30	\$64.18	\$49.30
2020	\$74.51	\$15.33	\$51.98	\$67.31	\$51.98
2021	\$76.75	\$15.79	\$55.90	\$71.69	\$55.90
2022	\$79.05	\$16.26	\$60.49	\$76.75	\$60.49
2023	\$81.42	\$16.75	\$64.48	\$81.23	\$64.48
2024	\$83.86	\$17.25	\$67.94	\$85.19	\$67.94
2025	\$86.37	\$17.77	\$71.86	\$89.63	\$71.86
2026	\$88.96	\$18.30	\$75.63	\$93.93	\$75.63
2027	\$91.63	\$18.85	\$79.88	\$98.73	\$79.88
2028	\$94.38	\$19.41	\$83.40	\$102.81	\$83.40
2029	\$97.22	\$20.00	\$87.39	\$107.39	\$87.39
2030	\$100.13	\$20.60	\$91.79	\$112.39	\$91.79
2031	\$103.14	\$21.21	\$96.25	\$117.46	\$96.25
2032	\$106.23	\$21.85	\$101.27	\$123.12	\$101.27
2033	\$109.41	\$22.50	\$106.00	\$128.50	\$106.00
2034	\$112.70	\$23.18	\$114.03	\$137.21	\$114.03
2035	\$116.08	\$23.88	\$121.87	\$145.75	\$121.87
2036	\$119.56	\$24.59	\$124.93	\$149.52	\$124.93
2037	\$123.15	\$25.33	\$130.92	\$156.25	\$130.92
2038	\$126.84	\$26.09	\$137.10	\$163.19	\$137.10
2039	\$130.64	\$26.87	\$143.47	\$170.34	\$143.47
2040	\$134.56	\$27.68	\$149.99	\$177.67	\$149.99

Columns

- (a) Table 3 Column (b)
- (b) Table 8 100.0% is the on-peak capacity factor of the Proxy Resource
- (c) Table 4 Column (d)

Table 7
Comparison between Proposed and Current Avoided Costs
\$/MWh

Year			
	Total Proposed Avoided Costs	Oregon Approved Avoided Costs (Current)	Total Avoided Costs Difference
	(a)	(b)	(c) (a) - (b)
2014	\$36.58	\$32.28	\$4.30
2015	\$35.01	\$34.95	\$0.06
2016	\$52.05	\$53.27	(\$1.22)
2017	\$53.98	\$55.85	(\$1.87)
2018	\$56.15	\$58.73	(\$2.58)
2019	\$59.02	\$61.61	(\$2.59)
2020	\$61.99	\$64.65	(\$2.66)
2021	\$66.21	\$67.91	(\$1.70)
2022	\$71.11	\$71.38	(\$0.27)
2023	\$75.41	\$74.94	\$0.47
2024	\$79.20	\$78.72	\$0.48
2025	\$83.46	\$82.81	\$0.65
2026	\$87.58	\$86.89	\$0.69
2027	\$92.19	\$91.34	\$0.85
2028	\$96.08	\$96.01	\$0.07
2029	\$100.45	\$100.90	(\$0.45)
2030	\$105.24	\$106.02	(\$0.78)
2031	\$110.10	\$110.73	(\$0.63)
2032	\$115.54	\$115.95	(\$0.41)
2033	\$120.69	\$121.36	(\$0.67)

20 Year (2014 - 2033) levelized Price at 6.70% IRP Discount Rate
\$/MWh \$68.95 \$69.35 (\$0.40)

Table 7A
Comparison between Proposed and Current Avoided Costs
\$/MWh

Year	Oregon Approved Avoided Cost Prices (Current)	Proposed Revised Avoided Cost Prices (Std Baseload)	Difference from Current Prices	Proposed Revised Avoided Cost Prices (Std Wind)	Difference from Current Prices	Proposed Revised Avoided Cost Prices (Std PV Solar)	Difference from Current Prices
	(a)	(b)	(c) (b) - (a)	(d)	(e) (d) - (a)	(f)	(g) (f) - (a)
2014	\$32.28	\$36.58	\$4.29	\$30.08	(\$2.21)	\$36.58	\$4.29
2015	\$34.95	\$35.01	\$0.06	\$28.51	(\$6.44)	\$35.01	\$0.06
2016	\$51.94	\$50.72	(\$1.22)	\$36.95	(\$14.98)	\$45.58	(\$6.36)
2017	\$54.48	\$52.61	(\$1.88)	\$38.62	(\$15.86)	\$47.31	(\$7.17)
2018	\$57.32	\$54.74	(\$2.58)	\$40.53	(\$16.78)	\$49.29	(\$8.03)
2019	\$60.16	\$57.56	(\$2.60)	\$43.12	(\$17.03)	\$51.94	(\$8.21)
2020	\$63.15	\$60.49	(\$2.66)	\$45.81	(\$17.34)	\$54.70	(\$8.45)
2021	\$66.36	\$64.66	(\$1.70)	\$49.74	(\$16.62)	\$58.70	(\$7.66)
2022	\$69.80	\$69.51	(\$0.29)	\$54.34	(\$15.46)	\$63.38	(\$6.42)
2023	\$73.31	\$73.78	\$0.47	\$58.34	(\$14.97)	\$67.45	(\$5.85)
2024	\$77.04	\$77.51	\$0.48	\$61.81	(\$15.22)	\$71.00	(\$6.03)
2025	\$81.07	\$81.72	\$0.65	\$65.74	(\$15.33)	\$75.02	(\$6.06)
2026	\$85.11	\$85.79	\$0.68	\$69.53	(\$15.58)	\$78.88	(\$6.23)
2027	\$89.50	\$90.34	\$0.84	\$73.79	(\$15.71)	\$83.23	(\$6.27)
2028	\$94.11	\$94.17	\$0.06	\$77.32	(\$16.79)	\$86.85	(\$7.27)
2029	\$98.95	\$98.49	(\$0.46)	\$81.32	(\$17.62)	\$90.94	(\$8.00)
2030	\$104.01	\$103.22	(\$0.79)	\$85.74	(\$18.27)	\$95.45	(\$8.56)
2031	\$108.66	\$108.02	(\$0.64)	\$90.21	(\$18.45)	\$100.02	(\$8.64)
2032	\$113.82	\$113.40	(\$0.43)	\$95.24	(\$18.58)	\$105.15	(\$8.67)
2033	\$119.16	\$118.49	(\$0.68)	\$99.99	(\$19.18)	\$110.00	(\$9.17)
2034	\$124.69	\$126.90	\$2.21	\$108.03	(\$16.65)	\$118.15	(\$6.54)
2035	\$130.37	\$135.12	\$4.75	\$115.89	(\$14.49)	\$126.11	(\$4.26)

20 Year Levelized Price at 6.70% IRP Discount Rate

Beginning Year	\$/MWh	\$/MWh	Difference	\$/MWh	Difference	\$/MWh	Difference
2014	\$67.98	\$67.58	(\$0.40)	\$53.60	(\$14.38)	\$62.29	(\$5.69)
2015	\$72.70	\$71.93	(\$0.77)	\$57.14	(\$15.56)	\$66.07	(\$6.63)
2016	\$77.64	\$76.93	(\$0.71)	\$61.27	(\$16.37)	\$70.44	(\$7.19)

Table 8
Total Cost of Displaceable Resources

Year	Estimated Capital Cost \$/kW	Fixed Capital Cost at Real Levelized Rate \$/kW-yr	Fixed O&M \$/kW-yr	Variable O&M \$/MWh	Total O&M at Expected CF \$/kW-yr	Total Resource Fixed Costs \$/kW-yr
	(a)	(b)	(c)	(d)	(e)	(f)

Simple Cycle CT - Industrial Frame 501 F (170 MW)

2013	\$821	\$55.01	\$4.00	\$3.00	\$5.58	\$60.59
2014		\$56.66	\$4.12	\$3.09	\$5.74	\$62.40
2015		\$58.36	\$4.24	\$3.18	\$5.91	\$64.27
2016		\$60.11	\$4.37	\$3.28	\$6.09	\$66.20
2017		\$61.91	\$4.50	\$3.38	\$6.28	\$68.19
2018		\$63.77	\$4.64	\$3.48	\$6.47	\$70.24
2019		\$65.68	\$4.78	\$3.58	\$6.66	\$72.34
2020		\$67.65	\$4.92	\$3.69	\$6.86	\$74.51
2021		\$69.68	\$5.07	\$3.80	\$7.07	\$76.75
2022		\$71.77	\$5.22	\$3.91	\$7.28	\$79.05
2023		\$73.92	\$5.38	\$4.03	\$7.50	\$81.42
2024		\$76.14	\$5.54	\$4.15	\$7.72	\$83.86
2025		\$78.42	\$5.71	\$4.27	\$7.95	\$86.37
2026		\$80.77	\$5.88	\$4.40	\$8.19	\$88.96
2027		\$83.19	\$6.06	\$4.53	\$8.44	\$91.63
2028		\$85.69	\$6.24	\$4.67	\$8.69	\$94.38
2029		\$88.26	\$6.43	\$4.81	\$8.96	\$97.22
2030		\$90.91	\$6.62	\$4.95	\$9.22	\$100.13
2031		\$93.64	\$6.82	\$5.10	\$9.50	\$103.14
2032		\$96.45	\$7.02	\$5.25	\$9.78	\$106.23
2033		\$99.34	\$7.23	\$5.41	\$10.07	\$109.41
2034		\$102.32	\$7.45	\$5.57	\$10.38	\$112.70
2035		\$105.39	\$7.67	\$5.74	\$10.69	\$116.08
2036		\$108.55	\$7.90	\$5.91	\$11.01	\$119.56
2037		\$111.81	\$8.14	\$6.09	\$11.34	\$123.15
2038		\$115.16	\$8.38	\$6.27	\$11.68	\$126.84
2039		\$118.61	\$8.63	\$6.46	\$12.03	\$130.64
2040		\$122.17	\$8.89	\$6.65	\$12.39	\$134.56

Source: (a)(c)(d) 2013 Integrated Resource Plan (2013 Dollars)

- (b) = (a) x Discount Factor
- (e) = (d) x (8.76 x 6%) + (c)
- (f) = (b) + (e)

Simple Cycle CT - Industrial Frame 501 F (170 MW)

170	MW Plant capacity	MW
\$ 821	Plant Capital plus Transmission Capital Cost	2013 \$/kW-yr
\$ 4.00	Fixed O&M plus on-going capital cost	2013 \$/kW-yr
\$ 3.00	Variable O&M and Other Costs	2013 \$/MWH
\$ 3.00	Variable O&M	2013 \$/MWH
\$ -	Other Costs	2013 \$/MWH
6.70%	Discount Factor	%
6%	Capacity Factor	%

Table 8
Total Cost of Displaceable Resources

Year	Estimated Capital Cost \$/kW	Fixed Capital Cost at Real Levelized Rate \$/kW-yr	Fixed O&M \$/kW-yr	Variable O&M \$/MWh	Total O&M at Expected CF \$/kW-yr	Total Resource Fixed Costs \$/kW-yr	Fuel Cost \$/MMBtu	IRP Resource Energy Cost \$/MWh	Total Avoided Costs \$/MWh
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
CCCT (1x1) 300 MW									
2013	\$1,193	\$79.93	\$6.80	\$1.76	\$15.83	\$95.76			
2014		\$82.33	\$7.00	\$1.81	\$16.29	\$98.62			
2015		\$84.80	\$7.21	\$1.86	\$16.76	\$101.56			
2016		\$87.34	\$7.43	\$1.92	\$17.29	\$104.63	\$5.31	\$35.67	\$56.05
2017		\$89.96	\$7.65	\$1.98	\$17.81	\$107.77	\$5.52	\$37.11	\$58.10
2018		\$92.66	\$7.88	\$2.04	\$18.35	\$111.01	\$5.77	\$38.78	\$60.41
2019		\$95.44	\$8.12	\$2.10	\$18.90	\$114.34	\$6.12	\$41.12	\$63.39
2020		\$98.30	\$8.36	\$2.16	\$19.45	\$117.75	\$6.48	\$43.56	\$66.50
2021		\$101.25	\$8.61	\$2.22	\$20.01	\$121.26	\$7.03	\$47.23	\$70.85
2022		\$104.29	\$8.87	\$2.29	\$20.63	\$124.92	\$7.67	\$51.55	\$75.88
2023		\$107.42	\$9.14	\$2.36	\$21.25	\$128.67	\$8.23	\$55.28	\$80.35
2024		\$110.64	\$9.41	\$2.43	\$21.88	\$132.52	\$8.70	\$58.46	\$84.28
2025		\$113.96	\$9.69	\$2.50	\$22.52	\$136.48	\$9.24	\$62.10	\$88.69
2026		\$117.38	\$9.98	\$2.58	\$23.22	\$140.60	\$9.76	\$65.57	\$92.96
2027		\$120.90	\$10.28	\$2.66	\$23.93	\$144.83	\$10.34	\$69.52	\$97.73
2028		\$124.53	\$10.59	\$2.74	\$24.66	\$149.19	\$10.82	\$72.72	\$101.78
2029		\$128.27	\$10.91	\$2.82	\$25.39	\$153.66	\$11.37	\$76.40	\$106.33
2030		\$132.12	\$11.24	\$2.90	\$26.13	\$158.25	\$11.97	\$80.47	\$111.30
2031		\$136.08	\$11.58	\$2.99	\$26.93	\$163.01	\$12.59	\$84.59	\$116.35
2032		\$140.16	\$11.93	\$3.08	\$27.74	\$167.90	\$13.28	\$89.26	\$121.97
2033		\$144.36	\$12.29	\$3.17	\$28.56	\$172.92	\$13.93	\$93.63	\$127.32
2034		\$148.69	\$12.66	\$3.27	\$29.45	\$178.14	\$15.07	\$101.28	\$135.98
2035		\$153.15	\$13.04	\$3.37	\$30.34	\$183.49	\$16.18	\$108.74	\$144.48
2036		\$157.74	\$13.43	\$3.47	\$31.24	\$188.98	\$16.58	\$111.41	\$148.22
2037		\$162.47	\$13.83	\$3.57	\$32.16	\$194.63	\$17.41	\$117.00	\$154.91
2038		\$167.34	\$14.24	\$3.68	\$33.13	\$200.47	\$18.27	\$122.76	\$161.81
2039		\$172.36	\$14.67	\$3.79	\$34.13	\$206.49	\$19.15	\$128.69	\$168.92
2040		\$177.53	\$15.11	\$3.90	\$35.13	\$212.66	\$20.06	\$134.78	\$176.21

Table 8
Total Cost of Displaceable Resources

Sources, Inputs and Assumptions

- Source: (a)(c)(d) 2013 Integrated Resource Plan (2013 Dollars)
 (b) = (a) x 6.70%
 (e) = (d) x (8.76 x 58.6%) + (c)
 (f) = (b) + (e)
 (g) Gas Price Forecast
 (h) = 6720 x (g) / 1000
 (i) = (f) / (8.76 x 58.6%) + (h)

CCCT (1x1) 300 MW

CCCT Statistics	MW	Percent	Cap Cost	Fixed
CCCT (1X1)	270	90.0%	\$1,260	\$7.50
CCCT Duct Firing (1X1)	<u>30</u>	<u>10.0%</u>	<u>\$588</u>	<u>\$0.55</u>
Capacity Weighted	300	100.0%	\$1,193	\$6.80

CCCT Statistics	MW	CF	aMW	Percent	Variable	Heat Rate
CCCT (1X1)	270	65.0%	176	99.8%	\$1.75	6,714
CCCT Duct Firing (1X1)	<u>30</u>	<u>1.0%</u>	<u>0</u>	<u>0.2%</u>	<u>5.30</u>	<u>8,473</u>
Energy Weighted	300	58.6%	176	100.0%	\$1.76	6,720

Rounded

CCCT	Duct Firing	2013 Integrated Resource Plan (2013 Dollars)	
270	30	MW Plant capacity	MW
\$1,260	\$588	Plant Capital plus Transmission Capital Cost	2013 \$/kW-yr
\$7.50	\$0.55	Fixed O&M plus on-going capital cost	2013 \$/kW-yr
\$1.75	\$5.30	Variable O&M and Other Costs	2013 \$/MWH
\$1.75	\$5.30	Variable O&M	2013 \$/MWH
\$0.00	\$0.00	Other Costs	2013 \$/MWH
6,714	8,473	Heat Rate in btu/kWh	btu/kWh
6.70%	6.70%	Payment Factor	%
65%	1%	Capacity Factor	%
	58.6%	Energy Weighted Capacity Factor	
	100.0%	Capacity Factor - On-peak	58.6% / 55.5% (percent of hours on-peak)

Note: Duct Firing Costs are from PAC's 2010 costs, escalated at 3.0% to 2013 Dollars

Inflation Forecast									
2014	3.0%	2020	3.0%	2026	3.0%	2032	3.0%	2038	3.0%
2015	3.0%	2021	3.0%	2027	3.0%	2033	3.0%	2039	3.0%
2016	3.0%	2022	3.0%	2028	3.0%	2034	3.0%	2040	3.0%
2017	3.0%	2023	3.0%	2029	3.0%	2035	3.0%		
2018	3.0%	2024	3.0%	2030	3.0%	2036	3.0%		
2019	3.0%	2025	3.0%	2031	3.0%	2037	3.0%		

2013 IRP Discount Rate
6.70%

**Table 9
Gas Price Forecast
\$/MMBtu**

Year	EIA Henry Hub Forecast Annual Energy Outlook 2012 (Nominal \$/mmBtu) (a)	2013 IRP Sumas Basis (Nominal \$/mmBtu) (b)	2013 IRP Transport Cost (Nominal \$/mmBtu) (c)	2013 IRP Delivered NG Cost (Idaho City Gate Price) (Nominal \$/mmBtu) (d) (a) + (b) + (c)
2016	\$5.09	\$0.10	\$0.12	\$5.31
2017	\$5.28	\$0.12	\$0.13	\$5.52
2018	\$5.50	\$0.14	\$0.13	\$5.77
2019	\$5.82	\$0.16	\$0.14	\$6.12
2020	\$6.16	\$0.18	\$0.15	\$6.48
2021	\$6.67	\$0.20	\$0.16	\$7.03
2022	\$7.29	\$0.22	\$0.17	\$7.67
2023	\$7.81	\$0.24	\$0.17	\$8.23
2024	\$8.26	\$0.26	\$0.18	\$8.70
2025	\$8.77	\$0.28	\$0.19	\$9.24
2026	\$9.26	\$0.30	\$0.20	\$9.76
2027	\$9.82	\$0.32	\$0.21	\$10.34
2028	\$10.27	\$0.34	\$0.22	\$10.82
2029	\$10.78	\$0.36	\$0.22	\$11.37
2030	\$11.36	\$0.38	\$0.23	\$11.97
2031	\$11.94	\$0.40	\$0.24	\$12.59
2032	\$12.61	\$0.42	\$0.26	\$13.28
2033	\$13.23	\$0.44	\$0.26	\$13.93
2034	\$14.34	\$0.46	\$0.27	\$15.07
2035	\$15.43	\$0.48	\$0.28	\$16.18
2036	\$15.80	\$0.50	\$0.28	\$16.58
2037	\$16.60	\$0.52	\$0.29	\$17.41
2038	\$17.43	\$0.54	\$0.30	\$18.27
2039	\$18.28	\$0.56	\$0.31	\$19.15
2040	\$19.16	\$0.58	\$0.32	\$20.06

Source

EIA Henry Hub Real 2010 \$ forecast is escalated @ 3% to derive nominal price. See graph on page 62 of 2013 IRP.
Note: Numbers in red are extrapolated.



[/view Full Screen](#)

Publication: Annual Energy Outlook 2012 Subject Filter: All Tables Table: Natural Gas Supply, Disposition, and Prices Region: No Regional Tables	Cases/Scenarios (1/31 selected) <input checked="" type="checkbox"/> Reference case <input type="checkbox"/> High oil price <input type="checkbox"/> Low oil price <input type="checkbox"/> High economic growth
<input type="button" value="Display Table"/>	

Link to EIA: <http://www.eia.gov/oiaf/aeo/tablebrowser/#release=AEO2012&subject=0-AEO2012&table=13-AEO2012®ion=0-0&cases=ref2012-d020112c>

Table 10
Benchmark Type Peak Hour Capacity Factor
(90% Exceedance)

Benchmark Type	Peak Hour Capacity Factor
Baseload	100.0%
Wind	3.9%
Fixed PV Utility Solar	32.0%

Source: 2013 Integrated Resource Plan

SUMMARY OF CONTRACT REVISIONS

Idaho Power Company

Summary of Changes to Oregon QF Standard Contracts

Intermittent Resource **IN** Idaho Power Service Territory

Note - General formatting and grammar changes have not been redlined.

OPUC 14-058 Requirements

Other Changes

MAG	Integration Charges	Price Option Revision	Passive Investor Revision
<p>Item 1.7 - Definition of <i>Downtime Hours</i> added as this is required in the MAG formula</p>	<p>Item 1.11 – Definition of <i>Integration Charge</i></p>	<p>Item 1.5 – Default Security revised to reflect change in the pricing options as directed by the OPUC Order.</p> <p>In addition some changes to correct grammar and add clarity.</p>	<p>Appendix D – <i>Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract</i>– has been revised to accommodate the passive investor requirement</p>
<p>Item 1.13 - Definition of <i>Lack of Prime Mover</i> added as this is required in the MAG formula</p>	<p>Item 7.7 – additions and revisions to this section is to accommodate the addition of an Integration Charge and provide additional clarity on what the payment to the Seller includes.</p>	<p>Item 7.1 – Net Energy Purchase Price revised to reflect elimination of Dead Band and Gas Market method pricing, incorporation of On-Peak and Off-Peak definitions and inclusion of Integration charge</p>	<p>Table of Contents – Item 28 <i>Commission Investigation</i> deleted as this was related to the previous process of OPUC case 1129</p> <p>Item 1.19 - Definition of <i>Market Energy Cost revised to Mid-Columbia Market Energy Cost</i> – the definition has been revised to reflect the fact that the Dow Jones Index has been replaced with the Platts index and the Platts index has not been providing reasonable energy market values.</p> <p>Idaho Power has been working with the Idaho Public Utilities Commission and other parties in a case before the IPUC and this definition is consistent with a definition adopted by the IPUC.</p>

<p>Lost Net Energy Production deleted as this was used in the previous version of the MAG but is not needed in the new version</p>				<p>Item 1.22 - Definition of Off-Peak Hours – added to provide clarity and also consistency with Schedule 85.</p>
<p>Item 1.17 – Definition of Mechanical Availability revised to enable the new MAG requirement</p>				<p>Item 1.23 - Definition of On-Peak Hours – added to provide clarity and also consistency with Schedule 85.</p>
<p>Item 1.18 – Definition of Mechanical Availability Guarantee revised to enable the new MAG requirement</p>				<p>Item 1.27 - Definition of Schedule 85 – incorrect Tariff number referenced - corrected</p>
<p>Item 6.4 – additions and revisions to this section and all subsections is to accommodate the new MAG requirement</p>				<p>Item 1.34 - Definition of Sufficient Prime Mover – Correct reference to sun’s energy as “insolation” added to the definition.</p>
<p>Appendix A – Monthly Power Production and Switching Report – has been revised to accommodate the new MAG requirement</p>				<p>Item 7.2 – additions and revisions to this section and all subsections is to accommodate revised Market Energy Cost definition.</p>
				<p>Item 7.7 – additions and revisions to this section to provide clarity of what is included in the Energy Payment.</p>
				<p>Item 18.3.6.2 – revisions to this section to accommodate revised Market Energy Cost definition.</p>
				<p>Item 28.1 – deleted as this section related to an issue that was outstanding from OPUC case 1129 but has subsequently been resolved.</p>

Idaho Power Company

Summary of Changes to Oregon QF Standard Contracts

Intermittent Resource **OUT** of Idaho Power Service Territory

Note - General formatting and grammar changes have not been redlined.

OPUC 14-058 Requirements

Other Changes

MAG	Integration Charges	Price Option Revision	Passive Investor Revision
<p>Item 1.7 - Definition of Downtime Hours added as this is required in the MAG formula</p>	<p>Item 1.11 – Definition of Integration Charge including provision and Idaho Power integration charge is applicable to all QF projects within the Idaho Power Control Area.</p>	<p>Item 1.5 – Default Security revised to reflect change in the pricing options as directed by the OPUC Order.</p> <p>In addition some changes to correct grammar and add clarity.</p>	<p>Appendix D – Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract– has been revised to accommodate the passive investor requirement</p>
<p>Item 1.13 - Definition of Lack of Prime Mover added as this is required in the MAG formula</p>	<p>Item 7.7 – additions and revisions to this section is to accommodate the addition of an Integration Charge and provide additional clarity on what the payment to the Seller includes.</p>	<p>Item 7.1 – Net Energy Purchase Price revised to reflect elimination of Dead Band and Gas Market method pricing, incorporation of On-Peak and Off-Peak definitions and inclusion of Integration charge</p>	<p>Table of Contents – Item 29 Commission Investigation deleted as this was related to the previous process of OPUC case 1129</p> <p>Item 1.19 - Definition of Market Energy Cost revised to Mid-Columbia Market Energy Cost – the definition has been revised to reflect the fact that the Dow Jones Index has been replaced with the Platts index and the Platts index has not been providing reasonable energy market values.</p> <p>Idaho Power has been working with the Idaho Public Utilities Commission and other parties in a case before the IPUC and this definition is consistent with a definition adopted by the IPUC.</p>

<p>Lost Net Energy Production deleted as this was used in the previous version of the MAG but is not needed in the new version</p>				<p>Item 1.23 - Definition of Off-Peak Hours – added to provide clarity and also consistency with Schedule 85.</p>
<p>Item 1.17 – Definition of Mechanical Availability revised to enable the new MAG requirement</p>				<p>Item 1.24 - Definition of On-Peak Hours – added to provide clarity and also consistency with Schedule 85.</p>
<p>Item 1.18 – Definition of Mechanical Availability Guarantee revised to enable the new MAG requirement</p>				<p>Item 1.35 - Definition of Sufficient Prime Mover – Correct reference to sun’s energy as “insolation” added to the definition.</p>
<p>Item 6.4 – additions and revisions to this section and all subsections is to accommodate the new MAG requirement</p>				<p>Item 7.2 – additions and revisions to this section and all subsections is to accommodate revised Market Energy Cost definition.</p>
<p>Appendix A – Monthly Power Production and Switching Report – has been revised to accommodate the new MAG requirement</p>				<p>Item 7.7 – additions and revisions to this section to provide clarity of what is included in the Energy Payment.</p>
				<p>Item 19.3.6.2 – revisions to this section to accommodate revised Market Energy Cost definition.</p>
				<p>Item 29.1 – deleted as this section related to an issue that was outstanding from OPUC case 1129 but has subsequently been resolved.</p>

Idaho Power Company

Summary of Changes to Oregon QF Standard Contracts

Non Intermittent Resource **IN** Idaho Power Service Territory

Note - General formatting and grammar changes have not been redlined.

OPUC 14-058 Requirements

Other Changes

MAG	Integration Charges	Price Option Revision	Passive Investor Revision
N/A	N/A	<p>Item 1.5 – Default Security revised to reflect change in the pricing options as directed by the OPUC Order.</p> <p>In addition some changes to correct grammar and add clarity.</p>	<p>Appendix D – <i>Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract</i>– has been revised to accommodate the passive investor requirement</p>
		<p>Item 7.1 – Net Energy Purchase Price revised to reflect elimination of Dead Band and Gas Market method pricing, incorporation of On-Peak and Off-Peak definitions and inclusion of Integration charge</p>	<p>Item 1.14 - Definition of Market Energy Cost revised to Mid-Columbia Market Energy Cost – the definition has been revised to reflect the fact that the Dow Jones Index has been replaced with the Platts index and the Platts index has not been providing reasonable energy market values.</p> <p>Idaho Power has been working with the Idaho Public Utilities Commission and other parties in a case before the IPUC and this definition is consistent with a definition adopted by the IPUC.</p>

<p>Item 1.17 - Definition of Off-Peak Hours – added to provide clarity and also consistency with Schedule 85.</p>	<p>Item 1.18 - Definition of On-Peak Hours – added to provide clarity and also consistency with Schedule 85.</p>	<p>Item 7.2 – additions and revisions to this section and all subsections is to accommodate revised Market Energy Cost definition.</p>	<p>Item 18.3.6.2 – revisions to this section to accommodate revised Market Energy Cost definition.</p>	<p>Item 28.1 – deleted as this section related to an issue that was outstanding from OPUC case 1129 but has subsequently been resolved.</p>
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Idaho Power Company

Summary of Changes to Oregon QF Standard Contracts

Non Intermittent Resource **OUT** of Idaho Power Service Territory

Note - General formatting and grammar changes have not been redlined.

OPUC 14-058 Requirements

Other Changes

MAG	Integration Charges	Price Option Revision	Passive Investor Revision
N/A	N/A	<p>Item 1.5 – Default Security revised to reflect change in the pricing options as directed by the OPUC Order.</p> <p>In addition some changes to correct grammar and add clarity.</p>	<p>Appendix D – <i>Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract</i>– has been revised to accommodate the passive investor requirement</p>
		<p>Item 7.1 – Net Energy Purchase Price revised to reflect elimination of Dead Band and Gas Market method pricing, incorporation of On-Peak and Off-Peak definitions and inclusion of Integration charge</p>	<p>Item 1.14 - Definition of Market Energy Cost revised to Mid-Columbia Market Energy Cost – the definition has been revised to reflect the fact that the Dow Jones Index has been replaced with the Platts index and the Platts index has not been providing reasonable energy market values.</p> <p>Idaho Power has been working with the Idaho Public Utilities Commission and other parties in a case before the IPUC and this definition is consistent with a definition adopted by the IPUC.</p>

<p>Item 1.18 - Definition of Off-Peak Hours – added to provide clarity and also consistency with Schedule 85.</p>	<p>Item 1.19 - Definition of On-Peak Hours – added to provide clarity and also consistency with Schedule 85.</p>	<p>Item 7.2 – additions and revisions to this section and all subsections is to accommodate revised Market Energy Cost definition.</p>	<p>Item 19.3.6.2 – revisions to this section to accommodate revised Market Energy Cost definition.</p>	<p>Item 29.1 – deleted as this section related to an issue that was outstanding from OPUC case 1129 but has subsequently been resolved.</p>
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**OREGON STANDARD ENERGY
SALES AGREEMENT FOR
INTERMITTENT RESOURCE**

CLEAN FORMAT

OREGON STANDARD
ENERGY SALES AGREEMENT
(Intermittent Resource)
BETWEEN
IDAHO POWER COMPANY
AND

TABLE OF CONTENTS

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3	Warranties
4	Conditions to Acceptance of Energy
5	Term and Operation Date
6	Purchase and Sale of Net Energy
7	Purchase Price and Method of Payment
8	Environmental Attributes
9	Records
10	Operations
11	Indemnification and Insurance
12	Force Majeure
13	Land Rights
14	Liability; Dedication
15	Several Obligations
16	Waiver
17	Choice of Laws and Venue
18	Disputes, Default and Remedies
19	Governmental Authorization
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ENERGY SALES AGREEMENT

INTERMITTENT RESOURCE

(10 MW or Less)

Project Number: _____

THIS AGREEMENT is entered into on this _____ day of _____ 20____
between
_____, a _____ company (Seller), and IDAHO
POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively
as “Parties” or individually as “Party.”

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 “Annual Net Energy Amount” –Net Energy that the Seller estimates the Facility will deliver to
Idaho Power at the Point of Delivery for one Contract Year. The Seller shall use all available
information (equipment characteristics, resource characteristics and data, Facility design, etc) to
accurately estimate the Annual Net Energy Amounts. This Annual Net Energy Amount as
specified in paragraph 6.2.1 will be used to calculate the Shortfall Energy quantities within this
Agreement.
- 1.2 “Cash Escrow Security” – Has the meaning set out in paragraph 4.1.6.1.

- 1.3 “Commission” - The Oregon Public Utility Commission.
- 1.4 “Contract Year” - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.5 “Default Security” - A dollar amount computed by the annual On Peak Hours multiplied by the (On Peak price less Off Peak price) multiplied by Annual Net Energy Amount divided by 8,760 where the On Peak price and Off Peak price are the applicable prices specified in the Appendix E.
- 1.6 “Designated Dispatch Facility” - Idaho Power’s Systems Operations Group, or any subsequent group designated by Idaho Power
- 1.7 “Downtime Hours” – the number of hours in a single Contract Year for each generation unit within the Facility, measured in 10 minute increments, in which the generation unit is not in the “run” status or is in “run” status but faulted (including any reasonable delay in resetting a fault). Notwithstanding the previous sentence, Downtime Hours does not include minutes that the unit is unavailable due to (i) an event of Force Majeure; (ii) a default by Idaho Power under this Agreement; (iii) Lack of Prime Mover at times when the generation unit would otherwise be available (including the normal amount of time required by the generation unit to resume operations following a Lack of Prime Mover); or (iv) hours of planned maintenance per generation unit not to exceed 200 hours per generation unit per Contract Year.
- 1.8 “Facility” - That electric generation facility described in Appendix B of this Agreement.
- 1.9 “First Energy Date” - The day commencing at 0001 hours, Mountain Time, following the day that Seller has satisfied the requirements of Article IV and the Seller begins delivering energy to Idaho Power’s system at the Point of Delivery.
- 1.10 “Generation Interconnection Process” – Idaho Power’s generation interconnection application and engineering review process developed to ensure a safe and reliable generation interconnection in compliance with all applicable regulatory requirements, Prudent Electrical Practices and national safety standards.

- 1.11 Integration Charge” – the integration charge as used in the most recent Idaho Power acknowledged Integrated Resource Plan for each specific resource type, specified in Schedule 85 and included as Appendix E to this Agreement.
- 1.12 “Intermittent Resource” – a Facility that produces electrical energy from the use of wind, solar or run of river hydro as the prime mover.
- 1.13 “Lack of Prime Mover” – temporary lack, due to natural causes of Sufficient Prime Mover. Lack of Prime Mover does not include Lack of Prime Mover due to voluntary actions taken by the Seller or by human caused events.
- 1.14 “Letter of Credit Security” – Has the meaning set out in paragraph 4.1.6.2.
- 1.15 “Losses” – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility’s energy is metered and the point the Facility’s energy is delivered to the Idaho Power electrical system. The loss calculation formula will be as specified in Appendix B of this Agreement.
- 1.16 “Material Breach” – A Default (paragraph 18.2.1) subject to paragraph 18.2.2.
- 1.17 “Mechanical Availability” – measured for each Contract Year, the percentage of time that the Facility is capable of producing Net Energy during a Contract Year. The actual calculation being:

$$\text{Mechanical Availability (\%)} = (((H * N) - (DH * N)) / (H * N)) * 100$$

Where:

- H = number of hours in the Contract Year
- N = number of generation units comprising the Facility
- DH = Downtime Hours

- 1.18 “Mechanical Availability Guarantee” - shall be as defined in paragraph 6.4.
- 1.19 “Mid-Columbia Market Energy Cost” – 82.4% of the monthly arithmetic average of the Intercontinental Exchange (“ICE”) daily firm Mid-C Peak Avg and Mid-C Off-Peak Avg reported prices.

The actual calculation being:

$$.824 * \left(\sum_{X=1}^n \{(\text{ICE Mid-C Peak Avg}_x * \text{On-Peak hours for day}) + (\text{ICE Mid-C Off-Peak Avg}_x * \text{Off-Peak hours for day})\} / (n*24) \right)$$

where n = number of days in the month

If the ICE Mid-Columbia Index reporting is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the ICE Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and a commonly used index by the electrical industry.

- 1.20 “Nameplate Capacity” –The full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperers, kilowatts, volts or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.
- 1.21 “Net Energy” – Electric energy produced by the Facility, less Station Use and Losses, expressed in kilowatt hours (kWh) that is less than or equal to the Nameplate Capacity. Seller commits to deliver all Net Energy to Idaho Power at the Point of Delivery for the full term of the Agreement.
- 1.22 “Off-Peak Hours” – The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.23 “On-Peak Hours” – The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.24 “Operation Date” – The day commencing at 0001 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.25 “Point of Delivery” – The location specified in Appendix B, where Idaho Power’s and the Seller’s electrical facilities are interconnected.
- 1.26 “Prudent Electrical Practices” – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.

- 1.27 “Schedule 85” – Idaho Power’s Oregon Tariff No E-27, Schedule 85 in effect as of the effective date of this Agreement.
- 1.28 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date.
- 1.29 “Season” – The three periods identified in Schedule 85.
- 1.30 “Senior Lien” – Has the meaning set out in paragraph 4.1.6.3.
- 1.31 “Shortfall Energy” – Prior to the Operation Date, Shortfall Energy shall be equal to the Annual Net Energy Amount specified in paragraph 6.2 divided by 365, multiplied by the number of days past the Scheduled Operation Date when the Operation Date is achieved less 30 days, less Surplus Energy. If this calculation results in a value less than 0 then the result shall be 0.
- 1.32 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility. To calculate the Station Use value for use in the Mechanical Availability calculation, the previous period’s actual Station Use will be used as a basis.
- 1.33 “Step-In Rights” – Has the meaning set out in paragraph 4.1.6.4.
- 1.34 “Sufficient Prime Mover” means prime mover (i.e. wind speed, water quantity or solar insolation) that is equal to or greater than the generation unit’s manufacturer-specified minimum levels required for the generation unit to produce energy.
- 1.35 “Surplus Energy” – (1) All Net Energy produced by the Seller’s Facility and delivered by the Facility to the Idaho Power electrical system that exceeds the Nameplate Capacity of the Facility. Deliveries above the Facility’s Nameplate Capacity solely for the purpose of accommodating hourly scheduling in whole MWs by a third party transmission provider shall not be considered to be Surplus Energy as described within this paragraph 1.35 item 1 or (2) All Net Energy produced by the Seller’s Facility and delivered by the Facility to the Idaho Power electrical system prior to the Operation Date.
- 1.36 “Total Cost of the Facility” - The total cost of structures, equipment and appurtenances.

ARTICLE II: NO RELIANCE ON IDAHO POWER

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

ARTICLE III: WARRANTIES

- 3.1 No Warranty by Idaho Power - Any review, acceptance or failure to review Seller's design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho Power and Idaho Power makes no warranties, expressed or implied, regarding any aspect of Seller's design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.
- 3.2 Qualifying Facility Status - Seller warrants that the Facility is a "Qualifying Facility," as that term is used and defined in 18 CFR 292.201 et seq. Seller's failure to maintain the Facility and operations of the Facility in a manner consistent with the initial Qualifying Facility certificate will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.
- 3.2.1 If Idaho Power's obligation to purchase energy from a "Qualifying Facility," as that term is defined in 18 CFR 292.201 et seq. or ORS 758.505(8), is repealed or otherwise terminated, this Agreement will remain in full force and effect unless state or federal law mandates termination of this Agreement.
- 3.3 FERC License (*only applies to hydro projects*) - Seller warrants that Seller possesses a valid

license or exemption from licensing from the Federal Energy Regulatory Commission ("FERC") for the Facility. Seller recognizes that Seller's possession and retention of a valid FERC license or exemption is a material part of the consideration for Idaho Power's execution of this Agreement. Seller will take such steps as may be required to maintain a valid FERC license or exemption for the Facility during the term of this Agreement, and Seller's failure to maintain a valid FERC license or exemption will be a material breach of this Agreement.

3.4 Eligibility for Standard Rates and Contract

3.4.1 Initial Qualification - Seller warrants that the Seller's Facility meets the definitions contained in Appendix D, "Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract" of this Agreement approved by the Commission at the time this Agreement is executed and is therefore eligible for standard rates and the standard contract. Upon request from Idaho Power, the Seller will provide Idaho Power with documentation verifying the ownership, management and financial structure of the Facility in reasonably sufficient detail to allow Idaho Power to make an initial determination of whether or not the Facility meets the described criteria for entitlement to the standard rates and standard contract as defined in Appendix D.

3.4.2 Ongoing Qualification - Seller warrants that the Seller will not make any changes in its ownership, control or management during the term of this Agreement that would cause it to be ineligible for standard rates and a standard contract in compliance with the Appendix D approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by Idaho Power not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller's continued compliance with the Definition in Appendix D. Idaho Power agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except Idaho Power will provide all such confidential information to the Public Utility Commission of

Oregon upon the Commission's request.

3.4.3 Qualification Dispute - Any dispute concerning the Seller's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.

3.4.4 Seller warrants that the Facility is an Intermittent Resource.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

4.1 Prior to the First Energy Date and as a condition of Idaho Power's acceptance of deliveries of energy from the Seller, Seller shall:

4.1.1 Submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.201 et seq.

4.1.2 Nameplate Capacity Determination - Submit to Idaho Power such data as Idaho Power may reasonably require to confirm the manufacturer's Nameplate Capacity rating of the Facility. Such data will include but not be limited to, equipment specifications, power factor assumptions, and any other data that would allow Idaho Power to verify the manufacturer's nameplate rating of this Facility. Upon receipt of this information, Idaho Power will review the provided data and if necessary, request additional data to complete the verification process within a reasonable time.

4.1.3 Engineer's Certifications - Submit an executed Engineer's Certification of Design & Construction Adequacy and an Engineer's Certification of Operations and Maintenance (O&M) Policy. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.

4.1.4 Insurance - Submit written proof to Idaho Power of all insurance required in Article XI.

4.1.5 Interconnection - Provide written proof to Idaho Power that all Generation Interconnection Process requirements have been completed. The entire completed

Generation Interconnection Process, including, but not limited to, the equipment specifications and requirements will be included by reference in this Agreement.

4.1.6 Security Requirements – Provide Idaho Power with commercially reasonable representations and warranties and other documentation to determine the Seller’s creditworthiness. Such documentation would include, at a minimum, that the Seller is current on existing debt obligations and has not been a debtor in a bankruptcy preceding within the preceding two years. Upon receipt of this information, Idaho Power will review the provided data and, if necessary, request additional data and/or will provide written confirmation or rejection of the provided data within a reasonable time. In lieu of providing evidence of acceptable creditworthiness, the Seller may provide Idaho Power with commercially reasonable security instruments such as Letter of Credit, Senior Lien Rights, Step-In-Rights, Cash Escrow Security as those terms are defined in this Agreement or other forms of liquid financial security that would provide readily available cash to Idaho Power in the Event of a Default under this Agreement. The value of these security instruments shall at the minimum be equal to the Default Security as defined in paragraph 1.5 of this Agreement.

4.1.6.1 Cash Escrow Security - Seller shall deposit funds in an escrow account established by Idaho Power in a banking institution acceptable to both Parties equal to, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

4.1.6.2 Letter of Credit Security - Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to Idaho Power in its discretion, or (b) a Letter of Credit in favor of Idaho Power. To the extent Idaho Power receives

payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

4.1.6.3 Senior Lien - Before the Scheduled Operation Date, Seller shall grant Idaho Power a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to Idaho Power in the reasonable exercise of its discretion). Pending delivery of the senior lien to Idaho Power, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to Idaho Power's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

4.1.6.4 Step-in Rights (Operation by Idaho Power Following Event of Default of Seller).

4.1.6.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in paragraph 18.2, Idaho Power shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to Idaho Power's

right under this paragraph 4.1.6.4.

4.1.6.4.2 Idaho Power shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of Idaho Power's rights under this paragraph 4.1.6.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, Idaho Power, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints Idaho Power as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as Idaho Power may reasonably deem necessary or appropriate to exercise Idaho Power's step-in rights under this paragraph 4.1.6.4.

4.1.6.4.3 During any period that Idaho Power is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

4.1.6.4.4 During any period that Idaho Power is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and Idaho Power shall assume possession, operation, and control solely as agent for Seller.

a) In the event Idaho Power is in possession and control of the Facility for an interim period, Seller shall resume operation

and Idaho Power shall relinquish its right to operate when Seller demonstrates to Idaho Power's reasonable satisfaction that it will remove those grounds that originally gave rise to Idaho Power's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed Idaho Power to exercise its rights under this paragraph 4.1.6.4.

- b) In the event that Idaho Power is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and Idaho Power shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

4.1.6.4.5 Idaho Power's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by Idaho Power of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility Idaho Power elects to return such possession and operation to Seller, Idaho Power shall provide Seller with at least fifteen (15) calendar days advance notice of the date Idaho Power intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

4.1.7 Written Acceptance – Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller’s request and will not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of _____ (*not to exceed 20 years*) Contract Years from the Operation Date.

5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the following:

- a) Achieved the First Energy Date.
- b) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner.
- c) Seller has requested an Operation Date from Idaho Power in a written format.
- d) Seller has received written confirmation from Idaho Power of the Operation Date.

This confirmation will not be unreasonably withheld by Idaho Power.

5.3 If the Seller fails to achieve the Operation Date within 30 days of the Scheduled Operation Date, Seller will reimburse Idaho Power for any Shortfall Energy Repayment Amount accruing from 30 days following the Scheduled Operation Date until the Seller achieves the Operation Date. Such reimbursement shall be determined in the manner described in paragraph 7.4, 7.5 and 7.6 of this Agreement.

5.4 Seller’s failure to achieve the Operation Date within ten (10) months of the Scheduled Operation Date will be an Event of Default.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

6.1 Delivery and Acceptance of Net Energy - Except when either Party's performance is excused as

provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy to Idaho Power at the Point of Delivery.

6.2 Annual Net Energy Amount - Seller intends to produce and deliver Net Energy in the following annual amount:

6.2.1 Annual Net Energy Amount: _____ kWh

6.2.2 Seller's Adjustment of Annual Net Energy Amounts

6.2.2.1 No later than the Scheduled Operation Date, by written notice given to Idaho Power in accordance with paragraph 23.1, the Seller may revise the previously provided Annual Net Energy Amount.

6.3 Unless excused by an event of Force Majeure, Seller's failure to deliver Net Energy in any two consecutive Contract Years in an amount equal to at least ten percent (10%) of the Annual Net Energy Amount specified in paragraph 6.2 shall constitute an Event of Default.

6.4 Mechanical Availability Guarantee (MAG) – Seller guarantees that beginning with the third Contract Year the annual Mechanical Availability of the Facility shall be no less than 90 percent.

6.4.1 MAG notification – within ten (10) days after the end of a Contract Year, the Seller shall provide Idaho Power with the Seller certified accurate Mechanical Availability calculations for the recently passed Contract Year. At the minimum the information provided to Idaho Power will include a summary record of the Contract Year's Generation Unit Downtime Hours, Lack of Prime Mover, Force Majeure events and any other information required to confirm the Seller's Mechanical Availability calculation.

6.4.2 The Seller shall maintain detailed documentation of the Seller's Mechanical Availability calculation for a minimum of three (3) Contract Years.

6.4.3 Idaho Power shall have the right to review and audit the documentation supporting the calculation of the Mechanical Availability at reasonable times at the Seller's Facility or other mutually agreed to location.

6.4.4 Shortfall Energy - if the Mechanical Availability falls below the MAG for any Contract Year, the Shortfall Energy for that Contract Year shall be expressed in kWh and

calculated as follows:

Shortfall Energy = (MAG – Mechanical Availability) * Annual Net Energy Amount.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

- 7.1 Net Energy Purchase Price – For the first fifteen (15) Contract Years the Seller shall be paid the On-Peak and Off-Peak prices, less any identified Integration Charge applicable to the Facility resource type as specified in Schedule 85 and included as Appendix E of this Agreement for Net Energy deliveries during On Peak or Off Peak hours. For all Net Energy delivered to Idaho Power after the first fifteen (15) Contract Years and for the remaining term of this Agreement, the Seller has selected Option _____ from Schedule 85 as the basis for determining the purchase price. The Net Energy Purchase Price shall be calculated as specified in Schedule 85 resulting in an On-Peak and Off-Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On-Peak and Off-Peak Hours.
- 7.2 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller 85% of the Mid-Columbia Market Energy Cost or the Off-Peak Net Energy Purchase Price as specified in Appendix E, whichever is lower.
- 7.3 Increase in Nameplate Capacity - If the Seller increases the Nameplate Capacity of the Seller's Facility as a result of increased prime mover, refurbishing equipment, upgrading equipment, reconfiguration of equipment, operation modifications, or by any means other than installing additional generation units, then the Nameplate Capacity as defined in paragraph 1.20 shall be revised to match this increased Nameplate Capacity rating. If the increase in Nameplate Capacity results in the Nameplate Capacity of the Facility exceeding 10 MW, then the on a going-forward basis Idaho Power shall pay Seller the Net Energy Price specified in Section 7.1 for the fraction of total Net Energy delivered equal to 10,000 kW divided by the Nameplate Capacity of the upgraded Facility. For the remaining fraction of Net Energy Idaho Power Company and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Nameplate Capacity or the maximum instantaneous capacity of the Facility

complies with Seller's Interconnection Agreement, Transmission Agreement and any other relevant agreements.

7.4 Shortfall Energy Repayment Price –

7.4.1 Price to be applied to all Shortfall Energy that occurs prior to the Operation Date - If the current day's Market Energy Cost is greater than the applicable Net Energy Purchase Price that would have been paid to the Seller for energy delivered to Idaho Power on that day if the Facility had achieved its Operation Date, the Shortfall Energy Repayment Price will be determined by subtracting the current day's Market Energy Cost from the current day's Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the current day's Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current day's Net Energy Purchase Price.

7.5 Shortfall Energy Repayment Amount –

7.5.1 Amount due for Shortfall Energy that occurs prior to the Operation Date - An accumulation of each day's Shortfall Energy multiplied by the Shortfall Energy Repayment Price for each day of the preceding month.

7.6 Shortfall Energy Repayment Schedule –

7.6.1 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy prior to the Operation Date – No later than 15 days following the end of each month, Idaho Power will calculate the previous month's Shortfall Energy Repayment Amount. The Seller shall pay any Shortfall Energy Repayment Amounts to Idaho Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.

7.7 Payment Due Date – Energy payments (inclusive of Integration Charge) to the Seller including any additional deductions for Shortfall Energy Repayment Amounts or any other billings due Idaho Power will be disbursed within thirty (30) days of the date which Idaho Power receives and accepts the documentation of the monthly Net Energy actually produced by the Seller's Facility and delivered to Idaho Power as specified in Appendix A.

ARTICLE VIII: ENVIRONMENTAL ATTRIBUTES

- 8.1 Idaho Power waives any claim to ownership of Environmental Attributes. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) directly associated with the production of energy from the Seller's Facility.

ARTICLE IX: RECORDS

- 9.1 Maintenance of Records - Seller shall maintain at the Facility or such other location mutually acceptable to the Parties adequate total generation, Net Energy, Station Use and maximum generation (kW) records in a form and content recommended by Idaho Power.
- 9.2 Inspection - Either Party, after reasonable notice to the other Party, shall have the right, during normal business hours, to inspect and audit any or all generation, Net Energy, Station Use and maximum generation (kW) records pertaining to the Seller's Facility.

ARTICLE X: OPERATIONS

- 10.1 Communications - Idaho Power and the Seller shall maintain appropriate operating communications through Idaho Power's Designated Dispatch Facility in accordance with Appendix A of this Agreement.
- 10.2 Energy Acceptance –
- 10.2.1 Idaho Power shall be excused from accepting and paying for Net Energy produced by the Facility and delivered by the Seller to the Point of Delivery, if it is prevented from doing so by an event of Force Majeure, or if Idaho Power determines that curtailment, interruption or reduction of Net Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, electrical system operating conditions on its system or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of Force Majeure, Idaho Power requires such a curtailment,

interruption or reduction of Net Energy deliveries for a period that exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amount specified in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.

10.2.2 If, in the reasonable opinion of Idaho Power, Seller's operation of the Facility or Interconnection Facilities is unsafe or may otherwise adversely affect Idaho Power's equipment, personnel or service to its customers, Idaho Power may physically interrupt the flow of energy from the Facility as specified within the Generation Interconnection Process or take such other reasonable steps as Idaho Power deems appropriate.

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

10.4 Maintenance Coordination - The Seller and Idaho Power shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.

10.5 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller prior to exercising its rights to curtail, interrupt or reduce deliveries from the Seller's Facility. Seller understands that, in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events Idaho Power may not be able to provide notice to the Seller prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.

ARTICLE XI: INDEMNIFICATION AND INSURANCE

11.1 Indemnification - Each Party shall agree to hold harmless and to indemnify the other Party, its officers, directors, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

11.2 Insurance -

11.2.1 If the Facility's Nameplate Capacity as determined in paragraph 1.20 of this Agreement is greater than 200 kW, the Seller shall secure and continuously carry the following insurance coverage:

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

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

- (a) An endorsement naming Idaho Power as an additional insured and loss payee as applicable; and
- (b) A provision stating that such policy shall not be canceled or the limits of liability reduced without sixty (60) days' prior written notice to Idaho Power.

11.2.1.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.4 herein and annually thereafter, Seller shall furnish Idaho Power a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.

11.2.1.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by paragraph 11.2 shall lapse for any reason, Seller will immediately notify Idaho Power in writing. The notice will advise Idaho Power of the specific reason for the lapse and the steps Seller is taking to reinstate the coverage. Failure to provide this notice and to expeditiously reinstate or replace the coverage will constitute a Material Breach of this Agreement.

ARTICLE XII: FORCE MAJEURE

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

- (1) The non-performing Party shall, as soon as is reasonably possible after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence.
- (2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure.
- (3) No obligations of either Party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

ARTICLE XIII: LAND RIGHTS

- 13.1 Seller to Provide Access - Seller hereby grants to Idaho Power for the term of this Agreement all necessary rights-of-way and easements to install, operate, maintain, replace and remove Idaho Power's Metering Equipment, Interconnection Equipment, Disconnection Equipment, Protection Equipment and other Special Facilities necessary or useful to this Agreement, including adequate and continuing access rights on property of Seller. Seller warrants that it has procured sufficient easements and rights-of-way from third parties so as to provide Idaho Power with the access described above. All documents granting such easements or rights-of-way shall be subject to Idaho Power's approval and in recordable form.
- 13.2 Use of Public Rights-of-Way - The Parties agree that it is necessary to avoid the adverse environmental and operating impacts that would occur as a result of duplicate electric lines being constructed in close proximity. Therefore, subject to Idaho Power's compliance with paragraph 13.4, Seller agrees that should Seller seek and receive from any local, state or federal governmental body the right to erect, construct and maintain Seller-furnished Interconnection Facilities upon, along and over any and all public roads, streets and highways, then the use by Seller of such public right-of-way shall be subordinate to any future use by Idaho Power of such public right-of-way for construction and/or maintenance of electric distribution and transmission facilities and Idaho Power may claim use of such public right-of-way for such purposes at any time. Except as required by paragraph 13.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 13.2.
- 13.3 Joint Use of Facilities - Subject to Idaho Power's compliance with paragraph 13.4, Idaho Power may use and attach its distribution and/or transmission facilities to Seller's Interconnection Facilities, may reconstruct Seller's Interconnection Facilities to accommodate Idaho Power's usage or Idaho Power may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to paragraph 13.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by paragraph

13.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 13.3.

- 13.4 Conditions of Use - It is the intention of the Parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior to Idaho Power's exercising its rights under this Article XIII. Therefore, the Parties agree that the exercise by Idaho Power of any of the rights enumerated in paragraphs 13.2 and 13.3 shall: (1) comply with all applicable laws, codes and Prudent Electrical Practices, (2) equitably share the costs of installing, owning and operating jointly used facilities and rights-of-way. If the Parties are unable to agree on the method of apportioning these costs, the dispute will be submitted to the Commission for resolution and the decision of the Commission will be binding on the Parties, and (3) shall provide Seller with an interconnection to Idaho Power's system of equal capacity and durability as existed prior to Idaho Power exercising its rights under this Article XIII.

ARTICLE XIV: LIABILITY; DEDICATION

- 14.1 Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or entity.

ARTICLE XV: SEVERAL OBLIGATIONS

- 15.1 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XVI: WAIVER

- 16.1 Any waiver at any time by either Party of its rights with respect to a Default under this Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent Default or other matter.

ARTICLE XVII: CHOICE OF LAWS AND VENUE

- 17.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Oregon without reference to its choice of law provisions.
- 17.2 Venue for any litigation arising out of or related to this Agreement will lie in the District Court of the Ninth Judicial District of Oregon in and for the County of Malheur.

ARTICLE XVIII: DISPUTES, DEFAULTS AND REMEDIES

- 18.1 Disputes - All disputes related to or arising under this Agreement, including, but not limited to, the interpretation of the terms and conditions of this Agreement, will be submitted to the Commission for resolution.
- 18.2 Notice of Default -
- 18.2.1 Defaults. If either Party fails to perform any of the terms or conditions of this Agreement (an “Event of Default” or “Default”), the nondefaulting Party shall cause notice in writing to be given to the defaulting Party, specifying the manner in which such Default occurred. If the defaulting Party shall fail to cure such Default within the sixty (60) days after service of such notice, or if the defaulting Party reasonably demonstrates to the other Party that the Default can be cured within a commercially reasonable time but not within such sixty (60) day period and then fails to diligently pursue such cure, then, the nondefaulting Party may, at its option, terminate this Agreement and/or pursue its legal or equitable remedies.
- 18.2.2 Material Breaches – The notice and cure provisions in paragraph 18.2.1 do not apply to Defaults identified in this Agreement as Material Breaches. Material Breaches

must be cured as expeditiously as possible following occurrence of the breach.

18.3 Security for Performance - Prior to the Operation Date and thereafter for the full term of this Agreement, Seller will provide Idaho Power with the following:

18.3.1 Insurance - Evidence of compliance with the provisions of paragraph 11.2. If Seller fails to comply, such failure will be a Material Breach and may only be cured by Seller supplying evidence that the required insurance coverage has been replaced or reinstated;

18.3.2 Engineer's Certifications - Every three (3) years after the Operation Date, Seller will supply Idaho Power with a Certification of Ongoing Operations and Maintenance (O & M) from a Registered Professional Engineer licensed in the State of Oregon, which Certification of Ongoing O & M shall be in the form specified in Appendix C. Seller's failure to supply the required certificate will be an Event of Default. Such a Default may only be cured by Seller providing the required certificate; and

18.3.3 Licenses and Permits - During the full term of this Agreement, Seller shall maintain compliance with all permits and licenses described in paragraph 4.1.1 of this Agreement. In addition, Seller will supply Idaho Power with copies of any new or additional permits or licenses. At least every fifth Contract Year, Seller will update the documentation described in paragraph 4.1.1. If at any time Seller fails to maintain compliance with the permits and licenses described in paragraph 4.1.1 or to provide the documentation required by this paragraph, such failure will be an Event of Default and may only be cured by Seller submitting to Idaho Power evidence of compliance from the permitting agency.

18.3.4 Security Requirements – During the full term of this Agreement, Seller shall maintain the Security Requirements established in accordance with paragraph 4.1.6. Failure to maintain these Security Requirements will be a Material Breach of this Agreement.

18.3.4.1 If the Seller fails to maintain the Security Requirements as specified in paragraph 18.3.4 and it is deemed the Seller is in Material Breach of this Agreement, if the Material Breach is a result of the Seller defaulting on a

Facility construction loan, the Seller shall provide Idaho Power notice of the Facility construction loan default. Idaho Power may require the Seller to provide Default Security to remedy this Material Breach. Upon notice from Idaho Power to the Seller requiring the Seller to provide Default Security to remedy this Material Breach, within 10 business days of said notice, the Seller may provide Idaho Power evidence for review that the Seller has negotiated satisfactory financial arrangements with the construction loan lender that mitigates the Seller's financial risk. Upon review of the Seller's provided documentation, if Idaho Power determines that the negotiated financial arrangements satisfactorily mitigates the Seller's financial risk, Idaho Power will deem this Material Breach to be cured. If Idaho Power determines that the provided documentation does not provide evidence that the Seller's risk has been satisfactorily mitigated, the Seller will be required to provide Default Security within 5 business days of Idaho Power's notification that the Material Breach has not been cured.

18.3.5 Recoupment of Damages

18.3.5.1 Default Security Available. – If a Default has occurred and has not been cured and if the Seller has posted Default Security, Idaho Power may draw upon that security, in accordance with paragraph 18.2.1 to satisfy any damages.

18.3.5.2 Default Security Unavailable – If a Default has occurred and has not been cured and if Seller has not posted Default Security, or if Idaho Power has exhausted the Default Security, Idaho Power may collect any remaining amount owing by; (1) lump sum payment to Idaho Power by the Seller or (2) partially withholding future payments to the Seller over a reasonable period of time. Idaho Power and the Seller shall work together in good faith to establish the reasonable period and monthly amounts, of such withholding so

as to avoid Seller's default on its commercial or financing agreements necessary for its continued operations of the Facility.

18.3.6 Termination

18.3.6.1 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement and the Seller or a party substantially the same as the Seller, subsequently seeks to enter into a new standard QF contract for this same Facility. Then, the new standard QF contract shall run for the period that the original contract would have run, and shall contain the same terms, rates and conditions as the original Agreement.

18.3.6.2 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement, the Seller shall pay Idaho Power damages equal to the positive difference, if any, obtained by subtracting the Net Energy Purchase Price from the projected forward Mid-Columbia Market Energy Cost for 24 months beginning with the next full month after the date of termination multiplied by the Annual Net Energy Amounts.

ARTICLE XIX: GOVERNMENTAL AUTHORIZATION

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

ARTICLE XX: SUCCESSORS AND ASSIGNS

20.1 This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, except that no assignment hereof by either Party shall become effective without the written consent of both Parties being

first obtained. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, any party which Idaho Power may consolidate, or into which it may merge, or to which it may convey or transfer substantially all of its electric utility assets, shall automatically, without further act, and without need of consent or approval by the Seller, succeed to all of Idaho Power's rights, obligations and interests under this Agreement. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho Power shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXI: MODIFICATION

21.1 No modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission.

ARTICLE XXII: TAXES

22.1 Each Party shall pay before delinquency all taxes and other governmental charges which, if failed to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXIII: NOTICES

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

To Seller: _____

To Idaho Power:

Original document to:

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

Copy of document to:

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

ARTICLE XXIV: ADDITIONAL TERMS AND CONDITIONS

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

Appendix A	-	Generation Scheduling and Reporting
Appendix B	-	Facility and Point of Delivery
Appendix C	-	Engineer's Certifications
Appendix D	-	Definition of a Small Cogeneration Facility or Small Power Production Facility eligible to receive the standard rates and standard contract.
Appendix E	-	Applicable Prices from Schedule 85

ARTICLE XXV: SEVERABILITY

25.1 The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other terms or provisions and this Agreement shall be construed in all other respects as if the invalid or unenforceable term or provision were omitted.

ARTICLE XXVI: COUNTERPARTS

26.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXVII: ENTIRE AGREEMENT

27.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be executed

in their respective names on the dates set forth below:

Idaho Power Company

By

By

Dated

Dated

“Idaho Power”

“Seller”

APPENDIX A

A –1 MONTHLY POWER PRODUCTION AND SWITCHING REPORT

At the end of each month, the following required documentation will be submitted to:

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

The Meter readings required on this report will be the reading on the Idaho Power Meter Equipment measuring the Facility's total energy production and Station Use delivered to Idaho Power and the maximum generated energy (kW) as recorded on the Meter Equipment and/or any other required energy measurements to adequately administer this Agreement.

Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND SWITCHING REPORT

Month _____ Year _____

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

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

As specified in this Agreement, the Seller shall include with this monthly report a summary statement of the Mechanical Availability of this Facility for the calendar month. This summary shall include details as to how the Seller calculated this value and summary of the Facility data used in the calculation. Idaho Power and the Seller shall work together to mutually develop a summary report that provides the required data. Idaho Power reserves the right to review the detailed data used in this calculation as allowed within the Agreement.

Breaker Opening Record

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

<u>* Reason</u>

Breaker Closing Record

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

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

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

A-2 ROUTINE REPORTING

Idaho Power Designated Dispatch Facility contact information

Daily Energy Production Reporting

All projects with a Nameplate Capacity of 1 MW or greater shall:

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

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

If Idaho Power determines that adequate generation data is available for this Facility's daily generation, Idaho Power may modify these reporting requirements

Planned and Unplanned Project outages

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

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

Seller's Contact Information

24-Hour Project Operational Contact

Name: _____
 Telephone Number: _____
 Cell Phone: _____

Project On-site Contact information

Telephone Number: _____

APPENDIX B

FACILITY AND POINT OF DELIVERY

PROJECT NO. _____

B-1 DESCRIPTION OF FACILITY

B-2 LOCATION OF FACILITY

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected _____ as the estimated Scheduled First Energy Date.

Seller has selected _____ as the estimated Scheduled Operation Date.

In making these selections, Seller recognizes that adequate testing of the Facility and completion of all requirements in paragraph 5.2 of this Agreement must be completed prior to the project being granted an Operation Date.

B-4 POINT OF DELIVERY

_____ the point on the Idaho Power electrical system where the Sellers Facility's energy is delivered to the Idaho Power. This point shall be a point on the Idaho Power electrical system that is able to accept the Seller's energy and Idaho Power is able to disburse the energy to local Idaho Power load requirements or available capacity exists on

the Idaho Power electrical system to allow transporting the Seller's energy to areas within the Idaho Power system that is capable of consuming the Seller's energy deliveries.

B-5 LOSSES

If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated for this Facility. If the Idaho Power Metering is unable to measure the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss specifications, conductor sizes, etc) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at anytime during the term of this Agreement, Idaho Power determines that the loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power may adjust the calculation and retroactively adjust the previous months kWh loss calculations.

B-6 METERING AND TELEMETRY

At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries to the Point of Delivery and any other energy measurements required to administer this Agreement.

APPENDIX C

ENGINEER'S CERTIFICATION

OF

OPERATIONS & MAINTENANCE POLICY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and is hereinafter referred to as the "Project."
4. That the Project, which is commonly known as the _____, is located in Section _____, Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has reviewed and/or supervised the review of the Policy for Operation and Maintenance ("O&M") for this Project and it is his professional opinion that, provided said Project has been designed and built to appropriate standards, adherence to said O&M Policy will result in the

Project's producing at or near the design electrical output, efficiency and plant factor for a period of _____years.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself and _____ hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____, is located at _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. It is Engineer's professional opinion, based on the Project's appearance, that its ongoing O&M has been substantially in accordance with said O&M Policy; that it is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the remaining _____ years of the Agreement.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer", hereby states and certifies to Idaho Power as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement", between Idaho Power as Buyer, and _____ as Seller, dated _____, _____.
3. That the cogeneration or small power production project, which is the subject of the Agreement and this Statement, is identified as IPCo Facility No _____ and is hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ (____) year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project and has made the analysis of the plans and specifications independently.
8. That Engineer has reviewed the engineering design and construction of the Project, including the civil work, electrical work, generating equipment, prime mover conveyance system, Seller furnished Interconnection Facilities and other Project facilities and equipment.
9. That the Project has been constructed in accordance with said plans and specifications, all

applicable codes and consistent with Prudent Electrical Practices as that term is described in the Agreement.

10. That the design and construction of the Project is such that with reasonable and prudent operation and maintenance practices by Seller, the Project is capable of performing in accordance with the terms of the Agreement and with Prudent Electrical Practices for a _____ (_____) year period.

11. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, in interconnecting the Project with its system, is relying on Engineer's representations and opinions contained in this Statement.

12. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____
(P.E. Stamp)

Date _____

APPENDIX D

DEFINITION OF A SMALL COGENERATION FACILITY

OR

SMALL POWER PRODUCTION FACILITY

ELIGIBLE TO RECEIVE THE STANDARD RATES AND STANDARD CONTRACT

A Qualifying Facility (either a small power production facility or a cogeneration facility) (“QF”) will be eligible to receive the standard rates and standard contract if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, does not exceed 10 MW.

Definition of Person(s) or Affiliated Person(s):

As used above, the term “same person(s)” or “affiliated person(s)” means a natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. However, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Furthermore, except for independent family-owned or community-based facilities, two facilities will be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a “passive investor” whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a “passive investor” if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Definition of Same Site:

For purposes of the foregoing, generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Shared Interconnection and Infrastructure:

QFs otherwise meeting the above-described separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

APPENDIX E

COPY OF APPLICABLE PRICES FROM SCHEDULE 85

**OREGON STANDARD ENERGY
SALES AGREEMENT FOR
INTERMITTENT RESOURCE**

REDLINE FORMAT

OREGON STANDARD
ENERGY SALES AGREEMENT
(Intermittent Resource)
BETWEEN
IDAHO POWER COMPANY
AND

TABLE OF CONTENTS

<u>Article</u>	<u>TITLE</u>
1	Definitions
2	No Reliance on Idaho Power
3	Warranties
4	Conditions to Acceptance of Energy
5	Term and Operation Date
6	Purchase and Sale of Net Energy
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11	Indemnification and Insurance
12	Force Majeure
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15	Several Obligations
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17	Choice of Laws and Venue
18	Disputes, Default and Remedies
19	Governmental Authorization
20	Successors and Assigns
21	Modification
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27	Entire Agreement Signatures

~~28 Commission Investigation~~

Appendix A
Appendix B
Appendix C
Appendix D
Appendix E

ENERGY SALES AGREEMENT
INTERMITTENT RESOURCE
(10 MW or Less)

Project Number: _____

THIS AGREEMENT is entered into on this _____ day of _____ 20____
between
_____, a _____ company (Seller), and IDAHO
POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively
as “Parties” or individually as “Party.”

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 “Annual Net Energy Amount” –Net Energy that the Seller estimates the Facility will deliver to
Idaho Power at the Point of Delivery for one Contract Year. The Seller shall use all available
information (equipment characteristics, resource characteristics and data, Facility design, etc) to
accurately estimate the Annual Net Energy Amounts. This Annual Net Energy Amount as
specified in paragraph 6.2.1 will be used to calculate the Shortfall Energy quantities within this
Agreement.
- 1.2 “Cash Escrow Security” – Has the meaning set out in paragraph 4.1.6.1.

- 1.3 “Commission” - The Oregon Public Utility Commission.
- 1.4 “Contract Year” - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.5 “Default Security” - A dollar amount computed by the annual O_{en} P_{peak} H hours multiplied by the (O_{en} P_{peak} price less O_{off} P_{peak} price) multiplied by- Annual Net Energy Amount divided by- 8,760 where the O_{en} P_{peak} price and O_{off} P_{peak} price are the applicable prices specified in the Appendix E.Schedule 85 option the Seller has selected in paragraph 7.1 of this Agreement
- 1.6 “Designated Dispatch Facility” - Idaho Power’s Systems Operations Group, or any subsequent group designated by Idaho Power
- 1.7 “Downtime Hours” – the number of hours in a single Contract Year for each generation unit within the Facility, measured in 10 minute increments, in which the generation unit is not in the “run” status or is in “run” status but faulted (including any reasonable delay in resetting a fault). Notwithstanding the previous sentence, Downtime Hours does not include minutes that the unit is unavailable due to (i) an event of Force Majeure; (ii) a default by Idaho Power under this Agreement; (iii) Lack of Prime Mover at times when the generation unit would otherwise be available (including the normal amount of time required by the generation unit to resume operations following a Lack of Prime Mover); or (iv) hours of planned maintenance per generation unit not to exceed 200 hours per generation unit per Contract Year.
- 1.8 “Facility” - That electric generation facility described in Appendix B of this Agreement.
- 1.9 “First Energy Date” - The day commencing at 0001 hours, Mountain Time, following the day that Seller has satisfied the requirements of Article IV and the Seller begins delivering energy to Idaho Power’s system at the Point of Delivery.
- 1.10 “Generation Interconnection Process” – Idaho Power’s generation interconnection application and engineering review process developed to ensure a safe and reliable generation interconnection in compliance with all applicable regulatory requirements, Prudent Electrical Practices and national safety standards.

1.11 Integration Charge” – the integration charge as used in the most recent Idaho Power acknowledged Integrated Resource Plan for each specific resource type, specified in Schedule 85 and included as Appendix E to this Agreement.

1.12 “Intermittent Resource” – a Facility that produces electrical energy from the use of wind, solar or run of river hydro as the prime mover.

1.13 “Lack of Prime Mover” – temporary lack, due to natural causes of Sufficient Prime Mover. Lack of Prime Mover does not include Lack of Prime Mover due to voluntary actions taken by the Seller or by human caused events.

1.14 “Letter of Credit Security” – Has the meaning set out in paragraph 4.1.~~67~~.2.

1.15 “Losses” – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility’s energy is metered and the point the Facility’s energy is delivered to the Idaho Power electrical system. The loss calculation formula will be as specified in Appendix B of this Agreement.

~~1.13 “Lost Net Energy Production” – Estimate of kWh’s of Net Energy production that were not delivered due to lack of Sufficient Prime Mover, Force Majeure or scheduled maintenance. Calculation of the amount of Lost Net Energy Production will be based upon the verifiable duration (hours) of the event causing the Lost Net Energy Production to occur multiplied by the generation capacity (kW) level that the Facility was achieving immediately preceding the event.~~

1.16 “Material Breach” – A Default (paragraph 18.2.1) subject to paragraph 18.2.2.

1.17 “Mechanical Availability” – measured for each Contract Year, the percentage of time that the Facility is capable of producing Net Energy during a Contract Year. The actual calculation being:

$$\text{Mechanical Availability (\%)} = \frac{((H * N) - (DH * N))}{(H * N)} * 100$$

Where:

H = number of hours in the Contract Year

N = number of generation units comprising the Facility

DH = Downtime Hours

1.18 “Mechanical Availability Guarantee” - shall be as defined in paragraph 6.4.

~~1.19 “Mid-Columbia Market Energy Cost” – The weighted 82.4% of the monthly arithmetic average of the Intercontinental Exchange (“ICE”) daily on-peak firm Mid-C Peak Avg and off-peak Dow Jones Mid-C Off-Peak Avg reported prices.~~

~~The actual calculation being:~~

$$\frac{.824 * \left(\sum_{x=1}^n \{(\text{ICE Mid-C Peak Avg}_x * \text{On-Peak hours for day}) + (\text{ICE Mid-C Off-Peak Avg}_x * \text{Off-Peak hours for day})\} \right)}{(n*24)}$$

~~where n = number of days in the month~~

~~1.4 If the ICE Mid-Columbia Index (Dow Jones Mid-C Index) prices for non-firm energy. If the Dow Jones Mid-Columbia Index price reporting is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the Dow Jones ICE Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and will be an index commonly used by the electrical industry.~~

~~1.16 “Mechanical Availability” – The percentage amount resulting from the calculation of the Facility’s actual monthly Net Energy deliveries divided by the Facility’s calculated Net Energy deliveries. Calculated Net Energy deliveries are determined by multiplying the Nameplate Capacity of the Facility by the total hours in the applicable month minus the Station Use as defined in paragraph 1.28 and the Lost Net Energy Production.~~

~~1.17 “Mechanical Availability Guarantee” shall be as defined in paragraph 6.4~~

1.20 “Nameplate Capacity” – The full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperes, kilowatts, volts or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.

1.21 “Net Energy” – Electric energy produced by the Facility, less Station Use and Losses, expressed in kilowatt hours (kWh) that is less than or equal to the Nameplate Capacity. Seller commits to deliver all Net Energy to Idaho Power at the Point of Delivery for the full term of the Agreement.

- 1.22 “Off-Peak Hours” – The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.23 “On-Peak Hours” – The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.24 “Operation Date” – The day commencing at 0001 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.25 “Point of Delivery” – The location specified in Appendix B, where Idaho Power’s and the Seller’s electrical facilities are interconnected.
- 1.26 “Prudent Electrical Practices” – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.
- 1.27 “Schedule 85” – Idaho Power’s Oregon Tariff No E-~~2527~~, Schedule 85 -in effect as of the effective date of this Agreement.
- 1.28 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date.
- 1.29 “Season” – The three periods identified in Schedule 85.
- 1.30 “Senior Lien” – Has the meaning set out in paragraph 4.1.~~67~~.3.
- 1.31 “Shortfall Energy” – Prior to the Operation Date, Shortfall Energy shall be equal to the Annual Net Energy Amount specified in paragraph 6.2 divided by 365, multiplied by the number of days past the Scheduled Operation Date when the Operation Date is achieved less 30 days, less Surplus Energy. If this calculation results in a value less than 0 then the result shall be 0.
- 1.32 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility. To calculate the Station Use value for use in the Mechanical Availability calculation, the previous period’s actual Station Use will be used as a basis.

- 1.33 “Step-In Rights” – Has the meaning set out in paragraph 4.1.6.4.
- 1.34 “Sufficient Prime Mover” means prime mover (i.e. wind speed, water quantity or solar ~~quantity~~insolation) that is equal to or greater ~~than~~ the generation unit’s manufacturer-specified minimum levels required for the generation unit to produce energy.
- 1.35 “Surplus Energy” – (1) All Net Energy produced by the Seller’s Facility and delivered by the Facility to the Idaho Power electrical system that exceeds the Nameplate Capacity of the Facility. Deliveries above the Facility’s Nameplate Capacity solely for the purpose of accommodating hourly scheduling in whole MWs by a third party transmission provider shall not be considered to be Surplus Energy as described within this paragraph 1.35~~4~~ item 1 or (2) All Net Energy produced by the Seller’s Facility and delivered by the Facility to the Idaho Power electrical system prior to the Operation Date.
- 1.36 “Total Cost of the Facility” - The total cost of structures, equipment and appurtenances.

ARTICLE II: NO RELIANCE ON IDAHO POWER

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

ARTICLE III: WARRANTIES

- 3.1 No Warranty by Idaho Power - Any review, acceptance or failure to review Seller’s design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho Power and Idaho Power makes no warranties, expressed or implied, regarding any aspect of

Seller's design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

3.2 Qualifying Facility Status - Seller warrants that the Facility is a "Qualifying Facility," as that term is used and defined in 18 CFR 292.201 et seq. Seller's failure to maintain the Facility and operations of the Facility in a manner consistent with the initial Qualifying Facility certificate will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.

3.2.1 If Idaho Power's obligation to purchase energy from a "Qualifying Facility," as that term is defined in 18 CFR 292.201 et seq. or ORS 758.505(8), is repealed or otherwise terminated, this Agreement will remain in full force and effect unless state or federal law mandates termination of this Agreement.

3.3 FERC License (*only applies to hydro projects*) - Seller warrants that Seller possesses a valid license or exemption from licensing from the Federal Energy Regulatory Commission ("FERC") for the Facility. Seller recognizes that Seller's possession and retention of a valid FERC license or exemption is a material part of the consideration for Idaho Power's execution of this Agreement. Seller will take such steps as may be required to maintain a valid FERC license or exemption for the Facility during the term of this Agreement, and Seller's failure to maintain a valid FERC license or exemption will be a material breach of this Agreement.

3.4 Eligibility for Standard Rates and Contract

3.4.1 Initial Qualification - Seller warrants that the Seller's Facility meets the definitions contained in Appendix D, "Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract" of this Agreement approved by the Commission at the time this Agreement is executed and is therefore eligible for standard rates and the standard contract. Upon request from Idaho Power, the Seller will provide Idaho Power with documentation verifying the ownership, management and financial structure of the Facility in reasonably sufficient detail to allow

Idaho Power to make an initial determination of whether or not the Facility meets the described criteria for entitlement to the standard rates and standard contract as defined in Appendix D.

- 3.4.2 Ongoing Qualification - Seller warrants that the Seller will not make any changes in its ownership, control or management during the term of this Agreement that would cause it to be ineligible for standard rates and a standard contract in compliance with the Appendix D approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by Idaho Power not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller's continued compliance with the Definition in Appendix D. Idaho Power agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except Idaho Power will provide all such confidential information to the Public Utility Commission of Oregon upon the Commission's request.
- 3.4.3 Qualification Dispute - Any dispute concerning the Seller's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.
- 3.4.4 Seller warrants that the Facility is an Intermittent Resource.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

- 4.1 Prior to the First Energy Date and as a condition of Idaho Power's acceptance of deliveries of energy from the Seller, Seller shall:
- 4.1.1 Submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.201 et seq.
- 4.1.2 Nameplate Capacity Determination - Submit to Idaho Power such data as Idaho Power may reasonably require to confirm the manufacturer's Nameplate Capacity rating of the

Facility. Such data will include but not be limited to, equipment specifications, power factor assumptions, and any other data that would allow Idaho Power to verify the manufacturer's nameplate rating of this Facility. Upon receipt of this information, Idaho Power will review the provided data and if necessary, request additional data to complete the verification process within a reasonable time.

- 4.1.3 Engineer's Certifications - Submit an executed Engineer's Certification of Design & Construction Adequacy and an Engineer's Certification of Operations and Maintenance (O&M) Policy. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.
- 4.1.4 Insurance - Submit written proof to Idaho Power of all insurance required in Article XI.
- 4.1.5 Interconnection – Provide written proof to Idaho Power that all Generation Interconnection Process requirements have been completed. The entire completed Generation Interconnection Process, including, but not limited to, the equipment specifications and requirements will be included by reference in this Agreement.
- 4.1.6 Security Requirements – Provide Idaho Power with commercially reasonable representations and warranties and other documentation to determine the Seller's creditworthiness. Such documentation would include, at a minimum, that the Seller is current on existing debt obligations and has not been a debtor in a bankruptcy preceding within the preceding two years. Upon receipt of this information, Idaho Power will review the provided data and, if necessary, request additional data and/or will provide written confirmation or rejection of the provided data within a reasonable time. In lieu of providing evidence of acceptable creditworthiness, the Seller may provide Idaho Power with commercially reasonable security instruments such as Letter of Credit, Senior Lien Rights, Step-In-Rights, Cash Escrow Security as those terms are defined in this Agreement or other forms of liquid financial security that would provide readily available cash to Idaho Power in the Event of a Default under this Agreement. The value of these

security instruments shall at the minimum be equal to the Default Security as defined in paragraph 1.56 of this Agreement.

- 4.1.6.1 Cash Escrow Security - Seller shall deposit funds in an escrow account established by Idaho Power in a banking institution acceptable to both Parties equal to, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.
- 4.1.6.2 Letter of Credit Security - Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to Idaho Power in its discretion, or (b) a Letter of Credit in favor of Idaho Power. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.
- 4.1.6.3 Senior Lien - Before the Scheduled Operation Date, Seller shall grant Idaho Power a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to Idaho Power in the reasonable exercise of its discretion). Pending delivery of the senior lien to Idaho Power, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to Idaho Power's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the

commencement of any proceeding to foreclose the lien.

4.1.6.4 Step-in Rights (Operation by Idaho Power Following Event of Default of Seller).

4.1.6.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in paragraph 18.2, Idaho Power shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to Idaho Power's right under this paragraph 4.1.6.4.

4.1.6.4.2 Idaho Power shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of Idaho Power's rights under this paragraph 4.1.6.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, Idaho Power, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints Idaho Power as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as Idaho Power

may reasonably deem necessary or appropriate to exercise Idaho Power's step-in rights under this paragraph 4.1.6.4.

4.1.6.4.3 During any period that Idaho Power is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

4.1.6.4.4 During any period that Idaho Power is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and Idaho Power shall assume possession, operation, and control solely as agent for Seller.

a) In the event Idaho Power is in possession and control of the Facility for an interim period, Seller shall resume operation and Idaho Power shall relinquish its right to operate when Seller demonstrates to Idaho Power's reasonable satisfaction that it will remove those grounds that originally gave rise to Idaho Power's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed Idaho Power to exercise its rights under this paragraph 4.1.6.4.

b) In the event that Idaho Power is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and Idaho Power shall relinquish its right to operate when the Facility Lender

or any nominee or transferee thereof, requests such relinquishment.

4.1.6.4.5 Idaho Power's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by Idaho Power of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility Idaho Power elects to return such possession and operation to Seller, Idaho Power shall provide Seller with at least fifteen (15) calendar days advance notice of the date Idaho Power intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

4.1.7 Written Acceptance – Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller's request and will not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of _____ (*not to exceed 20 years*) Contract Years from the Operation Date.

5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the following:

- a) Achieved the First Energy Date.
- b) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner.

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

This confirmation will not be unreasonably withheld by Idaho Power.

- 5.3 If the Seller fails to achieve the Operation Date within 30 days of the Scheduled Operation Date, Seller will reimburse Idaho Power for any Shortfall Energy Repayment Amount accruing from 30 days following the Scheduled Operation Date until the Seller achieves the Operation Date. Such reimbursement shall be determined in the manner described in paragraph 7.4, 7.5 and 7.6 of this Agreement.
- 5.4 Seller's failure to achieve the Operation Date within ten (10) months of the Scheduled Operation Date will be an Event of Default.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

- 6.1 Delivery and Acceptance of Net Energy - Except when either Party's performance is excused as provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy to Idaho Power at the Point of Delivery.
- 6.2 Annual Net Energy Amount - Seller intends to produce and deliver Net Energy in the following annual amount:
- 6.2.1 Annual Net Energy Amount: _____ kWh
 - 6.2.2 Seller's Adjustment of Annual Net Energy Amounts
 - 6.2.2.1 No later than the Scheduled Operation Date, by written notice given to Idaho Power in accordance with paragraph 23.1, the Seller may revise the previously provided Annual Net Energy Amount.
- 6.3 Unless excused by an event of Force Majeure, Seller's failure to deliver Net Energy in any two consecutive Contract Years in an amount equal to at least ten percent (10%) of the Annual Net Energy Amount specified in paragraph 6.2 shall constitute an Event of Default.

6.4 Mechanical Availability Guarantee ~~—The Facility shall achieve a minimum monthly(MAG) —~~
Seller guarantees that beginning with the third Contract Year the annual Mechanical Availability

~~of 75% during each month of the first Contract Year and 85% for all other months during the term of this Agreement. Failure to achieve the minimum monthly Facility shall be no less than 90 percent.~~

~~6.4.4.1 MAG notification – within ten (10) days after the end of a Contract Year, the Seller shall provide Idaho Power with the Seller certified accurate Mechanical Availability ~~shall constitute an Event of Default~~ calculations for the recently passed Contract Year. At the minimum the information provided to Idaho Power will include a summary record of the Contract Year’s Generation Unit Downtime Hours, Lack of Prime Mover, Force Majeure events and any other information required to confirm the Seller’s Mechanical Availability calculation.~~

~~6.4.1 At the same time the Facility provides the Monthly Power Production and Switching Report, (Appendix A) the Facility shall provide and certify the Facility’s calculation of the current month’s Mechanical Availability. The Facility shall include with this calculation a summary of prime mover records (i.e. wind speeds, water conditions, and solar conditions), force majeure and scheduled maintenance information that was used to calculate the current month’s Mechanical Availability.~~

6.4.2 ~~The Facility~~The Seller shall maintain detailed documentation ~~supporting its calculation of the Facility’s~~Seller’s Mechanical Availability. ~~These records will be retained~~ calculation for a minimum of three years(3) Contract Years.

6.4.3 Idaho Power shall have the right to review and audit the documentation supporting the calculation of the ~~Facility’s~~ Mechanical Availability at reasonable times at the Seller’s ~~offices~~ Facility or other mutually agreed to location.

6.4.4 Shortfall Energy - if the Mechanical Availability falls below the MAG for any Contract Year, the Shortfall Energy for that Contract Year shall be expressed in kWh and calculated as follows:

Shortfall Energy = (MAG – Mechanical Availability) * Annual Net Energy Amount.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

- 7.1 Net Energy Purchase Price – For the first fifteen (15) Contract Years the Seller shall be paid the On-Peak and Off-Peak prices, less any identified Integration Charge applicable to the Facility resource type as specified in Schedule 85 and included as Appendix E of this Agreement for Net Energy deliveries during On Peak or Off Peak hours. For all Net Energy delivered to Idaho Power after the first fifteen (15) Contract Years and for the remaining term of this Agreement, the Seller has selected Option _____ from Schedule 85 as the basis for determining the purchase price. The Net Energy Purchase Price shall be calculated as specified in Schedule 85 resulting in an On-Peak and Off-Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On-Peak and Off-Peak Hours.~~The Seller has selected option _____ from Schedule 85 as the basis for determining the purchase price during the first 15 Contract Years of this Agreement. For all Net Energy delivered to Idaho Power after the first 15 Contract Years and for the remaining term of this Agreement, the Seller has selected option _____ from Schedule 85 as the basis for determining the purchase price. The Seller may not select Option 1, Fixed Price Method, for any Contract Years past the first 15 Contract Years. The Net Energy Purchase Price shall be calculated as specified in Schedule 85 for the option(s) selected by the Seller resulting in an On Peak and Off Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On Peak and Off Peak hours as defined by the North American Electric Reliability Council (NERC). Based on Seller's selected options, Appendix E specifies the purchase prices to be paid under this Agreement.~~
- 7.2 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller ~~an amount equal to 85% of the daily on-peak or off-peak Dow Jones Mid-Columbia Index (Dow Jones Mid-C Index) prices for non-firm energy. The price paid will depend on when the Surplus Market Energy was delivered to Idaho Power. If the Dow Jones Mid-Columbia Index price Cost or the Off-Peak Net Energy Purchase Price as specified in Appendix E, whichever is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar~~

~~to the Dow Jones Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and will be an index commonly used by the electrical industry~~lower.

7.3 Increase in Nameplate Capacity - If the Seller increases the Nameplate Capacity of the Seller's Facility as a result of increased prime mover, refurbishing equipment, upgrading equipment, reconfiguration of equipment, operation modifications, or by any means other than installing additional generation units, then the Nameplate Capacity as defined in paragraph 1.~~2018~~ shall be revised to match this increased Nameplate Capacity rating. If the increase in Nameplate Capacity results in the Nameplate Capacity of the Facility exceeding 10 MW, then the on a going-forward basis Idaho Power shall pay Seller the Net Energy Price specified in Section 7.1 for the fraction of total Net Energy delivered equal to 10,000 kW divided by the Nameplate Capacity of the upgraded Facility. For the remaining fraction of Net Energy Idaho Power Company and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Nameplate Capacity or the maximum instantaneous capacity of the Facility complies with Seller's Interconnection Agreement, Transmission Agreement and any other relevant agreements.

7.4 Shortfall Energy Repayment Price –

7.4.1 Price to be applied to all Shortfall Energy that occurs prior to the Operation Date - If the current day's Market Energy Cost is greater than the applicable Net Energy Purchase Price that would have been paid to the Seller for energy delivered to Idaho Power on that day if the Facility had achieved its Operation Date, the Shortfall Energy Repayment Price will be determined by subtracting the current day's Market Energy Cost from the current day's Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the current day's Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current day's Net Energy Purchase Price.

7.5 Shortfall Energy Repayment Amount –

7.5.1 Amount due for Shortfall Energy that occurs prior to the Operation Date - An

accumulation of each day's Shortfall Energy multiplied by the Shortfall Energy Repayment Price for each day of the preceding month.

7.6 Shortfall Energy Repayment Schedule –

7.6.1 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy prior to the Operation Date – No later than 15 days following the end of each month, Idaho Power will calculate the previous month's Shortfall Energy Repayment Amount. The Seller shall pay any Shortfall Energy Repayment Amounts to Idaho Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.

7.7 Payment Due Date – Energy payments (inclusive of Integration Charge) to the Seller including any additional deductions for Shortfall Energy Repayment Amounts or any other billings due Idaho Power will be disbursed within thirty (30) days of the date which Idaho Power receives and accepts the documentation of the monthly Net Energy actually produced by the Seller's Facility and delivered to Idaho Power as specified in Appendix A.

ARTICLE VIII: ENVIRONMENTAL ATTRIBUTES

8.1 Idaho Power waives any claim to ownership of Environmental Attributes. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) directly associated with the production of energy from the Seller's Facility.

ARTICLE IX: RECORDS

9.1 Maintenance of Records - Seller shall maintain at the Facility or such other location mutually acceptable to the Parties adequate total generation, Net Energy, Station Use and maximum generation (kW) records in a form and content recommended by Idaho Power.

9.2 Inspection - Either Party, after reasonable notice to the other Party, shall have the right, during normal business hours, to inspect and audit any or all generation, Net Energy, Station Use and maximum generation (kW) records pertaining to the Seller's Facility.

ARTICLE X: OPERATIONS

10.1 Communications - Idaho Power and the Seller shall maintain appropriate operating communications through Idaho Power's Designated Dispatch Facility in accordance with Appendix A of this Agreement.

10.2 Energy Acceptance –

10.2.1 Idaho Power shall be excused from accepting and paying for Net Energy produced by the Facility and delivered by the Seller to the Point of Delivery, if it is prevented from doing so by an event of Force Majeure, or if Idaho Power determines that curtailment, interruption or reduction of Net Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, electrical system operating conditions on its system or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of Force Majeure, Idaho Power requires such a curtailment, interruption or reduction of Net Energy deliveries for a period that exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amount specified in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.

10.2.2 If, in the reasonable opinion of Idaho Power, Seller's operation of the Facility or Interconnection Facilities is unsafe or may otherwise adversely affect Idaho Power's equipment, personnel or service to its customers, Idaho Power may physically interrupt the flow of energy from the Facility as specified within the Generation Interconnection Process or take such other reasonable steps as Idaho Power deems appropriate.

10.3 Scheduled Maintenance – On or before January 31 of each calendar year, Seller shall submit a written proposed maintenance schedule of significant Facility maintenance for that calendar year and Idaho Power and Seller shall mutually agree as to the acceptability of the proposed schedule. The Parties' determination as to the acceptability of the Seller's timetable for scheduled

maintenance will take into consideration Prudent Electrical Practices, Idaho Power system requirements and the Seller's preferred schedule. Neither Party shall unreasonably withhold acceptance of the proposed maintenance schedule.

10.4 Maintenance Coordination - The Seller and Idaho Power shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.

10.5 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller prior to exercising its rights to curtail, interrupt or reduce deliveries from the Seller's Facility. Seller understands that, in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events Idaho Power may not be able to provide notice to the Seller prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.

ARTICLE XI: INDEMNIFICATION AND INSURANCE

11.1 Indemnification - Each Party shall agree to hold harmless and to indemnify the other Party, its officers, directors, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

11.2 Insurance -

11.2.1 If the Facility's Nameplate Capacity as determined in paragraph 1.2018 of this Agreement is greater than 200 kW, the Seller shall secure and continuously carry the following insurance coverage:

11.2.1.1 Comprehensive General Liability Insurance for both bodily injury and property damage with limits equal to \$1,000,000, each occurrence, combined single limit.

The deductible for such insurance shall be consistent with current Insurance Industry Utility practices for similar property.

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

- (a) An endorsement naming Idaho Power as an additional insured and loss payee as applicable; and
- (b) A provision stating that such policy shall not be canceled or the limits of liability reduced without sixty (60) days' prior written notice to Idaho Power.

11.2.1.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.4 herein and annually thereafter, Seller shall furnish Idaho Power a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.

11.2.1.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by paragraph 11.2 shall lapse for any reason, Seller will immediately notify Idaho Power in writing. The notice will advise Idaho Power of the specific reason for the lapse and the steps Seller is taking to reinstate the coverage. Failure to provide this notice and to expeditiously reinstate or replace the coverage will constitute a Material Breach of this Agreement.

ARTICLE XII: FORCE MAJEURE

12.1 As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the control of the Seller or of Idaho Power which, despite the exercise of due diligence, such Party is unable to prevent or overcome. Force Majeure includes, but is not limited to, acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, or changes in law or regulation occurring after the Operation Date, which, by the exercise of reasonable foresight such party could not

reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome. If either Party is rendered wholly or in part unable to perform its obligations under this Agreement because of an event of Force Majeure, both Parties shall be excused from whatever performance is affected by the event of Force Majeure, provided that:

- (1) The non-performing Party shall, as soon as is reasonably possible after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence.
- (2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure.
- (3) No obligations of either Party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

ARTICLE XIII: LAND RIGHTS

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

13.2 Use of Public Rights-of-Way - The Parties agree that it is necessary to avoid the adverse environmental and operating impacts that would occur as a result of duplicate electric lines being constructed in close proximity. Therefore, subject to Idaho Power's compliance with paragraph 13.4, Seller agrees that should Seller seek and receive from any local, state or federal

governmental body the right to erect, construct and maintain Seller-furnished Interconnection Facilities upon, along and over any and all public roads, streets and highways, then the use by Seller of such public right-of-way shall be subordinate to any future use by Idaho Power of such public right-of-way for construction and/or maintenance of electric distribution and transmission facilities and Idaho Power may claim use of such public right-of-way for such purposes at any time. Except as required by paragraph 13.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 13.2.

13.3 Joint Use of Facilities - Subject to Idaho Power's compliance with paragraph 13.4, Idaho Power may use and attach its distribution and/or transmission facilities to Seller's Interconnection Facilities, may reconstruct Seller's Interconnection Facilities to accommodate Idaho Power's usage or Idaho Power may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to paragraph 13.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by paragraph 13.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 13.3.

13.4 Conditions of Use - It is the intention of the Parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior to Idaho Power's exercising its rights under this Article XIII. Therefore, the Parties agree that the exercise by Idaho Power of any of the rights enumerated in paragraphs 13.2 and 13.3 shall: (1) comply with all applicable laws, codes and Prudent Electrical Practices, (2) equitably share the costs of installing, owning and operating jointly used facilities and rights-of-way. If the Parties are unable to agree on the method of apportioning these costs, the dispute will be submitted to the Commission for resolution and the decision of the Commission will be binding on the Parties, and (3) shall provide Seller with an interconnection to Idaho Power's system of equal capacity and durability as existed prior to Idaho Power exercising its rights under this Article XIII.

ARTICLE XIV: LIABILITY; DEDICATION

14.1 Nothing in this Agreement shall be construed to create any duty to, any standard of care with

reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or entity.

ARTICLE XV: SEVERAL OBLIGATIONS

- 15.1 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XVI: WAIVER

- 16.1 Any waiver at any time by either Party of its rights with respect to a Default under this Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent Default or other matter.

ARTICLE XVII: CHOICE OF LAWS AND VENUE

- 17.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Oregon without reference to its choice of law provisions.
- 17.2 Venue for any litigation arising out of or related to this Agreement will lie in the District Court of the Ninth Judicial District of Oregon in and for the County of Malheur.

ARTICLE XVIII: DISPUTES, DEFAULTS AND REMEDIES

- 18.1 Disputes - All disputes related to or arising under this Agreement, including, but not limited to, the interpretation of the terms and conditions of this Agreement, will be submitted to the Commission for resolution.

18.2 Notice of Default -

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

18.2.2 Material Breaches – The notice and cure provisions in paragraph 18.2.1 do not apply to Defaults identified in this Agreement as Material Breaches. Material Breaches must be cured as expeditiously as possible following occurrence of the breach.

18.3 Security for Performance - Prior to the Operation Date and thereafter for the full term of this Agreement, Seller will provide Idaho Power with the following:

18.3.1 Insurance - Evidence of compliance with the provisions of paragraph ~~11~~2.2. If Seller fails to comply, such failure will be a Material Breach and may only be cured by Seller supplying evidence that the required insurance coverage has been replaced or reinstated;

18.3.2 Engineer’s Certifications - Every three (3) years after the Operation Date, Seller will supply Idaho Power with a Certification of Ongoing Operations and Maintenance (O & M) from a Registered Professional Engineer licensed in the State of Oregon, which Certification of Ongoing O & M shall be in the form specified in Appendix C. Seller’s failure to supply the required certificate will be an Event of Default. Such a Default may only be cured by Seller providing the required certificate; and

18.3.3 Licenses and Permits - During the full term of this Agreement, Seller shall maintain compliance with all permits and licenses described in paragraph 4.1.1 of this Agreement. In addition, Seller will supply Idaho Power with copies of any new or additional permits

or licenses. At least every fifth Contract Year, Seller will update the documentation described in paragraph 4.1.1. If at any time Seller fails to maintain compliance with the permits and licenses described in paragraph 4.1.1 or to provide the documentation required by this paragraph, such failure will be an Event of Default and may only be cured by Seller submitting to Idaho Power evidence of compliance from the permitting agency.

18.3.4 Security Requirements – During the full term of this Agreement, Seller shall maintain the Security Requirements established in accordance with paragraph 4.1.6. Failure to maintain these Security Requirements will be a Material Breach of this Agreement.

18.3.4.1 If the Seller fails to maintain the Security Requirements as specified in paragraph 18.3.4 and it is deemed the Seller is in Material Breach of this Agreement, if the Material Breach is a result of the Seller defaulting on a Facility construction loan, the Seller shall provide Idaho Power notice of the Facility construction loan default. Idaho Power may require the Seller to provide Default Security to remedy this Material Breach. Upon notice from Idaho Power to the Seller requiring the Seller to provide Default Security to remedy this Material Breach, within 10 business days of said notice, the Seller may provide Idaho Power evidence for review that the Seller has negotiated satisfactory financial arrangements with the construction loan lender that mitigates the Seller's financial risk. Upon review of the Seller's provided documentation, if Idaho Power determines that the negotiated financial arrangements satisfactorily mitigates the Seller's financial risk, Idaho Power will deem this Material Breach to be cured. If Idaho Power determines that the provided documentation does not provide evidence that the Seller's risk has been satisfactorily mitigated, the Seller will be required to provide Default Security within 5 business days of Idaho Power's notification that the Material Breach has not been cured.

18.3.5 Recoupment of Damages

18.3.5.1 Default Security Available. – If a Default has occurred and has not been cured and if the Seller has posted Default Security, Idaho Power may draw upon that security, in accordance with paragraph 18.2.1 to satisfy any damages.

18.3.5.2 Default Security Unavailable – If a Default has occurred and has not been cured and if Seller has not posted Default Security, or if Idaho Power has exhausted the Default Security, Idaho Power may collect any remaining amount owing by; (1) lump sum payment to Idaho Power by the Seller or (2) partially withholding future payments to the Seller over a reasonable period of time. Idaho Power and the Seller shall work together in good faith to establish the reasonable period and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operations of the Facility.

18.3.6 Termination

18.3.6.1 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement and the Seller or a party substantially the same as the Seller, subsequently seeks to enter into a new standard QF contract for this same Facility. Then, the new standard QF contract shall run for the period that the original contract would have run, and shall contain the same terms, rates and conditions as the original Agreement.

18.3.6.2 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement, the Seller shall pay Idaho Power damages equal to the positive difference, if any, obtained by subtracting the Net Energy Purchase Price from the projected forward Mid-Columbia Market Energy Cost for 24 months beginning with the next full

month after the date of termination multiplied by the Annual Net Energy Amounts.

ARTICLE XIX: GOVERNMENTAL AUTHORIZATION

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

ARTICLE XX: SUCCESSORS AND ASSIGNS

20.1 This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, except that no assignment hereof by either Party shall become effective without the written consent of both Parties being first obtained. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, any party which Idaho Power may consolidate, or into which it may merge, or to which it may convey or transfer substantially all of its electric utility assets, shall automatically, without further act, and without need of consent or approval by the Seller, succeed to all of Idaho Power's rights, obligations and interests under this Agreement. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho Power shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXI: MODIFICATION

21.1 No modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission.

ARTICLE XXII: TAXES

22.1 Each Party shall pay before delinquency all taxes and other governmental charges which, if failed

to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXIII: NOTICES

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

To Seller: _____

To Idaho Power:

Original document to:

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

Copy of document to:

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

ARTICLE XXIV: ADDITIONAL TERMS AND CONDITIONS

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

- Appendix A - Generation Scheduling and Reporting
- Appendix B - Facility and Point of Delivery
- Appendix C - Engineer's Certifications
- Appendix D - Definition of a Small Cogeneration Facility or Small Power Production Facility eligible to receive the standard rates and standard contract.
- Appendix E - Applicable Prices from Schedule 85

ARTICLE XXV: SEVERABILITY

25.1 The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other terms or provisions and this Agreement shall be construed

in all other respects as if the invalid or unenforceable term or provision were omitted.

ARTICLE XXVI: COUNTERPARTS

26.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXVII: ENTIRE AGREEMENT

27.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

ARTICLE XXVIII: COMMISSION INVESTIGATION

~~28.1—The Seller and Idaho Power acknowledge that the rates, terms and conditions specified in this Agreement and the related tariffs are being investigated by the Oregon Public Utility Commission. Upon a decision by the Oregon Public Utility Commission in the investigation, Idaho Power will notify the Seller within ten (10) calendar days. If the rates resulting from the investigation are higher than the rates in effect during the initial period, Idaho Power, pursuant to the investigation, may be required to refund, with interest, the difference to the Seller. The Seller shall have thirty (30) calendar days from the effective date of the revised standard contract and tariffs complying with the Commission's order to amend this Agreement if the Seller so chooses to adopt the revised standard contract and/or the revised rates, terms and conditions in the tariff approved by the Oregon Public Utility Commission as a result of the investigation.~~

~~—This section will need removed once our compliance filing is complete~~

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be executed in their respective names on the dates set forth below:

Idaho Power Company

By

By

Dated

“Idaho Power”

Dated

“Seller”

APPENDIX A

A –1 MONTHLY POWER PRODUCTION AND SWITCHING REPORT

At the end of each month, the following required documentation will be submitted to:

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

The Meter readings required on this report will be the reading on the Idaho Power Meter Equipment measuring the Facility's total energy production and Station Use delivered to Idaho Power and the maximum generated energy (kW) as recorded on the Meter Equipment and/or any other required energy measurements to adequately administer this Agreement.

Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND SWITCHING REPORT

Month _____ Year _____

Project Name _____ Project Number: _____

Address _____ Phone Number: _____

City _____ State _____ Zip _____

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

As specified in this Agreement, the Seller shall include with this monthly report a summary statement of the Mechanical Availability of this Facility for the calendar month. This summary shall include details as to how the Seller calculated this value and summary of the Facility data used in the calculation. Idaho Power and the Seller shall work together to mutually develop a summary report that provides the required data. Idaho Power reserves the right to review the detailed data used in this calculation as allowed within the Agreement.

Breaker Opening Record

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

<u>* Reason</u>

Breaker Closing Record

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

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

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

A-2 ROUTINE REPORTING

Idaho Power Designated Dispatch Facility contact information

Daily Energy Production Reporting

All projects with a Nameplate Capacity of 1 MW or greater shall:

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

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

If Idaho Power determines that adequate generation data is available for this Facility's daily generation, Idaho Power may modify these reporting requirements

Planned and Unplanned Project outages

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

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

Seller's Contact Information

24-Hour Project Operational Contact

Name: _____
 Telephone Number: _____
 Cell Phone: _____

Project On-site Contact information

Telephone Number: _____

APPENDIX B

FACILITY AND POINT OF DELIVERY

PROJECT NO. _____

B-1 DESCRIPTION OF FACILITY

B-2 LOCATION OF FACILITY

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected _____ as the estimated Scheduled First Energy Date.

Seller has selected _____ as the estimated Scheduled Operation Date.

In making these selections, Seller recognizes that adequate testing of the Facility and completion of all requirements in paragraph 5.2 of this Agreement must be completed prior to the project being granted an Operation Date.

B-4 POINT OF DELIVERY

_____ the point on the Idaho Power electrical system where the Sellers Facility's energy is delivered to the Idaho Power. This point shall be a point on the Idaho Power electrical system that is able to accept the Seller's energy and Idaho Power is able to disburse the energy to local Idaho Power load requirements or available capacity exists on

the Idaho Power electrical system to allow transporting the Seller's energy to areas within the Idaho Power system that is capable of consuming the Seller's energy deliveries.

B-5 LOSSES

If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated for this Facility. If the Idaho Power Metering is unable to measure the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss specifications, conductor sizes, etc) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at anytime during the term of this Agreement, Idaho Power determines that the loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power may adjust the calculation and retroactively adjust the previous months kWh loss calculations.

B-6 METERING AND TELEMETRY

At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries to the Point of Delivery and any other energy measurements required to administer this Agreement.

APPENDIX C

ENGINEER'S CERTIFICATION

OF

OPERATIONS & MAINTENANCE POLICY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and is hereinafter referred to as the "Project."
4. That the Project, which is commonly known as the _____, is located in Section _____, Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has reviewed and/or supervised the review of the Policy for Operation and Maintenance ("O&M") for this Project and it is his professional opinion that, provided said Project has been designed and built to appropriate standards, adherence to said O&M Policy will result in the

Project's producing at or near the design electrical output, efficiency and plant factor for a period of _____years.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself and _____ hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____, is located at _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. It is Engineer's professional opinion, based on the Project's appearance, that its ongoing O&M has been substantially in accordance with said O&M Policy; that it is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the remaining _____ years of the Agreement.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer", hereby states and certifies to Idaho Power as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement", between Idaho Power as Buyer, and _____ as Seller, dated _____, _____.
3. That the cogeneration or small power production project, which is the subject of the Agreement and this Statement, is identified as IPCo Facility No _____ and is hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ (____) year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project and has made the analysis of the plans and specifications independently.
8. That Engineer has reviewed the engineering design and construction of the Project, including the civil work, electrical work, generating equipment, prime mover conveyance system, Seller furnished Interconnection Facilities and other Project facilities and equipment.
9. That the Project has been constructed in accordance with said plans and specifications, all

applicable codes and consistent with Prudent Electrical Practices as that term is described in the Agreement.

10. That the design and construction of the Project is such that with reasonable and prudent operation and maintenance practices by Seller, the Project is capable of performing in accordance with the terms of the Agreement and with Prudent Electrical Practices for a _____ (_____) year period.

11. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, in interconnecting the Project with its system, is relying on Engineer's representations and opinions contained in this Statement.

12. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____
(P.E. Stamp)

Date _____

APPENDIX D

DEFINITION OF A SMALL COGENERATION FACILITY

OR

SMALL POWER PRODUCTION FACILITY

ELIGIBLE TO RECEIVE THE STANDARD RATES AND STANDARD CONTRACT

A Qualifying Facility (either a small power production facility or a cogeneration facility) (“QF”) will be eligible to receive the standard rates and standard contract if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, does not exceed 10 MW.

Definition of Person(s) or Affiliated Person(s):

As used above, the term “same person(s)” or “affiliated person(s)” means a natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. However, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Furthermore, except for independent family-owned or community-based facilities, two facilities will ~~not~~ be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a “passive investor” whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a “passive investor” if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Definition of Same Site:

For purposes of the foregoing, generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Shared Interconnection and Infrastructure:

QFs otherwise meeting the above-described separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

APPENDIX E

COPY OF APPLICABLE PRICES FROM SCHEDULE 85

**OREGON STANDARD ENERGY
SALES AGREEMENT FOR
INTERMITTENT RESOURCE
OUT OF SERVICE TERRITORY**

CLEAN FORMAT

OREGON STANDARD
ENERGY SALES AGREEMENT
(Intermittent Resource)
BETWEEN
IDAHO POWER COMPANY
AND

(Includes Transmission Provisions)

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5	Term and Operation Date
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Appendix A

Appendix B

Appendix C
Appendix D
Appendix E

ENERGY SALES AGREEMENT
INTERMITTENT RESOURCE
(10 MW or Less)

Project Number: _____

THIS AGREEMENT, entered into on this _____ day of _____ 20__ between _____, a _____ company (Seller), and IDAHO POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as “Parties” or individually as “Party.”

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 “Annual Net Energy Amount” – Net Energy that the Seller estimates the Facility will produce and the Transmitting Entity will deliver to Idaho Power at the Point of Delivery for one Contract Year. The Seller shall use all available information (equipment characteristics, resource characteristics and data, Facility design, etc) to accurately estimate the Annual Net Energy Amount. This Annual Net Energy Amount as specified in paragraph 6.2 will be used to calculate the Shortfall Energy quantities within this Agreement.
- 1.2 “Cash Escrow Security” – Has the meaning set out in paragraph 4.1.6.1.
- 1.3 “Commission” - The Oregon Public Utility Commission.

- 1.4 “Contract Year” - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.5 “Default Security” - A dollar amount computed by the annual On Peak Hours multiplied by the (On Peak price less Off Peak price) multiplied by Annual Net Energy Amount divided by 8,760 where the On Peak price and Off Peak price are the applicable prices specified Appendix E.
- 1.6 “Designated Dispatch Facility” - Idaho Power’s Systems Operations Group, or any subsequent group designated by Idaho Power
- 1.7 “Downtime Hours” – the number of hours in a single Contract Year for each generation unit within the Facility, measured in 10 minute increments, in which the generation unit is not in the “run” status or is in “run” status but faulted (including any reasonable delay in resetting a fault). Notwithstanding the previous sentence, Downtime Hours does not include minutes that the unit is unavailable due to (i) an event of Force Majeure; (ii) a default by Idaho Power under this Agreement; (iii) Lack of Prime Mover at times when the generation unit would otherwise be available (including the normal amount of time required by the generation unit to resume operations following a Lack of Prime Mover); or (iv) hours of planned maintenance per generation unit not to exceed 200 hours per generation unit per Contract Year.
- 1.8 “Facility” - That electric generation facility described in Appendix B of this Agreement.
- 1.9 “First Energy Date” - The day commencing at 0001 hours, Mountain Time, following the day that Seller has satisfied the requirements of Article IV and the Seller begins delivering energy to Idaho Power’s system at the Point of Delivery.
- 1.10 “Idaho Power Electrical System Control Area” or “Control Area” – The geographical area of integrated transmission and generation controlled by Idaho Power for which Idaho Power is responsible for scheduling interchanges with other control areas and balancing supply and demand within the area. The Control Area may include physical locations and/or electrical systems not served or owned by Idaho Power, but which are dependant upon Idaho Power’s operation of its generation and transmission to balance supply and demand.

- 1.11 “Integration Charge” – if this Facility is located within the Idaho Power Electrical System Control Area the integration charge as used in the most recent Idaho Power acknowledged Integrated Resource Plan for each specific resource type, specified in Schedule 85 and included as Appendix E to this Agreement.
- 1.12 “Intermittent Resource” – a Facility that produces electrical energy from the use of wind, solar or run of river hydro as the prime mover.
- 1.13 “Lack of Prime Mover” – temporary lack, due to natural causes of Sufficient Prime Mover. Lack of Prime Mover does not include Lack of Prime Mover due to voluntary actions taken by the Seller or by human caused events.
- 1.14 “Letter of Credit Security” – Has the meaning set out in paragraph 4.1.6.2.
- 1.15 “Losses” – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility’s energy is metered and the point the Facility’s energy is delivered to the Idaho Power electrical system by the Transmitting Entity. The loss calculation formula will be as specified in Appendix B of this Agreement.
- 1.16 “Material Breach” – A Default (paragraph 19.2.1) subject to paragraph 19.2.2.
- 1.17 “Mechanical Availability” – measured for each Contract Year, the percentage of time that the Facility is capable of producing Net Energy during a Contract Year. The actual calculation being:

$$\text{Mechanical Availability (\%)} = \frac{((H * N) - (DH * N))}{(H * N)} * 100$$

Where:

- H = number of hours in the Contract Year
- N = number of generation units comprising the Facility
- DH = Downtime Hours

- 1.18 “Mechanical Availability Guarantee” - shall be as defined in paragraph 6.4.
- 1.19 “Mid-Columbia Market Energy Cost” – 82.4% of the monthly arithmetic average of the Intercontinental Exchange (“ICE”) daily firm Mid-C Peak Avg and Mid-C Off-Peak Avg reported prices.

The actual calculation being:

$$.824 * \left(\sum_{X=1}^n \{(\text{ICE Mid-C Peak Avg}_x * \text{On-Peak hours for day}) + (\text{ICE Mid-C Off-Peak Avg}_x * \text{Off-Peak hours for day})\} / (n*24) \right)$$

where n = number of days in the month

If the ICE Mid-Columbia Index reporting is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the ICE Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and a commonly used index by the electrical industry.

- 1.20 “Maximum Capacity” - The maximum capacity (MW) of the Facility will be as specified in Appendix B of this Agreement.
- 1.21 “Nameplate Capacity” – The full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperers, kilowatts, volts or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.
- 1.22 “Net Energy” – Electric energy produced by the Facility, less Station Use and Losses, expressed in kilowatt hours (kWh), which the Transmitting Entity delivers to Idaho Power, that is less than or equal to the Nameplate Capacity. Seller commits to deliver all energy produced by the Facility, less Station Use, and Losses, to the Transmitting Entity for delivery by the Transmitting Entity to Idaho Power at the Point of Delivery for the full term of the Agreement.
- 1.23 “Off-Peak Hours” – The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.24 “On-Peak Hours” – The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

- 1.25 “Operation Date” – The day commencing at 0001 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.26 “Point of Delivery” – The location specified in Appendix B, where the Transmitting Entity delivers the Facility’s Net Energy to the Idaho Power electrical system.
- 1.27 “Prudent Electrical Practices” – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.
- 1.28 “Schedule 85” – Idaho Power’s Oregon Tariff No E-27, Schedule 85 in effect as of the effective date of this Agreement.
- 1.29 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date.
- 1.30 “Season” – The three periods identified in Schedule 85.
- 1.31 “Senior Lien” – Has the meaning set out in paragraph 4.1.6.3.
- 1.32 “Shortfall Energy” – Prior to the Operation Date, Shortfall Energy shall be equal to the Annual Net Energy Amount specified in paragraph 6.2 divided by 365, multiplied by the number of days past the Scheduled Operation Date when the Operation Date is achieved less 30 days, less Surplus Energy. If this calculation results in a value less than 0 then the result shall be 0.
- 1.33 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility. To calculate the Station Use value for use in the Mechanical Availability calculation, the previous period’s actual Station Use will be used as a basis.
- 1.34 “Step-In Rights” – Has the meaning set out in paragraph 4.1.6.4.
- 1.35 “Sufficient Prime Mover” means prime mover (i.e. wind speed, water quantity or solar insolation) that is equal to or greater than the generation unit’s manufacturer-specified minimum levels required for the generation unit to produce energy.
- 1.36 “Surplus Energy” – (1) All Net Energy produced by the Seller’s Facility and delivered by the Transmitting Entity to the Idaho Power electrical system that exceeds the Nameplate Capacity of

the Facility but is less than the Maximum Capacity of the Facility. Deliveries above the Facility's Nameplate Capacity solely for the purpose of accommodating hourly scheduling in whole MWs by a third party transmission provider shall not be considered to be Surplus Energy as described within this paragraph 1.36 item 1 or (2) All Net Energy produced by the Seller's Facility and delivered by the Transmitting Entity to the Idaho Power electrical system prior to the Operation Date and is less than the Maximum Capacity of the Facility.

- 1.37 "Total Cost of the Facility" - The total cost of structures, equipment and appurtenances.
- 1.38 "Transmitting Entity" - The signatory(s) (other than the Seller) to the Transmission Agreement referred to in paragraph 9.1 and its successors and assigns.

ARTICLE II: NO RELIANCE ON IDAHO POWER

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

ARTICLE III: WARRANTIES

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

is used and defined in 18 CFR 292.201 et seq. Seller's failure to maintain the Facility and operations of the Facility in a manner consistent with the initial Qualifying Facility certificate will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.

3.2.1 If Idaho Power's obligation to purchase energy from a "Qualifying Facility," as that term is defined in 18 CFR 292.201 et seq. or ORS 758.505(8), is repealed or otherwise terminated, this Agreement will remain in full force and effect unless state or federal law mandates termination of this Agreement.

3.3 FERC License (*only applies to hydro projects*) - Seller warrants that Seller possesses a valid license or exemption from licensing from the Federal Energy Regulatory Commission ("FERC") for the Facility. Seller recognizes that Seller's possession and retention of a valid FERC license or exemption is a material part of the consideration for Idaho Power's execution of this Agreement. Seller will take such steps as may be required to maintain a valid FERC license or exemption for the Facility during the term of this Agreement, and Seller's failure to maintain a valid FERC license or exemption will be a material breach of this Agreement.

3.4 Eligibility for Standard Rates and Contract

3.4.1 Initial Qualification - Seller warrants that the Seller's Facility meets the definitions contained in Appendix D, "Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract" of this Agreement approved by the Commission at the time this Agreement is executed and is therefore eligible for standard rates and the standard contract. Upon request from Idaho Power, the Seller will provide Idaho Power with documentation verifying the ownership, management and financial structure of the Facility in reasonably sufficient detail to allow Idaho Power to make an initial determination of whether or not the Facility meets the described criteria for entitlement to the standard rates and standard contract as defined in Appendix D.

- 3.4.2 Ongoing Qualification - Seller warrants that the Seller will not make any changes in its ownership, control or management during the term of this Agreement that would cause it to be ineligible for standard rates and a standard contract in compliance with the Appendix D approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by Idaho Power not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller's continued compliance with the Definition in Appendix D. Idaho Power agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except Idaho Power will provide all such confidential information to the Public Utility Commission of Oregon upon the Commission's request.
- 3.4.3 Qualification Dispute - Any dispute concerning the Seller's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.
- 3.4.4 Seller warrants that the Facility is an Intermittent Resource.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

- 4.1 Prior to the First Energy Date and as a condition of Idaho Power's acceptance of deliveries of energy from the Seller, Seller shall:
- 4.1.1 Submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.201 et seq.
- 4.1.2 Nameplate Capacity Determination - Submit to Idaho Power such data as Idaho Power may reasonably require to confirm the manufacturer's Nameplate Capacity rating and the Maximum Capacity rating of the Facility. Such data will include but not be limited to, equipment specifications, power factor assumptions, and any other data that would allow Idaho Power to verify the generating capacity and the manufacturer's nameplate rating of

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

- 4.1.3 Engineer's Certifications - Submit an executed Engineer's Certification of Design & Construction Adequacy and an Engineer's Certification of Operations and Maintenance (O&M) Policy. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.
- 4.1.4 Insurance - Submit written proof to Idaho Power of all insurance required in Article XIII.
- 4.1.5 Transmission Agreement - Provide Idaho Power with a copy of (1) the Transmission Agreement executed by the Seller and the Transmitting Entity in a form acceptable to Idaho Power and (2) confirmation that the Idaho Power delivery business unit has agreed to accept the Net Energy deliveries at the Point of Delivery in an amount up to the Maximum Capacity Amount. Idaho Power's acceptance will not be unreasonably withheld.
- 4.1.6 Security Requirements – Provide Idaho Power with commercially reasonable representations and warranties and other documentation to determine the Seller's creditworthiness. Such documentation would include, at a minimum, that the Seller is current on existing debt obligations and has not been a debtor in a bankruptcy preceding within the preceding two years. Upon receipt of this information, Idaho Power will review the provided data and, if necessary, request additional data and/or will provide written confirmation or rejection of the provided data within a reasonable time. In lieu of providing evidence of acceptable creditworthiness, the Seller may provide Idaho Power with commercially reasonable security instruments such as Letter of Credit, Senior Lien Rights, Step-In-Rights, Cash Escrow Security as those terms are defined in this Agreement or other forms of liquid financial security that would provide readily available cash to Idaho Power in the Event of a Default under this Agreement. The value of these

security instruments shall at the minimum be equal to the Default Security as defined in paragraph 1.5 of this Agreement.

- 4.1.6.1 Cash Escrow Security - Seller shall deposit funds in an escrow account established by Idaho Power in a banking institution acceptable to both Parties equal to, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.
- 4.1.6.2 Letter of Credit Security - Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to Idaho Power in its discretion, or (b) a Letter of Credit in favor of Idaho Power. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.
- 4.1.6.3 Senior Lien - Before the Scheduled Operation Date, Seller shall grant Idaho Power a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to Idaho Power in the reasonable exercise of its discretion). Pending delivery of the senior lien to Idaho Power, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to Idaho Power's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the

commencement of any proceeding to foreclose the lien.

4.1.6.4 Step-in Rights (Operation by Idaho Power Following Event of Default of Seller).

4.1.6.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in paragraph 19.2, Idaho Power shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to Idaho Power's right under this paragraph 4.1.6.4.

4.1.6.4.2 Idaho Power shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of Idaho Power's rights under this paragraph 4.1.6.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, Idaho Power, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints Idaho Power as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as Idaho Power

may reasonably deem necessary or appropriate to exercise Idaho Power's step-in rights under this paragraph 4.1.6.4.

4.1.6.4.3 During any period that Idaho Power is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

4.1.6.4.4 During any period that Idaho Power is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and Idaho Power shall assume possession, operation, and control solely as agent for Seller.

a) In the event Idaho Power is in possession and control of the Facility for an interim period, Seller shall resume operation and Idaho Power shall relinquish its right to operate when Seller demonstrates to Idaho Power's reasonable satisfaction that it will remove those grounds that originally gave rise to Idaho Power's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed Idaho Power to exercise its rights under this paragraph 4.1.6.4.

b) In the event that Idaho Power is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and Idaho Power shall relinquish its right to operate when the Facility Lender

or any nominee or transferee thereof, requests such relinquishment.

4.1.6.4.5 Idaho Power's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by Idaho Power of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility Idaho Power elects to return such possession and operation to Seller, Idaho Power shall provide Seller with at least fifteen (15) calendar days advance notice of the date Idaho Power intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

4.1.7 Written Acceptance – Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller's request and will not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of _____ (*not to exceed 20 years*) Contract Years from the Operation Date.

5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the following:

- a) Achieved the First Energy Date.
- b) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner.

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

This confirmation will not be unreasonably withheld by Idaho Power.

- 5.3 If the Seller fails to achieve the Operation Date within 30 days of the Scheduled Operation Date, Seller will reimburse Idaho Power for any Shortfall Energy Repayment Amount accruing from 30 days following the Scheduled Operation Date until the Seller achieves the Operation Date. Such reimbursement shall be determined in the manner described in Article VII of this Agreement.
- 5.4 Seller's failure to achieve the Operation Date within ten (10) months of the Scheduled Operation Date will be an Event of Default.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

- 6.1 Delivery and Acceptance of Net Energy - Except when either Party's performance is excused as provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy produced by the Facility and delivered by the Transmitting Entity to Idaho Power at the Point of Delivery.
- 6.2 Annual Net Energy Amount - Seller intends to produce and Transmitting Entity shall deliver Net Energy in the following annual amount:
- 6.2.1 Annual Net Energy Amount: _____ kWh.
- 6.2.2 Seller's Adjustment of Annual Net Energy Amounts
- 6.2.2.1 No later than the Scheduled Operation Date, by written notice given to Idaho Power in accordance with paragraph 24.1, the Seller may revise the previously provided Annual Net Energy Amount.
- 6.3 Unless excused by an event of Force Majeure, Seller's failure to deliver Net Energy in any two consecutive Contract Years in an amount equal to at least ten percent (10%) of the Annual Net Energy Amount specified in paragraph 6.2 shall constitute an Event of Default.
- 6.4 Mechanical Availability Guarantee (MAG) – Seller guarantees that beginning with the third Contract Year the annual Mechanical Availability of the Facility shall be no less than 90 percent.
- 6.4.1 MAG notification – within ten (10) days after the end of a Contract Year, the Seller shall

provide Idaho Power with the Seller certified accurate Mechanical Availability calculations for the recently passed Contract Year. At the minimum the information provided to Idaho Power will include a summary record of the Contract Year's Generation Unit Downtime Hours, Lack of Prime Mover, Force Majeure events and any other information required to confirm the Seller's Mechanical Availability calculation.

6.4.2 The Seller shall maintain detailed documentation of the Seller's Mechanical Availability calculation for a minimum of three (3) Contract Years.

6.4.3 Idaho Power shall have the right to review and audit the documentation supporting the calculation of the Mechanical Availability at reasonable times at the Seller's Facility or other mutually agreed to location.

6.4.4 Shortfall Energy - if the Mechanical Availability falls below the MAG for any Contract Year, the Shortfall Energy for that Contract Year shall be expressed in kWh and calculated as follows:

$$\text{Shortfall Energy} = (\text{MAG} - \text{Mechanical Availability}) * \text{Annual Net Energy Amount.}$$

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

7.1 Net Energy Purchase Price – For the first fifteen (15) Contract Years the Seller shall be paid the On-Peak and Off-Peak prices, less any identified Integration Charge applicable to the Facility resource type as specified in Schedule 85 and included as Appendix E of this Agreement for Net Energy deliveries during On Peak or Off Peak hours. For all Net Energy delivered to Idaho Power after the first fifteen (15) Contract Years and for the remaining term of this Agreement, the Seller has selected Option _____ from Schedule 85 as the basis for determining the purchase price. The Net Energy Purchase Price shall be calculated as specified in Schedule 85 resulting in an On-Peak and Off-Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On-Peak and Off-Peak Hours.

- 7.2 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller 85% of the Mid-Columbia Market Energy Cost or the Off-Peak Net Energy Purchase Price as specified in Appendix E, whichever is lower.
- 7.3 Increase in Nameplate Capacity - If the Seller increases the Nameplate Capacity of the Seller's Facility as a result of increased prime mover, refurbishing equipment, upgrading equipment, reconfiguration of equipment, operation modifications, or by any means other than installing additional generation units, then the Nameplate Capacity as defined in paragraph 1.21 shall be revised to match this increased Nameplate Capacity rating. If the increase in Nameplate Capacity results in the Nameplate Capacity of the Facility exceeding 10 MW, then the on a going-forward basis Idaho Power shall pay Seller the Net Energy Price specified in Section 7.1 for the fraction of total Net Energy delivered equal to 10,000 kW divided by the Nameplate Capacity of the upgraded Facility. For the remaining fraction of Net Energy Idaho Power Company and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Nameplate Capacity or the maximum instantaneous capacity of the Facility complies with Seller's Interconnection Agreement, Transmission Agreement and any other relevant agreements.
- 7.4 Shortfall Energy Repayment Price –
- 7.4.1 Price to be applied to all Shortfall Energy that occurs prior to the Operation Date - If the current day's Market Energy Cost is greater than the applicable Net Energy Purchase Price that would have been paid to the Seller for energy delivered to Idaho Power on that day if the Facility had achieved its Operation Date, the Shortfall Energy Repayment Price will be determined by subtracting the current day's Market Energy Cost from the current day's Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the current day's Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current day's Net Energy Purchase Price.
- 7.5 Shortfall Energy Repayment Amount –

7.5.1 Amount due for Shortfall Energy that occurs prior to the Operation Date - An accumulation of each day's Shortfall Energy multiplied by the Shortfall Energy Repayment Price for each day of the preceding month.

7.6 Shortfall Energy Repayment Schedule –

7.6.1 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy prior to the Operation Date – No later than 15 days following the end of each month, Idaho Power will calculate the previous month's Shortfall Energy Repayment Amount. The Seller shall pay any Shortfall Energy Repayment Amounts to Idaho Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.

7.7 Payment Due Date – Energy payments (inclusive of Integration Charge) to the Seller including any additional deductions for Shortfall Energy Repayment Amounts or any other billings due Idaho Power will be disbursed within thirty (30) days of the date which Idaho Power receives and accepts the documentation of the monthly Net Energy actually produced by the Seller's Facility and delivered to Idaho Power as specified in Appendix A.

ARTICLE VIII: ENVIRONMENTAL ATTRIBUTES

8.1 Idaho Power waives any claim to ownership of Environmental Attributes. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) directly associated with the production of energy from the Seller's Facility.

ARTICLE IX: TRANSMISSION AGREEMENT

9.1 Transmission Agreement - The Seller will arrange and pay for the delivery of Net Energy over the facilities of the Transmitting Entity(s) (XXXXXX) to the Point of Delivery. The delivery of Net Energy from the Facility to the Idaho Power Point of Delivery shall be in accordance with the terms and conditions of a Transmission Agreement between the Seller and the Transmitting Entities.

9.2 Acceptance of Transmission Agreement - This Agreement is expressly conditioned and contingent upon Idaho Power's acceptance of the Transmission Agreement. Such acceptance will not be unreasonably withheld. A default by Seller under the Transmission Agreement will be a Material Default under this Agreement.

9.3 Losses - Idaho Power will only purchase the Net Energy that is delivered by the Transmitting Entity to Idaho Power at the Point of Delivery. Losses will be calculated as provided in Appendix B of this Agreement.

9.4 Required Transmission Agreement provisions for Facilities not located within the Idaho Power Electrical System Control Area –

If the Facility is not located within the Idaho Power Electrical System Control Area, the following requirements must be contained within the Transmission Agreement (s);

9.4.1 Scheduling and delivery of Net Energy – The Transmission Agreement shall include provisions that require the Transmitting Entity(s) to schedule and deliver the Facility's energy to Idaho Power in accordance with industry standard Western Electricity Coordinating Council (WECC) scheduling processes and procedures.

9.4.2 Energy Reserve Requirements – The Transmitting Entity(s) will provide all generation reserves as required by the WECC and/or as required by any other governing agency or industry standard to deliver the Net Energy to the specified Point(s) of Delivery.

9.4.3 Documentation – Seller and/or the Transmitting Entity will provide Idaho Power with monthly documentation in a form acceptable to Idaho Power showing the amount of energy scheduled and delivered to Idaho Power on an hourly bases.

ARTICLE X: RECORDS

10.1 Maintenance of Records - Seller shall maintain at the Facility or such other location mutually acceptable to the Parties adequate total generation (kWh), Net Energy, Station Use and maximum

generation (kW) records in a form and content recommended by Idaho Power.

- 10.2 Inspection - Either Party, after reasonable notice to the other Party, shall have the right, during normal business hours, to inspect and audit any or all generation (kWh), Net Energy, Station Use and maximum generation (kW) records pertaining to the Seller's Facility.

ARTICLE XI: OPERATIONS

- 11.1 Communications - Idaho Power, the Transmitting Entity and the Seller shall maintain appropriate operating communications through Idaho Power's Designated Dispatch Facility in accordance with Appendix A of this Agreement.
- 11.2 Energy Acceptance - Idaho Power shall be excused from accepting and paying for Net Energy produced by the Facility and delivered by the Transmitting Entity on behalf of the Seller to the Point of Delivery, if it is prevented from doing so by an event of Force Majeure, or if Idaho Power determines that curtailment, interruption or reduction of Net Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, electrical system operating conditions on its system or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of Force Majeure, Idaho Power requires such a curtailment, interruption or reduction of Net Energy deliveries for a period that exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amounts specified in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.
- 11.3 Scheduled Maintenance - On or before January 31 of each calendar year, Seller shall submit a written proposed maintenance schedule of significant Facility and/or Transmitting Entity maintenance for that calendar year and Idaho Power, Seller and the Transmitting Entity shall mutually agree as to the acceptability of the proposed schedule. The Parties' determination as to the acceptability of the Seller's timetable for scheduled maintenance will take into consideration Prudent Electrical Practices, Idaho Power system requirements and the Seller's preferred

schedule. Neither Party shall unreasonably withhold acceptance of the proposed maintenance schedule.

- 11.4 Maintenance Coordination - The Seller, Idaho Power and the Transmitting Entity shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.
- 11.5 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller and/or the Transmitting Entity prior to exercising its rights to curtail, interrupt or reduce deliveries from the Transmitting Entity from the Seller's Facility. Seller and the Transmitting Entity understand that, in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events Idaho Power may not be able to provide notice to the Seller or the Transmitting Entity prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.
- 11.6 Increase in Nameplate Capacity – If the Seller increases the Nameplate Capacity of the Sellers Facility as described in paragraph 7.3 of this agreement to be greater than the Maximum Capacity originally provided by the Seller, the Seller must provide Idaho Power with verifiable documentation from both the Transmitting Entity and the Idaho Power delivery business unit that clearly indicates that the Transmitting Entity is capable and willing to deliver the increased quantity of energy to Idaho Power and that the Idaho Power delivery business unit is able to accept the increased quantity of energy at the designated Point of Delivery. This documentation must be accepted and approved by Idaho Power prior to the Transmitting Entity delivering any energy to Idaho Power that exceeds the original Maximum Capacity as established within this Agreement.

ARTICLE XII: RELIABILITY MANAGEMENT SYSTEM

If the Facility is not located within the Idaho Power Electrical System Control Area, the Seller will be required to comply with the Reliability Management processes of the control area operator having control

of the specific location of the Facility and this Article XII will not apply. If the Facility is located within the Idaho Power Control Area, the Seller is required to comply with the following:

- 12.1 Purpose. In order to maintain the reliable operation of the transmission grid, the WECC Reliability Criteria Agreement sets forth reliability criteria adopted by the WECC to which Seller and Idaho Power shall be required to comply. Seller acknowledges receipt of and understanding of the WECC Reliability Criteria Agreement and how it pertains to the Seller's Facility.
- 12.2 Compliance. Seller shall comply with the requirements of the WECC Reliability Criteria Agreement, including the applicable WECC reliability criteria set forth in Section IV of Annex A thereof, and, in the event of failure to comply, Seller agrees to be subject to the sanctions applicable to such failure. Such sanctions shall be assessed pursuant to the procedures contained in the WECC Reliability Criteria Agreement. Each and all of the provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Article XII as though set forth fully herein, and Seller shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WECC Reliability Criteria Agreement, including, but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WECC Reliability Criteria Agreement.
- 12.3 Payment of Sanctions. Seller shall be responsible for reimbursing Idaho Power for any monetary sanctions assessed against Idaho Power by WECC due to the action or inaction of the Seller, pursuant to the WECC Reliability Criteria Agreement. Seller also shall be responsible for payment of any monetary sanction assessed against the Seller by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.
- 12.4 Transfer of Control or Sale of Generation Facilities. In any sale or transfer of control of any generation facilities subject to this Agreement, Seller shall, as a condition of such sale or transfer, require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Seller with respect to this Agreement or to enter into an agreement with

Idaho Power imposing on the acquiring party or transferee the same obligations applicable to the Seller pursuant to this Article XII.

12.5 Publication. Seller consents to the release by the WECC of information related to the Seller's compliance with this Agreement only in accordance with the WECC Reliability Criteria Agreement.

12.6 Third Parties. Except for the rights and obligations between the WECC and the Seller specified in this Article XII, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WECC: (a) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (b) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary under this Article XII, of the WECC against the Seller for the Seller, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Idaho Power and the Seller expressly intend that the WECC is a third-party beneficiary to this Article XII, and the WECC shall have the right to seek to enforce against the Seller any provision of this Article XII, provided that specific performance shall be the sole remedy available to the WECC pursuant to Article XII of this Agreement, and the Seller shall not be liable to the WECC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WECC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.

12.7 Reserved Rights. Nothing in the Article XII of this Agreement or the WECC Reliability Criteria Agreement shall affect the right of Idaho Power, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection that Idaho Power may otherwise be entitled to take.

12.8 Termination of Article XII. Seller may terminate its obligations pursuant to this Article XII:

12.8.1 If after the effective date of this Article XII, the requirements of the WECC Reliability

Criteria Agreement applicable to the Seller are amended so as to adversely affect the

Seller, provided that the Seller gives fifteen (15) days' notice of such termination to Idaho Power and WECC within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Seller for an additional forty-five (45) days if the Seller gives written notice to Idaho Power of such requested extension within the initial forty-five (45) day period; or

12.8.2 For any reason on one year's written notice to Idaho Power and the WECC.

ARTICLE XIII: INDEMNIFICATION AND INSURANCE

13.1 Indemnification - Each Party shall agree to hold harmless and to indemnify the other Party, its officers, directors, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

13.2 Insurance -

13.2.1 If the Facility's Nameplate Capacity as determined in paragraph 1.21 of this Agreement is greater than 200 kW, the Seller shall secure and continuously carry the following insurance coverage:

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

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

- (a) An endorsement naming Idaho Power as an additional insured and loss payee as applicable; and
- (b) A provision stating that such policy shall not be canceled or the limits of liability reduced without sixty (60) days' prior written notice to Idaho Power.

13.2.1.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.4 herein and annually thereafter, Seller shall furnish Idaho Power a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.

13.2.1.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by paragraph 13.2 shall lapse for any reason, Seller will immediately notify Idaho Power in writing. The notice will advise Idaho Power of the specific reason for the lapse and the steps Seller is taking to reinstate the coverage. Failure to provide this notice and to expeditiously reinstate or replace the coverage will constitute a Material Breach of this Agreement.

ARTICLE XIV: FORCE MAJEURE

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

- (1) The non-performing Party shall, as soon as is reasonably possible after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence.
- (2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure.
- (3) No obligations of either Party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

ARTICLE XV: LIABILITY; DEDICATION

15.1 Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or entity.

ARTICLE XVI: SEVERAL OBLIGATIONS

16.1 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XVII: WAIVER

17.1 Any waiver at any time by either Party of its rights with respect to a Default under this

Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent Default or other matter.

ARTICLE XVIII: CHOICE OF LAWS AND VENUE

- 18.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Oregon without reference to its choice of law provisions.
- 18.2 Venue for any litigation arising out of or related to this Agreement will lie in the District Court of the Ninth Judicial District of Oregon in and for the County of Malheur.

ARTICLE XIX: DISPUTES, DEFAULTS AND REMEDIES

- 19.1 Disputes - All disputes related to or arising under this Agreement, including, but not limited to, the interpretation of the terms and conditions of this Agreement, will be submitted to the Commission for resolution.
- 19.2 Notice of Default -
- 19.2.1 Defaults. If either Party fails to perform any of the terms or conditions of this Agreement (an “Event of Default” or “Default”), the nondefaulting Party shall cause notice in writing to be given to the defaulting Party, specifying the manner in which such Default occurred. If the defaulting Party shall fail to cure such Default within the sixty (60) days after service of such notice, or if the defaulting Party reasonably demonstrates to the other Party that the Default can be cured within a commercially reasonable time but not within such sixty (60) day period and then fails to diligently pursue such cure, then, the nondefaulting Party may, at its option, terminate this Agreement and/or pursue its legal or equitable remedies.
- 19.2.2 Material Breaches – The notice and cure provisions in paragraph 19.2.1 do not apply to Defaults identified in this Agreement as Material Breaches. Material Breaches must be cured as expeditiously as possible following occurrence of the breach.
- 19.3 Security for Performance - Prior to the Operation Date and thereafter for the full term of this

Agreement, Seller will provide Idaho Power with the following:

19.3.1 Insurance - Evidence of compliance with the provisions of paragraph 13.2. If Seller fails to comply, such failure will be a Material Breach and may only be cured by Seller supplying evidence that the required insurance coverage has been replaced or reinstated;

19.3.2 Engineer's Certifications - Every three (3) years after the Operation Date, Seller will supply Idaho Power with a Certification of Ongoing Operations and Maintenance (O & M) from a Registered Professional Engineer licensed in the State of Oregon, which Certification of Ongoing O & M shall be in the form specified in Appendix C. Seller's failure to supply the required certificate will be an Event of Default. Such a Default may only be cured by Seller providing the required certificate; and

19.3.3 Licenses and Permits - During the full term of this Agreement, Seller shall maintain compliance with all permits and licenses described in paragraph 4.1.1 of this Agreement. In addition, Seller will supply Idaho Power with copies of any new or additional permits or licenses. At least every fifth Contract Year, Seller will update the documentation described in paragraph 4.1.1. If at any time Seller fails to maintain compliance with the permits and licenses described in paragraph 4.1.1 or to provide the documentation required by this paragraph, such failure will be an Event of Default and may only be cured by Seller submitting to Idaho Power evidence of compliance from the permitting agency.

19.3.4 Security Requirements – During the full term of this Agreement, Seller shall maintain the Security Requirements established in accordance with paragraph 4.1.6. Failure to maintain these Security Requirements will be a Material Breach of this Agreement.

19.3.4.1 If the Seller fails to maintain the Security Requirements as specified in paragraph 19.3.4 and it is deemed the Seller is in Material Breach of this Agreement, if the Material Breach is a result of the Seller defaulting on a Facility construction loan, the Seller shall provide Idaho Power notice of the Facility construction loan default. Idaho Power may require the Seller to

provide Default Security to remedy this Material Breach. Upon notice from Idaho Power to the Seller requiring the Seller to provide Default Security to remedy this Material Breach, within 10 business days of said notice, the Seller may provide Idaho Power evidence for review that the Seller has negotiated satisfactory financial arrangements with the construction loan lender that mitigates the Seller's financial risk. Upon review of the Seller's provided documentation, if Idaho Power determines that the negotiated financial arrangements satisfactorily mitigates the Seller's financial risk, Idaho Power will deem this Material Breach to be cured. If Idaho Power determines that the provided documentation does not provide evidence that the Seller's risk has been satisfactorily mitigated, the Seller will be required to provide Default Security within 5 business days of Idaho Power's notification that the Material Breach has not been cured.

19.3.5 Recoupment of Damages

19.3.5.1 Default Security Available. – If a Default has occurred and has not been cured and if the Seller has posted Default Security, Idaho Power may draw upon that security, in accordance with paragraph 19.2.1 to satisfy any damages.

19.3.5.2 Default Security Unavailable – If a Default has occurred and has not been cured and if Seller has not posted Default Security, or if Idaho Power has exhausted the Default Security, Idaho Power may collect any remaining amount owing by; (1) lump sum payment to Idaho Power by the Seller or (2) partially withholding future payments to the Seller over a reasonable period of time. Idaho Power and the Seller shall work together in good faith to establish the reasonable period and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operations of the Facility.

19.3.6 Termination

19.3.6.1 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement and the Seller or a party substantially the same as the Seller, subsequently seeks to enter into a new standard QF contract for this same Facility, then the new standard QF contract, shall run for the period that the original contract would have run, and shall contain the same terms, rates and conditions as the original Agreement.

19.3.6.2 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement, the Seller shall pay Idaho Power damages equal to the positive difference, if any, obtained by subtracting the Net Energy Purchase Price from the projected forward Mid-Columbia Market Energy Cost for 24 months beginning with the next full month after the date of termination multiplied by the Annual Net Energy Amounts.

ARTICLE XX: GOVERNMENTAL AUTHORIZATION

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

ARTICLE XXI: SUCCESSORS AND ASSIGNS

21.1 This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, except that no assignment hereof by either Party shall become effective without the written consent of both Parties being first obtained. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, any party which Idaho Power may consolidate, or into which it may merge, or to which it may

convey or transfer substantially all of its electric utility assets, shall automatically, without further act, and without need of consent or approval by the Seller, succeed to all of Idaho Power's rights, obligations and interests under this Agreement. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho Power shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXII: MODIFICATION

22.1 No modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission.

ARTICLE XXIII: TAXES

23.1 Each Party shall pay before delinquency all taxes and other governmental charges which, if failed to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXIV: NOTICES

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

To Seller: _____

To Idaho Power:

Original document to:

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

Copy of document to:

Cogeneration and Small Power Production

Idaho Power Company
P. O. Box 70
Boise, Idaho 83707

ARTICLE XXV: ADDITIONAL TERMS AND CONDITIONS

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

Appendix A	-	Generation Scheduling and Reporting
Appendix B	-	Facility and Point of Delivery
Appendix C	-	Engineer's Certifications
Appendix D	-	Definition of a Small Cogeneration Facility or Small Power Production Facility eligible to receive the standard rates and standard contract.
Appendix E	-	Applicable Prices from Schedule 85

ARTICLE XXVI: SEVERABILITY

26.1 The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other terms or provisions and this Agreement shall be construed in all other respects as if the invalid or unenforceable term or provision were omitted.

ARTICLE XXVII: COUNTERPARTS

27.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXVIII: ENTIRE AGREEMENT

28.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be executed in their respective names on the dates set forth below:

Idaho Power Company

By

By

Dated

“Idaho Power”

Dated

“Seller”

APPENDIX A

A –1 MONTHLY POWER PRODUCTION AND SWITCHING REPORT FOR PROJECTS
LOCATED WITHIN THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA

At the end of each month, the following required documentation will be submitted to:

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

The Meter readings required on this report will be the reading on the Meter Equipment measuring the Facility's Net Energy delivered by the Transmitting Entity to the Idaho Power electrical system and/or any other required energy measurements to adequately administer this Agreement. If the Metering Equipment is not located at the point which is able to measure the exact energy deliveries to the Idaho Power electrical system, then the metered energy amounts will be adjusted to account for electrical Losses occurring between the metering point and the point which the energy is delivered to the Idaho Power electrical system.

Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND SWITCHING REPORT

Month _____ Year _____

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

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

As specified in this Agreement, the Seller shall include with this monthly report a summary statement of the Mechanical Availability of this Facility for the calendar month. This summary shall include details as to how the Seller calculated this value and summary of the Facility data used in the calculation. Idaho Power and the Seller shall work together to mutually develop a summary report that provides the required data. Idaho Power reserves the right to review the detailed data used in this calculation as allowed within the Agreement.

Breaker Opening Record

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

<u>* Reason</u>

Breaker Closing Record

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

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

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

Signature

Date

A-2 ROUTINE REPORTING FOR PROJECTS WITHIN THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA.

Idaho Power Designated Dispatch Facility contact information

Daily Energy Production Reporting

All projects with a Nameplate Capacity of 1 MW or greater shall:

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

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

If Idaho Power determines that adequate generation data is available for this Facility's daily generation, Idaho Power may modify these reporting requirements

Planned and Unplanned Project outages

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

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

Seller's Contact Information

24-Hour Project Operational Contact

Name: _____
Telephone Number: _____
Cell Phone: _____

Project On-site Contact information

Telephone Number: _____

A-3 MONTHLY POWER PRODUCTION AND SWITCHING REPORT FOR PROJECTS
LOCATED OUTSIDE OF THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA.

- a.) The Transmitting Entity will schedule and deliver the Facility's Net Energy to the Idaho Power electrical system at the Point of Delivery in accordance with the electrical industry standard WECC scheduling and delivery processes. As specified in paragraph 9.4 the Seller and/or the Transmitting Entity shall provide Idaho Power with monthly documentation indicating the hourly energy scheduled and delivered to Idaho Power. This documentation will be reconciled with Idaho Power records of energy scheduled and received from this Facility. In the event a discrepancy exists between the Idaho Power records and the Seller / Transmitting Entity documents, Idaho Power records will be considered to be accurate until such time as Idaho Power, the Seller and the Transmitting Entity mutually agree on an adjustment to the Idaho Power records.
- b.) The Seller shall submit to Idaho Power a Monthly Power Production And Switching Report as specified in Appendix A-1 of this Agreement. The meter readings on this report shall be the meter readings at the actual Facility measuring the actual energy deliveries to Transmitting Entity at the Facility.

A-4 ROUTINE REPORTING FOR PROJECTS OUTSIDE OF THE IDAHO POWER
ELECTRICAL SYSTEM CONTROL AREA.

The Seller and Transmitting Entity shall maintain appropriate communications with the Idaho Power Designed Dispatch Facility in compliance with electric industry standard WECC energy scheduling processes and procedures.

APPENDIX B

FACILITY AND POINT OF DELIVERY

PROJECT NO. _____

B-1 DESCRIPTION OF FACILITY

B-2 LOCATION OF FACILITY

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected _____ as the estimated Scheduled First Energy Date.

Seller has selected _____ as the estimated Scheduled Operation Date.

In making these selections, Seller recognizes that adequate testing of the Facility and completion of all requirements in paragraph 5.2 of this Agreement must be completed prior to the project being granted an Operation Date.

B-4 MAXIMUM CAPACITY AMOUNT:

This value will be _____ MW. This value is the maximum energy (MW) that potentially could be delivered by the Seller's Facility to the Idaho Power electrical system at any moment in time and will be consistent with the designed capacity of the Facility.

B-5 POINT OF DELIVERY

_____ at the point on the Idaho Power electrical system where the Sellers Facility's Net energy is delivered by the Transmitting Entity to the Idaho Power electrical system.

B-6 LOSSES

- a. For Facilities within the Idaho Power Electrical System Control area - If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Transmitting Entity on behalf of the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated for this Facility. If the Idaho Power Metering is unable to measure the exact energy deliveries by the Transmitting Entity on behalf of the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss specifications, conductor sizes, etc) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at anytime during the term of this Agreement, Idaho Power determines that the loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power may adjust the calculation and retroactively adjust the previous months kWh loss calculations.
- b. For Facilities outside of the Idaho Power Electrical Control area - Idaho Power will only pay for Net Energy that is scheduled and delivered by the Transmitting Entity to the Point of Delivery. All energy Losses between the Facility and the Point of Delivery will be borne by either the Transmitting Entity or the Seller.

B-7 INTERCONNECTION FACILITIES

The Seller and Transmitting Entity shall construct, operate and maintain the Facility and all interconnection and protection equipment in accordance with Prudent Electrical Practices, the National Electric Safety Code and any other applicable local, state and federal codes

B-8 METERING AND TELEMETRY

- a. For Facilities located within the Idaho Power Electrical System Control Area

Metering Equipment - At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries by the Transmitting Entity to the Point of Delivery and any other energy measurements required to administer this Agreement.

Telemetry Equipment - At the minimum the Telemetry Equipment must be able to provide Idaho Power with continuous instantaneous telemetry of the Facility's energy deliveries to the Transmitting Entity. The Seller will arrange for and make available at Seller's cost, a communications circuit acceptable to Idaho Power, dedicated to Idaho Power's use to be used for load profiling and another communications circuit dedicated to Idaho Power's communication equipment for continuous telemetering of the Facility's energy deliveries to the Transmitting Entity to Idaho Power's Designated Dispatch Facility.

All costs including but not limited to actual equipment, installation, engineering, monthly communication circuit fees, operations and maintenance will be the responsibility of the Seller.

Exact details of the Metering and Telemetry equipment and specifications will need to be added to this appendix once more information becomes available in regards to the physical and electrical configuration at this site and the configuration of the interconnection at the Point of Delivery.

b. For Facilities located outside of the Idaho Power Electrical System Control Area

Metering Equipment - At the minimum the Metering Equipment must be able to provide and record hourly energy deliveries by the Facility to the Transmitting Entity and any other energy measurements required to administer this Agreement.

Telemetry Equipment – If Telemetry Equipment is required by the Transmitting Entity and the Transmitting Entity and Idaho Power determine that it is required that Idaho Power have access to the automated data. The Seller shall be responsible for all costs associated with providing the automated telemetry data to Idaho Power.

Exact details of the Metering and Telemetry equipment and specifications will need to be added to this appendix once more information becomes available in regards to the physical and electrical configuration at this site and the configuration of the interconnection at the Point of Delivery.

APPENDIX C

ENGINEER'S CERTIFICATION

OF

OPERATIONS & MAINTENANCE POLICY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and is hereinafter referred to as the "Project."
4. That the Project, which is commonly known as the _____, is located in Section _____, Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has reviewed and/or supervised the review of the Policy for Operation and Maintenance ("O&M") for this Project and it is his professional opinion that, provided said Project has been designed and built to appropriate standards, adherence to said O&M Policy will result in the

Project's producing at or near the design electrical output, efficiency and plant factor for a period of _____years.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself and _____ hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____, is located at _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. It is Engineer's professional opinion, based on the Project's appearance, that its ongoing O&M has been substantially in accordance with said O&M Policy; that it is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the remaining _____ years of the Agreement.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer", hereby states and certifies to Idaho Power as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement", between Idaho Power as Buyer, and _____ as Seller, dated _____, _____.
3. That the cogeneration or small power production project, which is the subject of the Agreement and this Statement, is identified as IPCo Facility No _____ and is hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ (____) year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project and has made the analysis of the plans and specifications independently.
8. That Engineer has reviewed the engineering design and construction of the Project, including the civil work, electrical work, generating equipment, prime mover conveyance system, Seller furnished Interconnection Facilities and other Project facilities and equipment.
9. That the Project has been constructed in accordance with said plans and specifications, all

applicable codes and consistent with Prudent Electrical Practices as that term is described in the Agreement.

10. That the design and construction of the Project is such that with reasonable and prudent operation and maintenance practices by Seller, the Project is capable of performing in accordance with the terms of the Agreement and with Prudent Electrical Practices for a _____ (_____) year period.

11. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, in interconnecting the Project with its system, is relying on Engineer's representations and opinions contained in this Statement.

12. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____
(P.E. Stamp)

Date _____

APPENDIX D

DEFINITION OF A SMALL COGENERATION FACILITY

OR

SMALL POWER PRODUCTION FACILITY

ELIGIBLE TO RECEIVE THE STANDARD RATES AND STANDARD CONTRACT

A Qualifying Facility (either a small power production facility or a cogeneration facility) (“QF”) will be eligible to receive the standard rates and standard contract if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, does not exceed 10 MW.

Definition of Person(s) or Affiliated Person(s):

As used above, the term “same person(s)” or “affiliated person(s)” means a natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. However, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Furthermore, except for independent family-owned or community-based facilities, two facilities will be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a “passive investor” whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a “passive investor” if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Definition of Same Site:

For purposes of the foregoing, generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Shared Interconnection and Infrastructure:

QFs otherwise meeting the above-described separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

APPENDIX E

COPY OF APPLICABLE PRICES FROM SCHEDULE 85

**OREGON STANDARD ENERGY
SALES AGREEMENT FOR
INTERMITTENT RESOURCE
OUT OF SERVICE TERRITORY**

REDLINE FORMAT

OREGON STANDARD
ENERGY SALES AGREEMENT
(Intermittent Resource)
BETWEEN
IDAHO POWER COMPANY
AND

(Includes Transmission Provisions)

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ENERGY SALES AGREEMENT

INTERMITTENT RESOURCE

(10 MW or Less)

Project Number: _____

THIS AGREEMENT, entered into on this _____ day of _____ 20__ between _____, a _____ company (Seller), and IDAHO POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as “Parties” or individually as “Party.”

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 “Annual Net Energy Amount” – Net Energy that the Seller estimates the Facility will produce and the Transmitting Entity will deliver to Idaho Power at the Point of Delivery for one Contract Year. The Seller shall use all available information (equipment characteristics, resource characteristics and data, Facility design, etc) to accurately estimate the Annual Net Energy Amount. This Annual Net Energy Amount as specified in paragraph 6.2 will be used to calculate the Shortfall Energy quantities within this Agreement.
- 1.2 “Cash Escrow Security” – Has the meaning set out in paragraph 4.1.6.1.
- 1.3 “Commission” - The Oregon Public Utility Commission.

- 1.4 “Contract Year” - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.5 “Default Security” - A dollar amount computed by the annual ~~O_{on} P_{peak} H~~ hours multiplied by the ~~(-~~o~~O_{on} P_{peak} price less O_{off} P_{peak} price)~~ multiplied by ~~-~~ Annual Net Energy Amount divided by 8,760 where the ~~O_{on} P_{peak}~~ price and ~~O_{off} P_{peak}~~ price are the applicable prices specified Appendix E, in the Schedule 85 option the Seller has selected in paragraph 7.1 of this Agreement
- 1.6 “Designated Dispatch Facility” - Idaho Power’s Systems Operations Group, or any subsequent group designated by Idaho Power
- 1.7 “Downtime Hours” – the number of hours in a single Contract Year for each generation unit within the Facility, measured in 10 minute increments, in which the generation unit is not in the “run” status or is in “run” status but faulted (including any reasonable delay in resetting a fault). Notwithstanding the previous sentence, Downtime Hours does not include minutes that the unit is unavailable due to (i) an event of Force Majeure; (ii) a default by Idaho Power under this Agreement; (iii) Lack of Prime Mover at times when the generation unit would otherwise be available (including the normal amount of time required by the generation unit to resume operations following a Lack of Prime Mover); or (iv) hours of planned maintenance per generation unit not to exceed 200 hours per generation unit per Contract Year.
- 1.8 “Facility” - That electric generation facility described in Appendix B of this Agreement.
- 1.9 “First Energy Date” - The day commencing at 0001 hours, Mountain Time, following the day that Seller has satisfied the requirements of Article IV and the Seller begins delivering energy to Idaho Power’s system at the Point of Delivery.
- 1.10 “Idaho Power Electrical System Control Area” or “Control Area” – The geographical area of integrated transmission and generation controlled by Idaho Power for which Idaho Power is responsible for scheduling interchanges with other control areas and balancing supply and demand within the area. The Control Area may include physical locations and/or electrical systems not served or owned by Idaho Power, but which are dependant upon Idaho Power’s operation of its generation and transmission to balance supply and demand.

1.11 “Integration Charge” – if this Facility is located within the Idaho Power Electrical System Control Area the integration charge as used in the most recent Idaho Power acknowledged Integrated Resource Plan for each specific resource type, specified in Schedule 85 and included as Appendix E to this Agreement.

1.12 “Intermittent Resource” – a Facility that produces electrical energy from the use of wind, solar or run of river hydro as the prime mover.

1.13 “Lack of Prime Mover” – temporary lack, due to natural causes of Sufficient Prime Mover. Lack of Prime Mover does not include Lack of Prime Mover due to voluntary actions taken by the Seller or by human caused events.

1.14 “Letter of Credit Security” – Has the meaning set out in paragraph 4.1.67.2.

1.15 “Losses” – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility’s energy is metered and the point the Facility’s energy is delivered to the Idaho Power electrical system by the Transmitting Entity. The loss calculation formula will be as specified in Appendix B of this Agreement.

~~1.13 “Lost Net Energy Production” – Estimate of kWh’s of Net Energy production that were not delivered due to lack of Sufficient Prime Mover, Force Majeure or scheduled maintenance. Calculation of the amount of Lost Net Energy Production will be based upon the verifiable duration (hours) of the event causing the Lost Net Energy Production to occur multiplied by the generation capacity (kW) level that the Facility was achieving immediately preceding the event.~~

1.16 “Material Breach” – A Default (paragraph 198.2.1) subject to paragraph 198.2.2.

1.17 “Mechanical Availability” – measured for each Contract Year, the percentage of time that the Facility is capable of producing Net Energy during a Contract Year. The actual calculation being:

$$\text{Mechanical Availability (\%)} = \frac{((H * N) - (DH * N))}{(H * N)} * 100$$

Where:

H = number of hours in the Contract Year

N = number of generation units comprising the Facility

DH = Downtime Hours

1.18 “Mechanical Availability Guarantee” - shall be as defined in paragraph 6.4.

1.19 ~~“Mid-Columbia Market Energy Cost” – The weighted 82.4% of the monthly arithmetic average of the Intercontinental Exchange (“ICE”) daily on-peak firm Mid-C Peak Avg and off-peak Dow Jones Mid-C Off-Peak Avg reported prices.~~

The actual calculation being:

$$.824 * \left(\frac{\sum_{x=1}^n \{(\text{ICE Mid-C Peak Avg}_x * \text{On-Peak hours for day}) + (\text{ICE Mid-C Off-Peak Avg}_x * \text{Off-Peak hours for day})\}}{n * 24} \right)$$

where n = number of days in the month

1.3 ~~If the ICE Mid-Columbia Index (Dow Jones Mid-C Index) prices for non-firm energy. If the Dow Jones Mid-Columbia Index price reporting is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the Dow Jones ICE Mid-Columbia Index. - The selected replacement index will be consistent with other similar agreements and a commonly used index by the electrical industry.~~

1.20 “Maximum Capacity” - The maximum capacity (MW) of the Facility will be as specified in Appendix B of this Agreement.

1.21 ~~“Mechanical Availability” – The percentage amount resulting from the calculation of the Facility’s actual monthly Net Energy deliveries divided by the Facility’s calculated Net Energy deliveries. Calculated Net Energy deliveries are determined by multiplying the Nameplate Capacity of the Facility by the total hours in the applicable month minus the Station Use as defined in paragraph 1.29 and the Lost Net Energy Production.~~

~~“Mechanical Availability Guarantee” shall be as defined in paragraph 6.4~~

“Nameplate Capacity” – The full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperes, kilowatts, volts or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.

1.22 “Net Energy” – Electric energy produced by the Facility, less Station Use and Losses, expressed in kilowatt hours (kWh), which the Transmitting Entity delivers to Idaho Power, that is less than

or equal to the Nameplate Capacity. Seller commits to deliver all energy produced by the Facility, less Station Use, and Losses, to the Transmitting Entity for delivery by the Transmitting Entity to Idaho Power at the Point of Delivery for the full term of the Agreement.

- 1.23 “Off-Peak Hours” – The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.24 “On-Peak Hours” – The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.25 “Operation Date” – The day commencing at 0001 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.26 “Point of Delivery” – The location specified in Appendix B, where the Transmitting Entity delivers the Facility’s Net Energy to the Idaho Power electrical system.
- 1.27 “Prudent Electrical Practices” – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.
- 1.28 “Schedule 85” – Idaho Power’s Oregon Tariff No E-27, Schedule 85 in effect as of the effective date of this Agreement.
- 1.29 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date.
- 1.30 “Season” – The three periods identified in Schedule 85.
- 1.31 “Senior Lien” – Has the meaning set out in paragraph 4.1.67.3.
- 1.32 “Shortfall Energy” – Prior to the Operation Date, Shortfall Energy shall be equal to the Annual Net Energy Amount specified in paragraph 6.2 divided by 365, multiplied by the number of days past the Scheduled Operation Date when the Operation Date is achieved less 30 days, less Surplus Energy. If this calculation results in a value less than 0 then the result shall be 0.

- 1.33 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility. To calculate the Station Use value for use in the Mechanical Availability calculation, the previous period’s actual Station Use will be used as a basis.
- 1.34 “Step-In Rights” – Has the meaning set out in paragraph 4.1.6.4.
- 1.35 “Sufficient Prime Mover” means prime mover (i.e. wind speed, water quantity or solar ~~quantity~~insolation) that is equal to or greater ~~than~~than the generation unit’s manufacturer-specified minimum levels required for the generation unit to produce energy.
- 1.36 “Surplus Energy” – (1) All Net Energy produced by the Seller’s Facility and delivered by the Transmitting Entity to the Idaho Power electrical system that exceeds the Nameplate Capacity of the Facility but is less than the Maximum Capacity of the Facility. Deliveries above the Facility’s Nameplate Capacity solely for the purpose of accommodating hourly scheduling in whole MWs by a third party transmission provider shall not be considered to be Surplus Energy as described within this paragraph 1.3~~62~~ item 1 or (2) All Net Energy produced by the Seller’s Facility and delivered by the Transmitting Entity to the Idaho Power electrical system prior to the Operation Date and is less than the Maximum Capacity of the Facility.
- 1.37 “Total Cost of the Facility” - The total cost of structures, equipment and appurtenances.
- 1.38 “Transmitting Entity” - The signatory(s) (other than the Seller) to the Transmission Agreement referred to in paragraph 9.1 and its successors and assigns.

ARTICLE II: NO RELIANCE ON IDAHO POWER

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

attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement have been solely those of Seller.

ARTICLE III: WARRANTIES

3.1 No Warranty by Idaho Power - Any review, acceptance or failure to review Seller's design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho Power and Idaho Power makes no warranties, expressed or implied, regarding any aspect of Seller's design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

3.2 Qualifying Facility Status - Seller warrants that the Facility is a "Qualifying Facility," as that term is used and defined in 18 CFR 292.201 et seq. Seller's failure to maintain the Facility and operations of the Facility in a manner consistent with the initial Qualifying Facility certificate will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.

3.2.1 If Idaho Power's obligation to purchase energy from a "Qualifying Facility," as that term is defined in 18 CFR 292.201 et seq. or ORS 758.505(8), is repealed or otherwise terminated, this Agreement will remain in full force and effect unless state or federal law mandates termination of this Agreement.

3.3 FERC License (*only applies to hydro projects*) - Seller warrants that Seller possesses a valid license or exemption from licensing from the Federal Energy Regulatory Commission ("FERC") for the Facility. Seller recognizes that Seller's possession and retention of a valid FERC license or exemption is a material part of the consideration for Idaho Power's execution of this Agreement. Seller will take such steps as may be required to maintain a valid FERC license or exemption for the Facility during the term of this Agreement, and Seller's failure to maintain a valid FERC license or exemption will be a material breach of this Agreement.

3.4 Eligibility for Standard Rates and Contract

- 3.4.1 Initial Qualification - Seller warrants that the Seller's Facility meets the definitions contained in Appendix D, "Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract" of this Agreement approved by the Commission at the time this Agreement is executed and is therefore eligible for standard rates and the standard contract. Upon request from Idaho Power, the Seller will provide Idaho Power with documentation verifying the ownership, management and financial structure of the Facility in reasonably sufficient detail to allow Idaho Power to make an initial determination of whether or not the Facility meets the described criteria for entitlement to the standard rates and standard contract as defined in Appendix D.
- 3.4.2 Ongoing Qualification - Seller warrants that the Seller will not make any changes in its ownership, control or management during the term of this Agreement that would cause it to be ineligible for standard rates and a standard contract in compliance with the Appendix D approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by Idaho Power not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller's continued compliance with the Definition in Appendix D. Idaho Power agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except Idaho Power will provide all such confidential information to the Public Utility Commission of Oregon upon the Commission's request.
- 3.4.3 Qualification Dispute - Any dispute concerning the Seller's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.
- 3.4.4 Seller warrants that the Facility is an Intermittent Resource.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

- 4.1 Prior to the First Energy Date and as a condition of Idaho Power's acceptance of deliveries of

energy from the Seller, Seller shall:

- 4.1.1 Submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.201 et seq.
- 4.1.2 Nameplate Capacity Determination - Submit to Idaho Power such data as Idaho Power may reasonably require to confirm the manufacturer's Nameplate Capacity rating and the Maximum Capacity rating of the Facility. Such data will include but not be limited to, equipment specifications, power factor assumptions, and any other data that would allow Idaho Power to verify the generating capacity and the manufacturer's nameplate rating of this Facility. Upon receipt of this information, Idaho Power will review the provided data and if necessary, request additional data to complete the verification process within a reasonable time.
- 4.1.3 Engineer's Certifications - Submit an executed Engineer's Certification of Design & Construction Adequacy and an Engineer's Certification of Operations and Maintenance (O&M) Policy. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.
- 4.1.4 Insurance - Submit written proof to Idaho Power of all insurance required in Article XIII.
- 4.1.5 Transmission Agreement - Provide Idaho Power with a copy of (1) the Transmission Agreement executed by the Seller and the Transmitting Entity in a form acceptable to Idaho Power and (2) confirmation that the Idaho Power delivery business unit has agreed to accept the Net Energy deliveries at the Point of Delivery in an amount up to the Maximum Capacity Amount. Idaho Power's acceptance will not be unreasonably withheld.
- 4.1.6 Security Requirements - Provide Idaho Power with commercially reasonable representations and warranties and other documentation to determine the Seller's

creditworthiness. Such documentation would include, at a minimum, that the Seller is current on existing debt obligations and has not been a debtor in a bankruptcy preceding within the preceding two years. Upon receipt of this information, Idaho Power will review the provided data and, if necessary, request additional data and/or will provide written confirmation or rejection of the provided data within a reasonable time. In lieu of providing evidence of acceptable creditworthiness, the Seller may provide Idaho Power with commercially reasonable security instruments such as Letter of Credit, Senior Lien Rights, Step-In-Rights, Cash Escrow Security as those terms are defined in this Agreement or other forms of liquid financial security that would provide readily available cash to Idaho Power in the Event of a Default under this Agreement. The value of these security instruments shall at the minimum be equal to the Default Security as defined in paragraph 1.56 of this Agreement.

4.1.6.1 Cash Escrow Security - Seller shall deposit funds in an escrow account established by Idaho Power in a banking institution acceptable to both Parties equal to, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

4.1.6.2 Letter of Credit Security - Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to Idaho Power in its discretion, or (b) a Letter of Credit in favor of Idaho Power. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

4.1.6.3 Senior Lien - Before the Scheduled Operation Date, Seller shall grant Idaho Power a senior, unsubordinated lien on the Facility and its assets as security

for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to Idaho Power in the reasonable exercise of its discretion). Pending delivery of the senior lien to Idaho Power, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to Idaho Power's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

4.1.6.4 Step-in Rights (Operation by Idaho Power Following Event of Default of Seller).

4.1.6.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in paragraph 198.2, Idaho Power shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to Idaho Power's right under this paragraph 4.1.6.4.

4.1.6.4.2 Idaho Power shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of Idaho Power's rights under this paragraph 4.1.6.4. Upon such notice, Seller shall

collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, Idaho Power, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints Idaho Power as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as Idaho Power may reasonably deem necessary or appropriate to exercise Idaho Power's step-in rights under this paragraph 4.1.6.4.

4.1.6.4.3 During any period that Idaho Power is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

4.1.6.4.4 During any period that Idaho Power is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and Idaho Power shall assume possession, operation, and control solely as agent for Seller.

a) In the event Idaho Power is in possession and control of the Facility for an interim period, Seller shall resume operation and Idaho Power shall relinquish its right to operate when Seller demonstrates to Idaho Power's reasonable satisfaction that it will remove those grounds that originally gave rise to Idaho Power's right to operate the Facility, as

provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed Idaho Power to exercise its rights under this paragraph 4.1.6.4.

- b) In the event that Idaho Power is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and Idaho Power shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

4.1.6.4.5 Idaho Power's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by Idaho Power of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility Idaho Power elects to return such possession and operation to Seller, Idaho Power shall provide Seller with at least fifteen (15) calendar days advance notice of the date Idaho Power intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

- 4.1.7 Written Acceptance – Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller's request and will not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

- 5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of _____ (*not to exceed 20 years*) Contract Years from the Operation Date.
- 5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the following:
- a) Achieved the First Energy Date.
 - b) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner.
 - c) Seller has requested an Operation Date from Idaho Power in a written format.
 - d) Seller has received written confirmation from Idaho Power of the Operation Date.

This confirmation will not be unreasonably withheld by Idaho Power.

- 5.3 If the Seller fails to achieve the Operation Date within 30 days of the Scheduled Operation Date, Seller will reimburse Idaho Power for any Shortfall Energy Repayment Amount accruing from 30 days following the Scheduled Operation Date until the Seller achieves the Operation Date. Such reimbursement shall be determined in the manner described in Article VII of this Agreement.
- 5.4 Seller's failure to achieve the Operation Date within ten (10) months of the Scheduled Operation Date will be an Event of Default.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

- 6.1 Delivery and Acceptance of Net Energy - Except when either Party's performance is excused as provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy produced by the Facility and delivered by the Transmitting Entity to Idaho Power at the Point of Delivery.
- 6.2 Annual Net Energy Amount - Seller intends to produce and Transmitting Entity shall deliver Net Energy in the following annual amount:
- 6.2.1 Annual Net Energy Amount: _____ kWh.

6.2.2 Seller's Adjustment of Annual Net Energy Amounts

6.2.2.1 No later than the Scheduled Operation Date, by written notice given to Idaho Power in accordance with paragraph 24.1, the Seller may revise the previously provided Annual Net Energy Amount.

6.3 Unless excused by an event of Force Majeure, Seller's failure to deliver Net Energy in any two consecutive Contract Years in an amount equal to at least ten percent (10%) of the Annual Net Energy Amount specified in paragraph 6.2 shall constitute an Event of Default.

~~6.4 Mechanical Availability Guarantee – The Facility shall achieve a minimum monthly (MAG) – Seller guarantees that beginning with the third Contract Year the annual Mechanical Availability of 75% during each month of the first Contract Year and 85% for all other months during the term of this Agreement. Failure to achieve the minimum monthly Facility shall be no less than 90 percent.~~

~~6.4.1 MAG notification – within ten (10) days after the end of a Contract Year, the Seller shall provide Idaho Power with the Seller certified accurate Mechanical Availability shall constitute an Event of Default calculations for the recently passed Contract Year. At the minimum the information provided to Idaho Power will include a summary record of the Contract Year's Generation Unit Downtime Hours, Lack of Prime Mover, Force Majeure events and any other information required to confirm the Seller's Mechanical Availability calculation.~~

~~6.4.1 At the same time the Facility provides the Monthly Power Production and Switching Report, (Appendix A) the Facility shall provide and certify the Facility's calculation of the current month's Mechanical Availability. The Facility shall include with this calculation a summary of prime mover records (i.e. wind speeds, water conditions, and solar conditions), force majeure and scheduled maintenance information that was used to calculate the current month's Mechanical Availability.~~

~~6.4.2 The Facility The Seller shall maintain detailed documentation supporting its calculation of the Facility's Seller's Mechanical Availability. These records will be retained calculation~~

for a minimum of three years--(3) Contract Years.

6.4.3 Idaho Power shall have the right to review and audit the documentation supporting the calculation of the ~~Facility's~~ Mechanical Availability at reasonable times at the Seller's ~~offices~~Facility or other mutually agreed to location.

6.4.4 Shortfall Energy - if the Mechanical Availability falls below the MAG for any Contract Year, the Shortfall Energy for that Contract Year shall be expressed in kWh and calculated as follows:

Shortfall Energy = (MAG – Mechanical Availability) * Annual Net Energy Amount.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

7.1 Net Energy Purchase Price – For the first fifteen (15) Contract Years the Seller shall be paid the On-Peak and Off-Peak prices, less any identified Integration Charge applicable to the Facility resource type as specified in Schedule 85 and included as Appendix E of this Agreement for Net Energy deliveries during On Peak or Off Peak hours. For all Net Energy delivered to Idaho Power after the first fifteen (15) Contract Years and for the remaining term of this Agreement, the Seller has selected Option _____ from Schedule 85 as the basis for determining the purchase price. The Net Energy Purchase Price shall be calculated as specified in Schedule 85 resulting in an On-Peak and Off-Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On-Peak and Off-Peak Hours.~~The Seller has selected option _____ from Schedule 85 as the basis for determining the purchase price during the first 15 Contract Years of this Agreement. For all Net Energy delivered to Idaho Power after the first 15 Contract Years and for the remaining term of this Agreement, the Seller has selected option _____ from Schedule 85 as the basis for determining the purchase price. The Seller may not select Option 1, Fixed Price Method, for any Contract Years past the first 15 Contract Years. The Net Energy Purchase Price shall be calculated as specified in Schedule 85 for the option(s) selected by the Seller resulting in an On Peak and Off Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On Peak and Off Peak hours as defined by the~~

~~North American Electric Reliability Council (NERC). Based on Seller's selected options, Appendix E specifies the purchase prices to be paid under this Agreement.~~

7.2 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller ~~an amount equal to 85% of the daily on-peak or off-peak Dow Jones Mid-Columbia Index (Dow Jones Mid-C Index) prices for non-firm energy. The price paid will depend on when the Surplus Market Energy was delivered to Idaho Power. If the Dow Jones Mid-Columbia Index price~~ Cost or the Off-Peak Net Energy Purchase Price as specified in Appendix E, ~~whichever is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the Dow Jones Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and will be an index commonly used by the electrical industry. lower.~~

7.3 Increase in Nameplate Capacity - If the Seller increases the Nameplate Capacity of the Seller's Facility as a result of increased prime mover, refurbishing equipment, upgrading equipment, reconfiguration of equipment, operation modifications, or by any means other than installing additional generation units, then the Nameplate Capacity as defined in paragraph 1.2148 shall be revised to match this increased Nameplate Capacity rating. If the increase in Nameplate Capacity results in the Nameplate Capacity of the Facility exceeding 10 MW, then the on a going-forward basis Idaho Power shall pay Seller the Net Energy Price specified in Section 7.1 for the fraction of total Net Energy delivered equal to 10,000 kW divided by the Nameplate Capacity of the upgraded Facility. For the remaining fraction of Net Energy Idaho Power Company and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Nameplate Capacity or the maximum instantaneous capacity of the Facility complies with Seller's Interconnection Agreement, Transmission Agreement and any other relevant agreements.

7.4 Shortfall Energy Repayment Price –

7.4.1 Price to be applied to all Shortfall Energy that occurs prior to the Operation Date - If the

current day's Market Energy Cost is greater than the applicable Net Energy Purchase Price that would have been paid to the Seller for energy delivered to Idaho Power on that day if the Facility had achieved its Operation Date, the Shortfall Energy Repayment Price will be determined by subtracting the current day's Market Energy Cost from the current day's Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the current day's Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current day's Net Energy Purchase Price.

7.5 Shortfall Energy Repayment Amount –

7.5.1 Amount due for Shortfall Energy that occurs prior to the Operation Date - An accumulation of each day's Shortfall Energy multiplied by the Shortfall Energy Repayment Price for each day of the preceding month.

7.6 Shortfall Energy Repayment Schedule –

7.6.1 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy prior to the Operation Date – No later than 15 days following the end of each month, Idaho Power will calculate the previous month's Shortfall Energy Repayment Amount. The Seller shall pay any Shortfall Energy Repayment Amounts to Idaho Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.

7.7 Payment Due Date – Energy payments (inclusive of Integration Charge) to the Seller including any additional deductions for Shortfall Energy Repayment Amounts or any other billings due Idaho Power will be disbursed within thirty (30) days of the date which Idaho Power receives and accepts the documentation of the monthly Net Energy actually produced by the Seller's Facility and delivered to Idaho Power as specified in Appendix A.

ARTICLE VIII: ENVIRONMENTAL ATTRIBUTES

8.1 Idaho Power waives any claim to ownership of Environmental Attributes. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy

Credits (RECs) and Tradable Renewable Certificates (TRCs) directly associated with the production of energy from the Seller's Facility.

ARTICLE IX: TRANSMISSION AGREEMENT

- 9.1 Transmission Agreement - The Seller will arrange and pay for the delivery of Net Energy over the facilities of the Transmitting Entity(s) (XXXXX) to the Point of Delivery. The delivery of Net Energy from the Facility to the Idaho Power Point of Delivery shall be in accordance with the terms and conditions of a Transmission Agreement between the Seller and the Transmitting Entities.
- 9.2 Acceptance of Transmission Agreement - This Agreement is expressly conditioned and contingent upon Idaho Power's acceptance of the Transmission Agreement. Such acceptance will not be unreasonably withheld. A default by Seller under the Transmission Agreement will be a Material Default under this Agreement.
- 9.3 Losses - Idaho Power will only purchase the Net Energy that is delivered by the Transmitting Entity to Idaho Power at the Point of Delivery. Losses will be calculated as provided in Appendix B of this Agreement.
- 9.4 Required Transmission Agreement provisions for Facilities not located within the Idaho Power Electrical System Control Area –
- If the Facility is not located within the Idaho Power Electrical System Control Area, the following requirements must be contained within the Transmission Agreement (s);
- 9.4.1 Scheduling and delivery of Net Energy – The Transmission Agreement shall include provisions that require the Transmitting Entity(s) to schedule and deliver the Facility's energy to Idaho Power in accordance with industry standard Western Electricity Coordinating Council (WECC) scheduling processes and procedures.
- 9.4.2 Energy Reserve Requirements – The Transmitting Entity(s) will provide all generation reserves as required by the WECC and/or as required by any other

governing agency or industry standard to deliver the Net Energy to the specified Point(s) of Delivery.

- 9.4.3 Documentation – Seller and/or the Transmitting Entity will provide Idaho Power with monthly documentation in a form acceptable to Idaho Power showing the amount of energy scheduled and delivered to Idaho Power on an hourly bases.

ARTICLE X: RECORDS

- 10.1 Maintenance of Records - Seller shall maintain at the Facility or such other location mutually acceptable to the Parties adequate total generation (kWh), Net Energy, Station Use and maximum generation (kW) records in a form and content recommended by Idaho Power.
- 10.2 Inspection - Either Party, after reasonable notice to the other Party, shall have the right, during normal business hours, to inspect and audit any or all generation (kWh), Net Energy, Station Use and maximum generation (kW) records pertaining to the Seller's Facility.

ARTICLE XI: OPERATIONS

- 11 .1 Communications - Idaho Power, the Transmitting Entity and the Seller shall maintain appropriate operating communications through Idaho Power's Designated Dispatch Facility in accordance with Appendix A of this Agreement.
- 11 .2 Energy Acceptance –Idaho Power shall be excused from accepting and paying for Net Energy produced by the Facility and delivered by the Transmitting Entity on behalf of the Seller to the Point of Delivery, if it is prevented from doing so by an event of Force Majeure, or if Idaho Power determines that curtailment, interruption or reduction of Net Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, electrical system operating conditions on its system or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of Force Majeure, Idaho Power requires such a curtailment, interruption or reduction of Net Energy deliveries for a period that exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be

deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amounts specified in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.

- 11.3 Scheduled Maintenance – On or before January 31 of each calendar year, Seller shall submit a written proposed maintenance schedule of significant Facility and/or Transmitting Entity maintenance for that calendar year and Idaho Power, Seller and the Transmitting Entity shall mutually agree as to the acceptability of the proposed schedule. The Parties' determination as to the acceptability of the Seller's timetable for scheduled maintenance will take into consideration Prudent Electrical Practices, Idaho Power system requirements and the Seller's preferred schedule. Neither Party shall unreasonably withhold acceptance of the proposed maintenance schedule.
- 11.4 Maintenance Coordination - The Seller, Idaho Power and the Transmitting Entity shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.
- 11.5 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller and/or the Transmitting Entity prior to exercising its rights to curtail, interrupt or reduce deliveries from the Transmitting Entity from the Seller's Facility. Seller and the Transmitting Entity understand that, in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events Idaho Power may not be able to provide notice to the Seller or the Transmitting Entity prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.
- 11.6 Increase in Nameplate Capacity – If the Seller increases the Nameplate Capacity of the Seller's Facility as described in paragraph 7.3 of this agreement to be greater than the Maximum Capacity originally provided by the Seller, the Seller must provide Idaho Power with verifiable documentation from both the Transmitting Entity and the Idaho Power delivery business unit that clearly indicates that the Transmitting Entity is capable and willing to deliver the increased quantity of energy to Idaho Power and that the Idaho Power delivery business unit is able to

accept the increased quantity of energy at the designated Point of Delivery. This documentation must be accepted and approved by Idaho Power prior to the Transmitting Entity delivering any energy to Idaho Power that exceeds the original Maximum Capacity as established within this Agreement.

ARTICLE XII: RELIABILITY MANAGEMENT SYSTEM

If the Facility is not located within the Idaho Power Electrical System Control Area, the Seller will be required to comply with the Reliability Management processes of the control area operator having control of the specific location of the Facility and this Article XII will not apply. If the Facility is located within the Idaho Power Control Area, the Seller is required to comply with the following:

- 12.1 Purpose. In order to maintain the reliable operation of the transmission grid, the WECC Reliability Criteria Agreement sets forth reliability criteria adopted by the WECC to which Seller and Idaho Power shall be required to comply. Seller acknowledges receipt of and understanding of the WECC Reliability Criteria Agreement and how it pertains to the Seller's Facility.
- 12.2 Compliance. Seller shall comply with the requirements of the WECC Reliability Criteria Agreement, including the applicable WECC reliability criteria set forth in Section IV of Annex A thereof, and, in the event of failure to comply, Seller agrees to be subject to the sanctions applicable to such failure. Such sanctions shall be assessed pursuant to the procedures contained in the WECC Reliability Criteria Agreement. Each and all of the provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Article XII as though set forth fully herein, and Seller shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WECC Reliability Criteria Agreement, including, but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WECC Reliability Criteria Agreement.
- 12.3 Payment of Sanctions. Seller shall be responsible for reimbursing Idaho Power for any monetary sanctions assessed against Idaho Power by WECC due to the action or inaction of the Seller,

pursuant to the WECC Reliability Criteria Agreement. Seller also shall be responsible for payment of any monetary sanction assessed against the Seller by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.

- 12.4 Transfer of Control or Sale of Generation Facilities. In any sale or transfer of control of any generation facilities subject to this Agreement, Seller shall, as a condition of such sale or transfer, require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Seller with respect to this Agreement or to enter into an agreement with Idaho Power imposing on the acquiring party or transferee the same obligations applicable to the Seller pursuant to this Article XII.
- 12.5 Publication. Seller consents to the release by the WECC of information related to the Seller's compliance with this Agreement only in accordance with the WECC Reliability Criteria Agreement.
- 12.6 Third Parties. Except for the rights and obligations between the WECC and the Seller specified in this Article XII, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WECC: (a) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (b) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary under this Article XII, of the WECC against the Seller for the Seller, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Idaho Power and the Seller expressly intend that the WECC is a third-party beneficiary to this Article XII, and the WECC shall have the right to seek to enforce against the Seller any provision of this Article XII, provided that specific performance shall be the sole remedy available to the WECC pursuant to Article XII of this Agreement, and the Seller shall not be liable to the WECC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WECC, if so construed), whether direct,

compensatory, special, indirect, consequential, or punitive.

12.7 **Reserved Rights.** Nothing in the Article XII of this Agreement or the WECC Reliability Criteria Agreement shall affect the right of Idaho Power, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection that Idaho Power may otherwise be entitled to take.

12.8 **Termination of Article XII.** Seller may terminate its obligations pursuant to this Article XII:

12.8.1 If after the effective date of this Article XII, the requirements of the WECC Reliability Criteria Agreement applicable to the Seller are amended so as to adversely affect the Seller, provided that the Seller gives fifteen (15) days' notice of such termination to Idaho Power and WECC within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Seller for an additional forty-five (45) days if the Seller gives written notice to Idaho Power of such requested extension within the initial forty-five (45) day period; or

12.8.2 For any reason on one year's written notice to Idaho Power and the WECC.

ARTICLE XIII: INDEMNIFICATION AND INSURANCE

13.1 **Indemnification** - Each Party shall agree to hold harmless and to indemnify the other Party, its officers, directors, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

13.2 **Insurance** -

13.2.1 If the Facility's Nameplate Capacity as determined in paragraph 1.21~~19~~ of this

Agreement is greater than 200 kW, the Seller shall secure and continuously carry the following insurance coverage:

13.2.1.1 Comprehensive General Liability Insurance for both bodily injury and property damage with limits equal to \$1,000,000, each occurrence, combined single limit.

The deductible for such insurance shall be consistent with current Insurance Industry Utility practices for similar property.

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

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

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

13.2.1.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.4 herein and annually thereafter, Seller shall furnish Idaho Power a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.

13.2.1.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by paragraph 13.2 shall lapse for any reason, Seller will immediately notify Idaho Power in writing. The notice will advise Idaho Power of the specific reason for the lapse and the steps Seller is taking to reinstate the coverage. Failure to provide this notice and to expeditiously reinstate or replace the coverage will constitute a Material Breach of this Agreement.

ARTICLE XIV: FORCE MAJEURE

14.1 As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the control of the Seller or of Idaho Power which, despite the exercise of due diligence,

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

- (1) The non-performing Party shall, as soon as is reasonably possible after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence.
- (2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure.
- (3) No obligations of either Party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

ARTICLE XV: LIABILITY; DEDICATION

15.1 Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or entity.

ARTICLE XVI: SEVERAL OBLIGATIONS

16.1 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XVII: WAIVER

17.1 Any waiver at any time by either Party of its rights with respect to a Default under this Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent Default or other matter.

ARTICLE XVIII: CHOICE OF LAWS AND VENUE

18.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Oregon without reference to its choice of law provisions.

18.2 Venue for any litigation arising out of or related to this Agreement will lie in the District Court of the Ninth Judicial District of Oregon in and for the County of Malheur.

ARTICLE XIX: DISPUTES, DEFAULTS AND REMEDIES

19.1 Disputes - All disputes related to or arising under this Agreement, including, but not limited to, the interpretation of the terms and conditions of this Agreement, will be submitted to the Commission for resolution.

19.2 Notice of Default -

19.2.1 Defaults. If either Party fails to perform any of the terms or conditions of this Agreement (an “Event of Default” or “Default”), the nondefaulting Party shall cause notice in writing to be given to the defaulting Party, specifying the manner in which

such Default occurred. If the defaulting Party shall fail to cure such Default within the sixty (60) days after service of such notice, or if the defaulting Party reasonably demonstrates to the other Party that the Default can be cured within a commercially reasonable time but not within such sixty (60) day period and then fails to diligently pursue such cure, then, the nondefaulting Party may, at its option, terminate this Agreement and/or pursue its legal or equitable remedies.

19.2.2 Material Breaches – The notice and cure provisions in paragraph 19.2.1 do not apply to Defaults identified in this Agreement as Material Breaches. Material Breaches must be cured as expeditiously as possible following occurrence of the breach.

19.3 Security for Performance - Prior to the Operation Date and thereafter for the full term of this Agreement, Seller will provide Idaho Power with the following:

19.3.1 Insurance - Evidence of compliance with the provisions of paragraph 13.2. If Seller fails to comply, such failure will be a Material Breach and may only be cured by Seller supplying evidence that the required insurance coverage has been replaced or reinstated;

19.3.2 Engineer's Certifications - Every three (3) years after the Operation Date, Seller will supply Idaho Power with a Certification of Ongoing Operations and Maintenance (O & M) from a Registered Professional Engineer licensed in the State of Oregon, which Certification of Ongoing O & M shall be in the form specified in Appendix C. Seller's failure to supply the required certificate will be an Event of Default. Such a Default may only be cured by Seller providing the required certificate; and

19.3.3 Licenses and Permits - During the full term of this Agreement, Seller shall maintain compliance with all permits and licenses described in paragraph 4.1.1 of this Agreement. In addition, Seller will supply Idaho Power with copies of any new or additional permits or licenses. At least every fifth Contract Year, Seller will update the documentation described in paragraph 4.1.1. If at any time Seller fails to maintain compliance with the permits and licenses described in paragraph 4.1.1 or to provide the documentation required by this paragraph, such failure will be an Event of Default and may only be

cured by Seller submitting to Idaho Power evidence of compliance from the permitting agency.

19.3.4 Security Requirements – During the full term of this Agreement, Seller shall maintain the Security Requirements established in accordance with paragraph 4.1.6. Failure to maintain these Security Requirements will be a Material Breach of this Agreement.

19.3.4.1 If the Seller fails to maintain the Security Requirements as specified in paragraph 19.3.4 and it is deemed the Seller is in Material Breach of this Agreement, if the Material Breach is a result of the Seller defaulting on a Facility construction loan, the Seller shall provide Idaho Power notice of the Facility construction loan default. Idaho Power may require the Seller to provide Default Security to remedy this Material Breach. Upon notice from Idaho Power to the Seller requiring the Seller to provide Default Security to remedy this Material Breach, within 10 business days of said notice, the Seller may provide Idaho Power evidence for review that the Seller has negotiated satisfactory financial arrangements with the construction loan lender that mitigates the Seller's financial risk. Upon review of the Seller's provided documentation, if Idaho Power determines that the negotiated financial arrangements satisfactorily mitigates the Seller's financial risk, Idaho Power will deem this Material Breach to be cured. If Idaho Power determines that the provided documentation does not provide evidence that the Seller's risk has been satisfactorily mitigated, the Seller will be required to provide Default Security within 5 business days of Idaho Power's notification that the Material Breach has not been cured.

19.3.5 Recoupment of Damages

19.3.5.1 Default Security Available. – If a Default has occurred and has not been cured and if the Seller has posted Default Security, Idaho Power may draw upon that security, in accordance with paragraph 19.2.1 to satisfy any

damages.

19.3.5.2 Default Security Unavailable – If a Default has occurred and has not been cured and if Seller has not posted Default Security, or if Idaho Power has exhausted the Default Security, Idaho Power may collect any remaining amount owing by; (1) lump sum payment to Idaho Power by the Seller or (2) partially withholding future payments to the Seller over a reasonable period of time. Idaho Power and the Seller shall work together in good faith to establish the reasonable period and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operations of the Facility.

19.3.6 Termination

19.3.6.1 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement and the Seller or a party substantially the same as the Seller, subsequently seeks to enter into a new standard QF contract for this same Facility, then the new standard QF contract, shall run for the period that the original contract would have run, and shall contain the same terms, rates and conditions as the original Agreement.

19.3.6.2 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement, the Seller shall pay Idaho Power damages equal to the positive difference, if any, obtained by subtracting the Net Energy Purchase Price from the projected forward Mid-Columbia Market Energy Cost for 24 months beginning with the next full month after the date of termination multiplied by the Annual Net Energy Amounts.

ARTICLE XX: GOVERNMENTAL AUTHORIZATION

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

ARTICLE XXI: SUCCESSORS AND ASSIGNS

21.1 This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, except that no assignment hereof by either Party shall become effective without the written consent of both Parties being first obtained. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, any party which Idaho Power may consolidate, or into which it may merge, or to which it may convey or transfer substantially all of its electric utility assets, shall automatically, without further act, and without need of consent or approval by the Seller, succeed to all of Idaho Power's rights, obligations and interests under this Agreement. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho Power shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXII: MODIFICATION

22.1 No modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission.

ARTICLE XXIII: TAXES

23.1 Each Party shall pay before delinquency all taxes and other governmental charges which, if failed to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXIV: NOTICES

24.1 All written notices under this agreement shall be directed as follows and shall be considered

delivered when deposited in the U. S. Mail, first-class postage prepaid, as follows:

To Seller: _____

To Idaho Power:

Original document to:

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

Copy of document to:

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

ARTICLE XXV: ADDITIONAL TERMS AND CONDITIONS

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

Appendix A	-	Generation Scheduling and Reporting
Appendix B	-	Facility and Point of Delivery
Appendix C	-	Engineer's Certifications
Appendix D	-	Definition of a Small Cogeneration Facility or Small Power Production Facility eligible to receive the standard rates and standard contract.
Appendix E	-	Applicable Prices from Schedule 85

ARTICLE XXVI: SEVERABILITY

26.1 The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other terms or provisions and this Agreement shall be construed in all other respects as if the invalid or unenforceable term or provision were omitted.

ARTICLE XXVII: COUNTERPARTS

27.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXVIII: ENTIRE AGREEMENT

28.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

ARTICLE XXIX: COMMISSION INVESTIGATION

~~29.1—The Seller and Idaho Power acknowledge that the rates, terms and conditions specified in this Agreement and the related tariffs are being investigated by the Oregon Public Utility Commission. Upon a decision by the Oregon Public Utility Commission in the investigation, Idaho Power will notify the Seller within ten (10) calendar days. The Seller shall have thirty (30) calendar days from the effective date of the revised standard contract and tariffs complying with the Commission's order to amend this Agreement if the Seller so chooses to adopt the revised standard contract and/or the revised rates, terms and conditions in the tariff approved by the Oregon Public Utility Commission as a result of the investigation.~~

~~—This section will be removed once our compliance filing is complete.~~

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be executed in their respective names on the dates set forth below:

Idaho Power Company

By

By

Dated

Dated

“Idaho Power”

“Seller”

APPENDIX A

A –1 MONTHLY POWER PRODUCTION AND SWITCHING REPORT FOR PROJECTS
LOCATED WITHIN THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA

At the end of each month, the following required documentation will be submitted to:

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

The Meter readings required on this report will be the reading on the Meter Equipment measuring the Facility's Net Energy delivered by the Transmitting Entity to the Idaho Power electrical system and/or any other required energy measurements to adequately administer this Agreement. If the Metering Equipment is not located at the point which is able to measure the exact energy deliveries to the Idaho Power electrical system, then the metered energy amounts will be adjusted to account for electrical Losses occurring between the metering point and the point which the energy is delivered to the Idaho Power electrical system.

Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND SWITCHING REPORT

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

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

As specified in this Agreement, the Seller shall include with this monthly report a summary statement of the Mechanical Availability of this Facility for the calendar month. This summary shall include details as to how the Seller calculated this value and summary of the Facility data used in the calculation. Idaho Power and the Seller shall work together to mutually develop a summary report that provides the required data. Idaho Power reserves the right to review the detailed data used in this calculation as allowed within the Agreement.

Breaker Opening Record

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

* <u>Reason</u>

Breaker Closing Record

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

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

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

Signature

Date

A-2 ROUTINE REPORTING FOR PROJECTS WITHIN THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA.

Idaho Power Designated Dispatch Facility contact information

Daily Energy Production Reporting

All projects with a Nameplate Capacity of 1 MW or greater shall:

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

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

If Idaho Power determines that adequate generation data is available for this Facility's daily generation, Idaho Power may modify these reporting requirements

Planned and Unplanned Project outages

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

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

Seller's Contact Information

24-Hour Project Operational Contact

Name: _____
Telephone Number: _____
Cell Phone: _____

Project On-site Contact information

Telephone Number: _____

A-3 MONTHLY POWER PRODUCTION AND SWITCHING REPORT FOR PROJECTS
LOCATED OUTSIDE OF THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA.

- a.) The Transmitting Entity will schedule and deliver the Facility's Net Energy to the Idaho Power electrical system at the Point of Delivery in accordance with the electrical industry standard WECC scheduling and delivery processes. As specified in paragraph 9.4 the Seller and/or the Transmitting Entity shall provide Idaho Power with monthly documentation indicating the hourly energy scheduled and delivered to Idaho Power. This documentation will be reconciled with Idaho Power records of energy scheduled and received from this Facility. In the event a discrepancy exists between the Idaho Power records and the Seller / Transmitting Entity documents, Idaho Power records will be considered to be accurate until such time as Idaho Power, the Seller and the Transmitting Entity mutually agree on an adjustment to the Idaho Power records.
- b.) The Seller shall submit to Idaho Power a Monthly Power Production And Switching Report as specified in Appendix A-1 of this Agreement. The meter readings on this report shall be the meter readings at the actual Facility measuring the actual energy deliveries to Transmitting Entity at the Facility.

A-4 ROUTINE REPORTING FOR PROJECTS OUTSIDE OF THE IDAHO POWER
ELECTRICAL SYSTEM CONTROL AREA.

The Seller and Transmitting Entity shall maintain appropriate communications with the Idaho Power Designed Dispatch Facility in compliance with electric industry standard WECC energy scheduling processes and procedures.

APPENDIX B

FACILITY AND POINT OF DELIVERY

PROJECT NO. _____

B-1 DESCRIPTION OF FACILITY

B-2 LOCATION OF FACILITY

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected _____ as the estimated Scheduled First Energy Date.

Seller has selected _____ as the estimated Scheduled Operation Date.

In making these selections, Seller recognizes that adequate testing of the Facility and completion of all requirements in paragraph 5.2 of this Agreement must be completed prior to the project being granted an Operation Date.

B-4 MAXIMUM CAPACITY AMOUNT:

This value will be _____ MW. This value is the maximum energy (MW) that potentially could be delivered by the Seller's Facility to the Idaho Power electrical system at any moment in time and will be consistent with the designed capacity of the Facility.

B-5 POINT OF DELIVERY

_____ at the point on the Idaho Power electrical system where the Sellers Facility's Net energy is delivered by the Transmitting Entity to the Idaho Power electrical system.

B-6 LOSSES

- a. For Facilities within the Idaho Power Electrical System Control area - If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Transmitting Entity on behalf of the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated for this Facility. If the Idaho Power Metering is unable to measure the exact energy deliveries by the Transmitting Entity on behalf of the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss specifications, conductor sizes, etc) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at anytime during the term of this Agreement, Idaho Power determines that the loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power may adjust the calculation and retroactively adjust the previous months kWh loss calculations.
- b. For Facilities outside of the Idaho Power Electrical Control area - Idaho Power will only pay for Net Energy that is scheduled and delivered by the Transmitting Entity to the Point of Delivery. All energy Losses between the Facility and the Point of Delivery will be borne by either the Transmitting Entity or the Seller.

B-7 INTERCONNECTION FACILITIES

The Seller and Transmitting Entity shall construct, operate and maintain the Facility and all interconnection and protection equipment in accordance with Prudent Electrical Practices, the National Electric Safety Code and any other applicable local, state and federal codes

B-8 METERING AND TELEMETRY

- a. For Facilities located within the Idaho Power Electrical System Control Area

Metering Equipment - At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries by the Transmitting Entity to the Point of Delivery and any other energy measurements required to administer this Agreement.

Telemetry Equipment - At the minimum the Telemetry Equipment must be able to provide Idaho Power with continuous instantaneous telemetry of the Facility's energy deliveries to the Transmitting Entity. The Seller will arrange for and make available at Seller's cost, a communications circuit acceptable to Idaho Power, dedicated to Idaho Power's use to be used for load profiling and another communications circuit dedicated to Idaho Power's communication equipment for continuous telemetering of the Facility's energy deliveries to the Transmitting Entity to Idaho Power's Designated Dispatch Facility.

All costs including but not limited to actual equipment, installation, engineering, monthly communication circuit fees, operations and maintenance will be the responsibility of the Seller.

Exact details of the Metering and Telemetry equipment and specifications will need to be added to this appendix once more information becomes available in regards to the physical and electrical configuration at this site and the configuration of the interconnection at the Point of Delivery.

b. For Facilities located outside of the Idaho Power Electrical System Control Area

Metering Equipment - At the minimum the Metering Equipment must be able to provide and record hourly energy deliveries by the Facility to the Transmitting Entity and any other energy measurements required to administer this Agreement.

Telemetry Equipment – If Telemetry Equipment is required by the Transmitting Entity and the Transmitting Entity and Idaho Power determine that it is required that Idaho Power have access to the automated data. The Seller shall be responsible for all costs associated with providing the automated telemetry data to Idaho Power.

Exact details of the Metering and Telemetry equipment and specifications will need to be added to this appendix once more information becomes available in regards to the physical and electrical configuration at this site and the configuration of the interconnection at the Point of Delivery.

APPENDIX C

ENGINEER'S CERTIFICATION

OF

OPERATIONS & MAINTENANCE POLICY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and is hereinafter referred to as the "Project."
4. That the Project, which is commonly known as the _____, is located in Section _____, Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has reviewed and/or supervised the review of the Policy for Operation and Maintenance ("O&M") for this Project and it is his professional opinion that, provided said Project has been designed and built to appropriate standards, adherence to said O&M Policy will result in the

Project's producing at or near the design electrical output, efficiency and plant factor for a period of _____years.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself and _____ hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____, is located at _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. It is Engineer's professional opinion, based on the Project's appearance, that its ongoing O&M has been substantially in accordance with said O&M Policy; that it is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the remaining _____ years of the Agreement.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer", hereby states and certifies to Idaho Power as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement", between Idaho Power as Buyer, and _____ as Seller, dated _____, _____.
3. That the cogeneration or small power production project, which is the subject of the Agreement and this Statement, is identified as IPCo Facility No _____ and is hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ (____) year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project and has made the analysis of the plans and specifications independently.
8. That Engineer has reviewed the engineering design and construction of the Project, including the civil work, electrical work, generating equipment, prime mover conveyance system, Seller furnished Interconnection Facilities and other Project facilities and equipment.
9. That the Project has been constructed in accordance with said plans and specifications, all

applicable codes and consistent with Prudent Electrical Practices as that term is described in the Agreement.

10. That the design and construction of the Project is such that with reasonable and prudent operation and maintenance practices by Seller, the Project is capable of performing in accordance with the terms of the Agreement and with Prudent Electrical Practices for a _____ (_____) year period.

11. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, in interconnecting the Project with its system, is relying on Engineer's representations and opinions contained in this Statement.

12. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____
(P.E. Stamp)

Date _____

APPENDIX D

DEFINITION OF A SMALL COGENERATION FACILITY

OR

SMALL POWER PRODUCTION FACILITY

ELIGIBLE TO RECEIVE THE STANDARD RATES AND STANDARD CONTRACT

A Qualifying Facility (either a small power production facility or a cogeneration facility) (“QF”) will be eligible to receive the standard rates and standard contract if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, does not exceed 10 MW.

Definition of Person(s) or Affiliated Person(s):

As used above, the term “same person(s)” or “affiliated person(s)” means a natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. However, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Furthermore, except for independent family-owned or community-based facilities, two facilities will ~~not~~ be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a “passive investor” whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a “passive investor” if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Definition of Same Site:

For purposes of the foregoing, generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Shared Interconnection and Infrastructure:

QFs otherwise meeting the above-described separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

APPENDIX E

COPY OF APPLICABLE PRICES FROM SCHEDULE 85

|

**OREGON STANDARD ENERGY
SALES AGREEMENT FOR
NON INTERMITTENT RESOURCE**

CLEAN FORMAT

OREGON STANDARD
ENERGY SALES AGREEMENT
(Non Intermittent Resource)
BETWEEN
IDAHO POWER COMPANY
AND

TABLE OF CONTENTS

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ENERGY SALES AGREEMENT
NON INTERMITTENT RESOURCE
(10 MW or Less)

Project Number: _____

THIS AGREEMENT is entered into on this _____ day of _____ 20____
between
_____, a _____ company (Seller), and IDAHO
POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively
as “Parties” or individually as “Party.”

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 “Annual Net Energy Amount” –Net Energy that the Seller estimates the Facility will deliver to
Idaho Power at the Point of Delivery for one Contract Year. The Seller shall use all available
information (equipment characteristics, resource characteristics and data, Facility design, etc) to
accurately estimate the Annual Net Energy Amounts. This Annual Net Energy Amount as
specified in paragraph 6.2.1 will be used to calculate the Shortfall Energy quantities within this
Agreement.
- 1.2 “Cash Escrow Security” – Has the meaning set out in paragraph 4.1.6.1.

- 1.3 “Commission” - The Oregon Public Utility Commission.
- 1.4 “Contract Year” - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.5 “Default Security” - A dollar amount computed by the annual On Peak Hours multiplied by the (On Peak price less Off Peak price) multiplied by Annual Net Energy Amount divided by 8,760 where the On Peak price and Off Peak price are the applicable prices specified Appendix E.
- 1.6 “Designated Dispatch Facility” - Idaho Power’s Systems Operations Group, or any subsequent group designated by Idaho Power
- 1.7 “Facility” - That electric generation facility described in Appendix B of this Agreement.
- 1.8 “First Energy Date” - The day commencing at 0001 hours, Mountain Time, following the day that Seller has satisfied the requirements of Article IV and the Seller begins delivering energy to Idaho Power’s system at the Point of Delivery.
- 1.9 “Generation Interconnection Process” – Idaho Power’s generation interconnection application and engineering review process developed to ensure a safe and reliable generation interconnection in compliance with all applicable regulatory requirements, Prudent Electrical Practices and national safety standards.
- 1.10 “Intermittent Resource” – a Facility that produces electrical energy from the use of wind, solar or run of river hydro as the prime mover.
- 1.11 “Letter of Credit Security” – Has the meaning set out in paragraph 4.1.6.2.
- 1.12 “Losses” – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility’s energy is metered and the point the Facility’s energy is delivered to the Idaho Power electrical system. The loss calculation formula will be as specified in Appendix B of this Agreement.
- 1.13 “Material Breach” – A Default (paragraph 18.2.1) subject to paragraph 18.2.2.
- 1.14 “Mid-Columbia Market Energy Cost” – 82.4% of the monthly arithmetic average of the Intercontinental Exchange (“ICE”) daily firm Mid-C Peak Avg and Mid-C Off-Peak Avg reported prices.

The actual calculation being:

$$.824 * \left(\sum_{X=1}^n \{(\text{ICE Mid-C Peak Avg}_x * \text{On-Peak hours for day}) + (\text{ICE Mid-C Off-Peak Avg}_x * \text{Off-Peak hours for day})\} / (n*24) \right)$$

where n = number of days in the month

If the ICE Mid-Columbia Index reporting is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the ICE Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and a commonly used index by the electrical industry.

- 1.15 “Nameplate Capacity” –The full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperers, kilowatts, volts or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.
- 1.16 “Net Energy” – Electric energy produced by the Facility, less Station Use and Losses, expressed in kilowatt hours (kWh) that is less than or equal to the Nameplate Capacity. Seller commits to deliver all Net Energy to Idaho Power at the Point of Delivery for the full term of the Agreement.
- 1.17 “Off-Peak Hours” – The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.18 “On-Peak Hours” – The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.19 “Operation Date” – The day commencing at 0001 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.20 “Point of Delivery” – The location specified in Appendix B, where Idaho Power’s and the Seller’s electrical facilities are interconnected.

- 1.21 “Prudent Electrical Practices” – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.
- 1.22 “Schedule 85” – Idaho Power’s Oregon Tariff No E-27, Schedule 85 in effect as of the effective date of this Agreement.
- 1.23 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date.
- 1.24 “Season” – The three periods identified in Schedule 85.
- 1.25 “Senior Lien” – Has the meaning set out in paragraph 4.1.6.3.
- 1.26 “Shortfall Energy” (1) Prior to the Operation Date - Shortfall Energy shall be equal to the Annual Net Energy Amount specified in paragraph 6.2 divided by 365, multiplied by the number of days past the Scheduled Operation Date when the Operation Date is achieved less 30 days, less Surplus Energy. If this calculation results in a value less than 0 then the result shall be 0 and (2) After the Operation Date - Shortfall Energy shall be equal to the difference (kWh) between the actual annual Net Energy delivered to Idaho Power for a specific Contract Year and the Annual Net Energy Amount specified in paragraph 6.2 of this Agreement for the same Contract Year.
- 1.27 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility.
- 1.28 “Step-In Rights” – Has the meaning set out in paragraph 4.1.6.4.
- 1.29 “Surplus Energy” – (1) All Net Energy produced by the Seller’s Facility and delivered by the Facility to the Idaho Power electrical system that exceeds the Nameplate Capacity of the Facility. Deliveries above the Facility’s Nameplate Capacity solely for the purpose of accommodating hourly scheduling in whole MWs by a third party transmission provider shall not be considered to be Surplus Energy as described within this paragraph 1.29 item 1 or (2) All Net Energy produced by the Seller’s Facility and delivered by the Facility to the Idaho Power electrical system prior to the Operation Date.
- 1.30 “Total Cost of the Facility” - The total cost of structures, equipment and appurtenances.

ARTICLE II: NO RELIANCE ON IDAHO POWER

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

ARTICLE III: WARRANTIES

- 3.1 No Warranty by Idaho Power - Any review, acceptance or failure to review Seller's design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho Power and Idaho Power makes no warranties, expressed or implied, regarding any aspect of Seller's design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.
- 3.2 Qualifying Facility Status - Seller warrants that the Facility is a "Qualifying Facility," as that term is used and defined in 18 CFR 292.201 et seq. Seller's failure to maintain the Facility and operations of the Facility in a manner consistent with the initial Qualifying Facility certificate will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.
- 3.2.1 If Idaho Power's obligation to purchase energy from a "Qualifying Facility," as that term is defined in 18 CFR 292.201 et seq. or ORS 758.505(8), is repealed or otherwise terminated, this Agreement will remain in full force and effect unless state or federal law mandates termination of this Agreement.

3.3 FERC License (*only applies to hydro projects*) - Seller warrants that Seller possesses a valid license or exemption from licensing from the Federal Energy Regulatory Commission ("FERC") for the Facility. Seller recognizes that Seller's possession and retention of a valid FERC license or exemption is a material part of the consideration for Idaho Power's execution of this Agreement. Seller will take such steps as may be required to maintain a valid FERC license or exemption for the Facility during the term of this Agreement, and Seller's failure to maintain a valid FERC license or exemption will be a material breach of this Agreement.

3.4 Eligibility for Standard Rates and Contract

3.4.1 Initial Qualification - Seller warrants that the Seller's Facility meets the definitions contained in Appendix D, "Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract" of this Agreement approved by the Commission at the time this Agreement is executed and is therefore eligible for standard rates and the standard contract. Upon request from Idaho Power, the Seller will provide Idaho Power with documentation verifying the ownership, management and financial structure of the Facility in reasonably sufficient detail to allow Idaho Power to make an initial determination of whether or not the Facility meets the described criteria for entitlement to the standard rates and standard contract as defined in Appendix D.

3.4.2 Ongoing Qualification - Seller warrants that the Seller will not make any changes in its ownership, control or management during the term of this Agreement that would cause it to be ineligible for standard rates and a standard contract in compliance with the Appendix D approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by Idaho Power not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller's continued compliance with the Definition in Appendix D. Idaho Power agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except Idaho

Power will provide all such confidential information to the Public Utility Commission of Oregon upon the Commission's request.

3.4.3 Qualification Dispute - Any dispute concerning the Seller's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.

3.4.4 Seller warrants that the Facility is **not** an Intermittent Resource.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

4.1 Prior to the First Energy Date and as a condition of Idaho Power's acceptance of deliveries of energy from the Seller, Seller shall:

4.1.1 Submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.201 et seq.

4.1.2 Nameplate Capacity Determination - Submit to Idaho Power such data as Idaho Power may reasonably require to confirm the manufacturer's Nameplate Capacity rating of the Facility. Such data will include but not be limited to, equipment specifications, power factor assumptions, and any other data that would allow Idaho Power to verify the manufacturer's nameplate rating of this Facility. Upon receipt of this information, Idaho Power will review the provided data and if necessary, request additional data to complete the verification process within a reasonable time.

4.1.3 Engineer's Certifications - Submit an executed Engineer's Certification of Design & Construction Adequacy and an Engineer's Certification of Operations and Maintenance (O&M) Policy. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.

4.1.4 Insurance - Submit written proof to Idaho Power of all insurance required in Article XI.

4.1.5 Interconnection - Provide written proof to Idaho Power that all Generation

Interconnection Process requirements have been completed. The entire completed Generation Interconnection Process, including, but not limited to, the equipment specifications and requirements will be included by reference in this Agreement.

4.1.6 Security Requirements – Provide Idaho Power with commercially reasonable representations and warranties and other documentation to determine the Seller’s creditworthiness. Such documentation would include, at a minimum, that the Seller is current on existing debt obligations and has not been a debtor in a bankruptcy preceding within the preceding two years. Upon receipt of this information, Idaho Power will review the provided data and, if necessary, request additional data and/or will provide written confirmation or rejection of the provided data within a reasonable time. In lieu of providing evidence of acceptable creditworthiness, the Seller may provide Idaho Power with commercially reasonable security instruments such as Letter of Credit, Senior Lien Rights, Step-In-Rights, Cash Escrow Security as those terms are defined in this Agreement or other forms of liquid financial security that would provide readily available cash to Idaho Power in the Event of a Default under this Agreement. The value of these security instruments shall at the minimum be equal to the Default Security as defined in paragraph 1.5 of this Agreement.

4.1.6.1 Cash Escrow Security - Seller shall deposit funds in an escrow account established by Idaho Power in a banking institution acceptable to both Parties equal to, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

4.1.6.2 Letter of Credit Security - Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to Idaho Power in its discretion, or (b) a

Letter of Credit in favor of Idaho Power. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

4.1.6.3 Senior Lien - Before the Scheduled Operation Date, Seller shall grant Idaho Power a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to Idaho Power in the reasonable exercise of its discretion). Pending delivery of the senior lien to Idaho Power, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to Idaho Power's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

4.1.6.4 Step-in Rights (Operation by Idaho Power Following Event of Default of Seller).

4.1.6.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in paragraph 18.2, Idaho Power shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and

operate the Facility that is equal to or superior to Idaho Power's right under this paragraph 4.1.6.4.

4.1.6.4.2 Idaho Power shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of Idaho Power's rights under this paragraph 4.1.6.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, Idaho Power, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints Idaho Power as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as Idaho Power may reasonably deem necessary or appropriate to exercise Idaho Power's step-in rights under this paragraph 4.1.6.4.

4.1.6.4.3 During any period that Idaho Power is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

4.1.6.4.4 During any period that Idaho Power is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and Idaho Power shall assume possession, operation, and control solely as agent for Seller.

a) In the event Idaho Power is in possession and control of the

Facility for an interim period, Seller shall resume operation and Idaho Power shall relinquish its right to operate when Seller demonstrates to Idaho Power's reasonable satisfaction that it will remove those grounds that originally gave rise to Idaho Power's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed Idaho Power to exercise its rights under this paragraph 4.1.6.4.

b) In the event that Idaho Power is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and Idaho Power shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

4.1.6.4.5 Idaho Power's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by Idaho Power of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility Idaho Power elects to return such possession and operation to Seller, Idaho Power shall provide Seller with at least fifteen (15) calendar days advance notice of the date Idaho Power intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on

such date.

- 4.1.7 Written Acceptance – Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller’s request and will not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

- 5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of _____ (*not to exceed 20 years*) Contract Years from the Operation Date.
- 5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the following:
- a) Achieved the First Energy Date.
 - b) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner.
 - c) Seller has requested an Operation Date from Idaho Power in a written format.
 - d) Seller has received written confirmation from Idaho Power of the Operation Date.
- This confirmation will not be unreasonably withheld by Idaho Power.
- 5.3 If the Seller fails to achieve the Operation Date within 30 days of the Scheduled Operation Date, Seller will reimburse Idaho Power for any Shortfall Energy Repayment Amount accruing from 30 days following the Scheduled Operation Date until the Seller achieves the Operation Date. Such reimbursement shall be determined in the manner described in paragraph 7.4, 7.5 and 7.6 of this Agreement.
- 5.4 Seller’s failure to achieve the Operation Date within ten (10) months of the Scheduled Operation Date will be an Event of Default.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

- 6.1 Delivery and Acceptance of Net Energy - Except when either Party's performance is excused as provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy to Idaho Power at the Point of Delivery.
- 6.2 Annual Net Energy Amount - Seller intends to produce and deliver Net Energy in the following annual amount:
- 6.2.1 Annual Net Energy Amount: _____ kWh
- 6.2.2 Seller's Adjustment of Annual Net Energy Amounts
- 6.2.2.1 No later than the Scheduled Operation Date, by written notice given to Idaho Power in accordance with paragraph 23.1, the Seller may revise the previously provided Annual Net Energy Amount.
- 6.2.2.1 At any time, by written notice given to Idaho Power in accordance with paragraph 23.1, Seller may revise the previously provided Annual Net Energy Amount, beginning with the next calendar year for the remaining term of the agreement.
- 6.3 Unless excused by an event of Force Majeure, Seller's failure to deliver Net Energy in any two consecutive Contract Years in an amount equal to at least ten percent (10%) of the Annual Net Energy Amount specified in paragraph 6.2 shall constitute an Event of Default.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

- 7.1 Net Energy Purchase Price – For the first fifteen (15) Contract Years the Seller shall be paid the On-Peak and Off-Peak prices applicable to the Facility resource type as specified in Schedule 85 and included as Appendix E of this Agreement for Net Energy deliveries during On Peak or Off Peak hours. For all Net Energy delivered to Idaho Power after the first fifteen (15) Contract Years and for the remaining term of this Agreement, the Seller has selected Option _____ from Schedule 85 as the basis for determining the purchase price. The Net Energy Purchase Price

shall be calculated as specified in Schedule 85 resulting in an On-Peak and Off-Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On-Peak and Off-Peak Hours.

- 7.2 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller 85% of the Mid-Columbia Market Energy Cost or the Off-Peak Net Energy Purchase Price as specified in Appendix E, whichever is lower.
- 7.3 Increase in Nameplate Capacity - If the Seller increases the Nameplate Capacity of the Seller's Facility as a result of increased prime mover, refurbishing equipment, upgrading equipment, reconfiguration of equipment, operation modifications, or by any means other than installing additional generation units, then the Nameplate Capacity as defined in paragraph 1.15 shall be revised to match this increased Nameplate Capacity rating. If the increase in Nameplate Capacity results in the Nameplate Capacity of the Facility exceeding 10 MW, then the on a going-forward basis Idaho Power shall pay Seller the Net Energy Price specified in Section 7.1 for the fraction of total Net Energy delivered equal to 10,000 kW divided by the Nameplate Capacity of the upgraded Facility. For the remaining fraction of Net Energy Idaho Power Company and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Nameplate Capacity or the maximum instantaneous capacity of the Facility complies with Seller's Interconnection Agreement, Transmission Agreement and any other relevant agreements.
- 7.4 Shortfall Energy Repayment Price –
- 7.4.1 Price to be applied to all Shortfall Energy that occurs prior to the Operation Date - If the current day's Market Energy Cost is greater than the applicable Net Energy Purchase Price that would have been paid to the Seller for energy delivered to Idaho Power on that day if the Facility had achieved its Operation Date, the Shortfall Energy Repayment Price will be determined by subtracting the current day's Market Energy Cost from the current day's Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the

current day's Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current day's Net Energy Purchase Price.

- 7.4.2 Price to be applied to all Shortfall Energy that occurs after the Operation Date has been established for this Facility - If the weighted average of the daily Market Energy Costs for the current Contract Year is greater than the current Contract Year's average Net Energy Purchase Price, (total Contract Year's actual energy payments divided by the total Contract Year's actual energy deliveries) the Shortfall Energy Repayment Price will be determined by subtracting the weighted average of the daily Market Energy Costs for the current Contract Year from the current Contract Year's average Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the current Contract Year's average Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current Contract Year's average Net Energy Purchase Price

7.5 Shortfall Energy Repayment Amount –

- 7.5.1 Amount due for Shortfall Energy that occurs prior to the Operation Date - An accumulation of each day's Shortfall Energy multiplied by the Shortfall Energy Repayment Price for each day of the preceding month.
- 7.5.2 Amount due for Shortfall Energy that occurs after the Operation Date has been established for this Facility - Current year's Shortfall Energy multiplied by the Shortfall Energy Repayment Price.

7.6 Shortfall Energy Repayment Schedule –

- 7.6.1 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy prior to the Operation Date – No later than 15 days following the end of each month, Idaho Power will calculate the previous month's Shortfall Energy Repayment Amount. The Seller shall pay any Shortfall Energy Repayment Amounts to Idaho Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.

7.6.2 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy after the Operation Date has been established for this Facility - No later than 30 days following the end of a Contract Year, Idaho Power will calculate the previous Contract Year's Shortfall Energy Repayment Amount. The accumulated Shortfall Energy Repayment Amount will then be offset in equal monthly amounts against the next 36 monthly Net Energy payments to the Seller. An annual interest rate of 7.8% will be applied to the unamortized balance of the accumulated Shortfall Energy Repayment Amount at the end of each month. The Seller may at any time pay Idaho Power the outstanding balance of the accumulated Shortfall Energy Repayment Amount, including any interest that has accumulated. Within 10 business days of the date of termination of this Agreement, Idaho Power will calculate any Shortfall Energy Repayment Amount due to Idaho Power, including any unpaid balances from previous Contract Years and any Shortfall Energy Repayment Amount due for the most recent Contract Year. The Seller shall pay any unpaid prior Contract Year s Shortfall Energy Repayment Amount to Idaho Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.

7.7 Payment Due Date – Energy payments to the Seller will be disbursed within 30 days of the date which Idaho Power receives and accepts the documentation of the monthly Net Energy actually produced by the Seller's Facility and delivered to Idaho Power as specified in Appendix A.

ARTICLE VIII: ENVIRONMENTAL ATTRIBUTES

8.1 Idaho Power waives any claim to ownership of Environmental Attributes. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) directly associated with the production of energy from the Seller's Facility.

ARTICLE IX: RECORDS

- 9.1 Maintenance of Records - Seller shall maintain at the Facility or such other location mutually acceptable to the Parties adequate total generation (kWh), Net Energy, Station Use and maximum generation (kW) records in a form and content recommended by Idaho Power.
- 9.2 Inspection - Either Party, after reasonable notice to the other Party, shall have the right, during normal business hours, to inspect and audit any or all generation, Net Energy, Station Use and maximum generation (kW) records pertaining to the Seller's Facility.

ARTICLE X: OPERATIONS

- 10.1 Communications - Idaho Power and the Seller shall maintain appropriate operating communications through Idaho Power's Designated Dispatch Facility in accordance with Appendix A of this Agreement.
- 10.2 Energy Acceptance –
- 10.2.1 Idaho Power shall be excused from accepting and paying for Net Energy produced by the Facility and delivered by the Seller to the Point of Delivery, if it is prevented from doing so by an event of Force Majeure, or if Idaho Power determines that curtailment, interruption or reduction of Net Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, electrical system operating conditions on its system or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of Force Majeure, Idaho Power requires such a curtailment, interruption or reduction of Net Energy deliveries for a period that exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amount specified in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.
- 10.2.2 If, in the reasonable opinion of Idaho Power, Seller's operation of the Facility or Interconnection Facilities is unsafe or may otherwise adversely affect Idaho Power's

equipment, personnel or service to its customers, Idaho Power may physically interrupt the flow of energy from the Facility as specified within the Generation Interconnection Process or take such other reasonable steps as Idaho Power deems appropriate.

- 10.3 Scheduled Maintenance – On or before January 31 of each calendar year, Seller shall submit a written proposed maintenance schedule of significant Facility maintenance for that calendar year and Idaho Power and Seller shall mutually agree as to the acceptability of the proposed schedule. The Parties' determination as to the acceptability of the Seller's timetable for scheduled maintenance will take into consideration Prudent Electrical Practices, Idaho Power system requirements and the Seller's preferred schedule. Neither Party shall unreasonably withhold acceptance of the proposed maintenance schedule.
- 10.4 Maintenance Coordination - The Seller and Idaho Power shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.
- 10.5 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller prior to exercising its rights to curtail, interrupt or reduce deliveries from the Seller's Facility. Seller understands that, in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events Idaho Power may not be able to provide notice to the Seller prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.

ARTICLE XI: INDEMNIFICATION AND INSURANCE

- 11.1 Indemnification - Each Party shall agree to hold harmless and to indemnify the other Party, its officers, directors, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs, including

reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

11.2 Insurance -

11.2.1 If the Facility's Nameplate Capacity as determined in paragraph 1.15 of this Agreement is greater than 200 kW, the Seller shall secure and continuously carry the following insurance coverage:

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

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

- (a) An endorsement naming Idaho Power as an additional insured and loss payee as applicable; and
- (b) A provision stating that such policy shall not be canceled or the limits of liability reduced without sixty (60) days' prior written notice to Idaho Power.

11.2.1.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.4 herein and annually thereafter, Seller shall furnish Idaho Power a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.

11.2.1.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by paragraph 11.2 shall lapse for any reason, Seller will immediately notify Idaho Power in writing. The notice will advise Idaho Power of the specific reason for the lapse and the steps Seller is taking to reinstate the coverage. Failure to provide this notice and to expeditiously reinstate or replace the coverage will constitute a Material Breach of this Agreement.

ARTICLE XII: FORCE MAJEURE

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

- (1) The non-performing Party shall, as soon as is reasonably possible after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence.
- (2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure.
- (3) No obligations of either Party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

ARTICLE XIII: LAND RIGHTS

13.1 Seller to Provide Access - Seller hereby grants to Idaho Power for the term of this Agreement all necessary rights-of-way and easements to install, operate, maintain, replace and remove Idaho Power's Metering Equipment, Interconnection Equipment, Disconnection Equipment, Protection Equipment and other Special Facilities necessary or useful to this Agreement, including adequate and continuing access rights on property of Seller. Seller warrants that it has procured sufficient

easements and rights-of-way from third parties so as to provide Idaho Power with the access described above. All documents granting such easements or rights-of-way shall be subject to Idaho Power's approval and in recordable form.

- 13.2 Use of Public Rights-of-Way - The Parties agree that it is necessary to avoid the adverse environmental and operating impacts that would occur as a result of duplicate electric lines being constructed in close proximity. Therefore, subject to Idaho Power's compliance with paragraph 13.4, Seller agrees that should Seller seek and receive from any local, state or federal governmental body the right to erect, construct and maintain Seller-furnished Interconnection Facilities upon, along and over any and all public roads, streets and highways, then the use by Seller of such public right-of-way shall be subordinate to any future use by Idaho Power of such public right-of-way for construction and/or maintenance of electric distribution and transmission facilities and Idaho Power may claim use of such public right-of-way for such purposes at any time. Except as required by paragraph 13.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 13.2.
- 13.3 Joint Use of Facilities - Subject to Idaho Power's compliance with paragraph 13.4, Idaho Power may use and attach its distribution and/or transmission facilities to Seller's Interconnection Facilities, may reconstruct Seller's Interconnection Facilities to accommodate Idaho Power's usage or Idaho Power may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to paragraph 13.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by paragraph 13.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 13.3.
- 13.4 Conditions of Use - It is the intention of the Parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior to Idaho Power's exercising its rights under this Article XIII. Therefore, the Parties agree that the exercise by Idaho Power of any of the rights enumerated in paragraphs 13.2 and 13.3 shall: (1) comply with all applicable laws, codes and Prudent Electrical Practices, (2) equitably share the costs of installing, owning

and operating jointly used facilities and rights-of-way. If the Parties are unable to agree on the method of apportioning these costs, the dispute will be submitted to the Commission for resolution and the decision of the Commission will be binding on the Parties, and (3) shall provide Seller with an interconnection to Idaho Power's system of equal capacity and durability as existed prior to Idaho Power exercising its rights under this Article XIII.

ARTICLE XIV: LIABILITY; DEDICATION

- 14.1 Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or entity.

ARTICLE XV: SEVERAL OBLIGATIONS

- 15.1 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XVI: WAIVER

- 16.1 Any waiver at any time by either Party of its rights with respect to a Default under this Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent Default or other matter.

ARTICLE XVII: CHOICE OF LAWS AND VENUE

- 17.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Oregon without reference to its choice of law provisions.

17.2 Venue for any litigation arising out of or related to this Agreement will lie in the District Court of the Ninth Judicial District of Oregon in and for the County of Malheur.

ARTICLE XVIII: DISPUTES, DEFAULTS AND REMEDIES

18.1 Disputes - All disputes related to or arising under this Agreement, including, but not limited to, the interpretation of the terms and conditions of this Agreement, will be submitted to the Commission for resolution.

18.2 Notice of Default -

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

18.2.2 Material Breaches – The notice and cure provisions in paragraph 18.2.1 do not apply to Defaults identified in this Agreement as Material Breaches. Material Breaches must be cured as expeditiously as possible following occurrence of the breach.

18.3 Security for Performance - Prior to the Operation Date and thereafter for the full term of this Agreement, Seller will provide Idaho Power with the following:

18.3.1 Insurance - Evidence of compliance with the provisions of paragraph 11.2. If Seller fails to comply, such failure will be a Material Breach and may only be cured by Seller supplying evidence that the required insurance coverage has been replaced or reinstated;

18.3.2 Engineer’s Certifications - Every three (3) years after the Operation Date, Seller will supply Idaho Power with a Certification of Ongoing Operations and Maintenance (O &

M) from a Registered Professional Engineer licensed in the State of Oregon, which Certification of Ongoing O & M shall be in the form specified in Appendix C. Seller's failure to supply the required certificate will be an Event of Default. Such a Default may only be cured by Seller providing the required certificate; and

18.3.3 Licenses and Permits - During the full term of this Agreement, Seller shall maintain compliance with all permits and licenses described in paragraph 4.1.1 of this Agreement. In addition, Seller will supply Idaho Power with copies of any new or additional permits or licenses. At least every fifth Contract Year, Seller will update the documentation described in paragraph 4.1.1. If at any time Seller fails to maintain compliance with the permits and licenses described in paragraph 4.1.1 or to provide the documentation required by this paragraph, such failure will be an Event of Default and may only be cured by Seller submitting to Idaho Power evidence of compliance from the permitting agency.

18.3.4 Security Requirements – During the full term of this Agreement, Seller shall maintain the Security Requirements established in accordance with paragraph 4.1.6. Failure to maintain these Security Requirements will be a Material Breach of this Agreement.

18.3.4.1 If the Seller fails to maintain the Security Requirements as specified in paragraph 18.3.4 and it is deemed the Seller is in Material Breach of this Agreement, if the Material Breach is a result of the Seller defaulting on a Facility construction loan, the Seller shall provide Idaho Power notice of the Facility construction loan default. Idaho Power may require the Seller to provide Default Security to remedy this Material Breach. Upon notice from Idaho Power to the Seller requiring the Seller to provide Default Security to remedy this Material Breach, within 10 business days of said notice, the Seller may provide Idaho Power evidence for review that the Seller has negotiated satisfactory financial arrangements with the construction loan lender that mitigates the Seller's financial risk. Upon review of the Seller's

provided documentation, if Idaho Power determines that the negotiated financial arrangements satisfactorily mitigates the Seller's financial risk, Idaho Power will deem this Material Breach to be cured. If Idaho Power determines that the provided documentation does not provide evidence that the Seller's risk has been satisfactorily mitigated, the Seller will be required to provide Default Security within 5 business days of Idaho Power's notification that the Material Breach has not been cured.

18.3.5 Recoupment of Damages

18.3.5.1 Default Security Available. – If a Default has occurred and has not been cured and if the Seller has posted Default Security, Idaho Power may draw upon that security, in accordance with paragraph 18.2.1 to satisfy any damages.

18.3.5.2 Default Security Unavailable – If a Default has occurred and has not been cured and if Seller has not posted Default Security, or if Idaho Power has exhausted the Default Security, Idaho Power may collect any remaining amount owing by; (1) lump sum payment to Idaho Power by the Seller or (2) partially withholding future payments to the Seller over a reasonable period of time. Idaho Power and the Seller shall work together in good faith to establish the reasonable period and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operations of the Facility.

18.3.6 Termination

18.3.6.1 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement and the Seller or a party substantially the same as the Seller, subsequently seeks to enter into a new standard QF contract for this same Facility. Then, the new standard QF contract shall run for the period that the original contract would have run,

and shall contain the same terms, rates and conditions as the original Agreement.

18.3.6.2 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement, the Seller shall pay Idaho Power damages equal to the positive difference, if any, obtained by subtracting the Net Energy Purchase Price from the projected forward Mid-Columbia Market Energy Cost for 24 months beginning with the next full month after the date of termination multiplied by the Annual Net Energy Amounts.

ARTICLE XIX: GOVERNMENTAL AUTHORIZATION

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

ARTICLE XX: SUCCESSORS AND ASSIGNS

20.1 This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, except that no assignment hereof by either Party shall become effective without the written consent of both Parties being first obtained. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, any party which Idaho Power may consolidate, or into which it may merge, or to which it may convey or transfer substantially all of its electric utility assets, shall automatically, without further act, and without need of consent or approval by the Seller, succeed to all of Idaho Power's rights, obligations and interests under this Agreement. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho Power shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXI: MODIFICATION

21.1 No modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission.

ARTICLE XXII: TAXES

22.1 Each Party shall pay before delinquency all taxes and other governmental charges which, if failed to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXIII: NOTICES

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

To Seller: _____

To Idaho Power:

Original document to:

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

Copy of document to:

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

ARTICLE XXIV: ADDITIONAL TERMS AND CONDITIONS

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

Appendix A	-	Generation Scheduling and Reporting
Appendix B	-	Facility and Point of Delivery
Appendix C	-	Engineer's Certifications
Appendix D	-	Definition of a Small Cogeneration Facility or Small Power Production Facility eligible to receive the standard rates and standard contract.
Appendix E	-	Applicable Prices from Schedule 85

ARTICLE XXV: SEVERABILITY

25.1 The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other terms or provisions and this Agreement shall be construed in all other respects as if the invalid or unenforceable term or provision were omitted.

ARTICLE XXVI: COUNTERPARTS

26.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXVII: ENTIRE AGREEMENT

27.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be executed in their respective names on the dates set forth below:

Idaho Power Company

By

By

Dated

Dated

“Idaho Power”

“Seller”

APPENDIX A

A –1 MONTHLY POWER PRODUCTION AND SWITCHING REPORT

At the end of each month, the following required documentation will be submitted to:

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

The Meter readings required on this report will be the reading on the Idaho Power Meter Equipment measuring the Facility's total energy production and Station Use delivered to Idaho Power and the maximum generated energy (kW) as recorded on the Meter Equipment and/or any other required energy measurements to adequately administer this Agreement.

Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND SWITCHING REPORT

Month _____ Year _____

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

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

Breaker Opening Record

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

*	<u>Reason</u>

Breaker Closing Record

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

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

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

Signature Date

A-2 ROUTINE REPORTING

Idaho Power Designated Dispatch Facility contact information

Daily Energy Production Reporting

All projects with a Nameplate Capacity of 1 MW or greater shall:

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

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

If Idaho Power determines that adequate generation data is available for this Facility's daily generation, Idaho Power may modify these reporting requirements

Planned and Unplanned Project outages

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

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

Seller's Contact Information

24-Hour Project Operational Contact

Name: _____
Telephone Number: _____
Cell Phone: _____

Project On-site Contact information

Telephone Number: _____

APPENDIX B

FACILITY AND POINT OF DELIVERY

PROJECT NO. _____

B-1 DESCRIPTION OF FACILITY

B-2 LOCATION OF FACILITY

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected _____ as the estimated Scheduled First Energy Date.

Seller has selected _____ as the estimated Scheduled Operation Date.

In making these selections, Seller recognizes that adequate testing of the Facility and completion of all requirements in paragraph 5.2 of this Agreement must be completed prior to the project being granted an Operation Date.

B-4 POINT OF DELIVERY

_____ the point on the Idaho Power electrical system where the Sellers Facility's energy is delivered to the Idaho Power. This point shall be a point on the Idaho Power electrical system that is able to accept the Seller's energy and Idaho Power is able to disburse the energy to local Idaho Power load requirements or available capacity exists on

the Idaho Power electrical system to allow transporting the Seller's energy to areas within the Idaho Power system that is capable of consuming the Seller's energy deliveries.

B-5 LOSSES

If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated for this Facility. If the Idaho Power Metering is unable to measure the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss specifications, conductor sizes, etc) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at anytime during the term of this Agreement, Idaho Power determines that the loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power may adjust the calculation and retroactively adjust the previous months kWh loss calculations.

B-6 METERING AND TELEMETRY

At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries to the Point of Delivery and any other energy measurements required to administer this Agreement.

APPENDIX C

ENGINEER'S CERTIFICATION

OF

OPERATIONS & MAINTENANCE POLICY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and is hereinafter referred to as the "Project."
4. That the Project, which is commonly known as the _____, is located in Section _____, Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has reviewed and/or supervised the review of the Policy for Operation and Maintenance ("O&M") for this Project and it is his professional opinion that, provided said Project has been designed and built to appropriate standards, adherence to said O&M Policy will result in the

Project's producing at or near the design electrical output, efficiency and plant factor for a period of _____years.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself and _____ hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____, is located at _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. It is Engineer's professional opinion, based on the Project's appearance, that its ongoing O&M has been substantially in accordance with said O&M Policy; that it is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the remaining _____ years of the Agreement.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer", hereby states and certifies to Idaho Power as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement", between Idaho Power as Buyer, and _____ as Seller, dated _____, _____.
3. That the cogeneration or small power production project, which is the subject of the Agreement and this Statement, is identified as IPCo Facility No _____ and is hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ (____) year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project and has made the analysis of the plans and specifications independently.
8. That Engineer has reviewed the engineering design and construction of the Project, including the civil work, electrical work, generating equipment, prime mover conveyance system, Seller furnished Interconnection Facilities and other Project facilities and equipment.
9. That the Project has been constructed in accordance with said plans and specifications, all

applicable codes and consistent with Prudent Electrical Practices as that term is described in the Agreement.

10. That the design and construction of the Project is such that with reasonable and prudent operation and maintenance practices by Seller, the Project is capable of performing in accordance with the terms of the Agreement and with Prudent Electrical Practices for a _____ (_____) year period.

11. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, in interconnecting the Project with its system, is relying on Engineer's representations and opinions contained in this Statement.

12. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____
(P.E. Stamp)

Date _____

APPENDIX D

DEFINITION OF A SMALL COGENERATION FACILITY

OR

SMALL POWER PRODUCTION FACILITY

ELIGIBLE TO RECEIVE THE STANDARD RATES AND STANDARD CONTRACT

A Qualifying Facility (either a small power production facility or a cogeneration facility) (“QF”) will be eligible to receive the standard rates and standard contract if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, does not exceed 10 MW.

Definition of Person(s) or Affiliated Person(s):

As used above, the term “same person(s)” or “affiliated person(s)” means a natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. However, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Furthermore, except for independent family-owned or community-based facilities, two facilities will be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a “passive investor” whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a “passive investor” if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Definition of Same Site:

For purposes of the foregoing, generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Shared Interconnection and Infrastructure:

QFs otherwise meeting the above-described separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

APPENDIX E

COPY OF APPLICABLE PRICES FROM SCHEDULE 85

**OREGON STANDARD ENERGY
SALES AGREEMENT FOR
NON INTERMITTENT RESOURCE**

REDLINE FORMAT

OREGON STANDARD
ENERGY SALES AGREEMENT
(Non Intermittent Resource)
BETWEEN
IDAHO POWER COMPANY
AND

TABLE OF CONTENTS

<u>Article</u>	<u>TITLE</u>
1	Definitions
2	No Reliance on Idaho Power
3	Warranties
4	Conditions to Acceptance of Energy
5	Term and Operation Date
6	Purchase and Sale of Net Energy
7	Purchase Price and Method of Payment
8	Environmental Attributes
9	Records
10	Operations
11	Indemnification and Insurance
12	Force Majeure
13	Land Rights
14	Liability; Dedication
15	Several Obligations
16	Waiver
17	Choice of Laws and Venue
18	Disputes, Defaults and Remedies
19	Governmental Authorization
20	Successors and Assigns
21	Modification
22	Taxes
23	Notices
24	Additional Terms and Conditions
25	Severability
26	Counterparts
27	Entire Agreement Signatures

| ~~28 Commission Investigation~~

Appendix A
Appendix B
Appendix C
Appendix D
Appendix E

ENERGY SALES AGREEMENT
NON INTERMITTENT RESOURCE
(10 MW or Less)

Project Number: _____

THIS AGREEMENT is entered into on this _____ day of _____ 20____
between
_____, a _____ company (Seller), and IDAHO
POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively
as “Parties” or individually as “Party.”

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 “Annual Net Energy Amount” –Net Energy that the Seller estimates the Facility will deliver to
Idaho Power at the Point of Delivery for one Contract Year. The Seller shall use all available
information (equipment characteristics, resource characteristics and data, Facility design, etc) to
accurately estimate the Annual Net Energy Amounts. This Annual Net Energy Amount as
specified in paragraph 6.2.1 will be used to calculate the Shortfall Energy quantities within this
Agreement.
- 1.2 “Cash Escrow Security” – Has the meaning set out in paragraph 4.1.6.1.

- 1.3 “Commission” - The Oregon Public Utility Commission.
- 1.4 “Contract Year” - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.5 “Default Security” - A dollar amount computed by the annual O_{on} P_{peak} H hours multiplied by the (O_{on} P_{peak} price less O_{off} P_{peak} price) multiplied by Annual Net Energy Amount divided by 8,760 where the O_{on} P_{peak} price and O_{off} P_{peak} price are the applicable prices specified Appendix E, in the Schedule 85 option the Seller has selected in paragraph 7.1 of this Agreement
- 1.6 “Designated Dispatch Facility” - Idaho Power’s Systems Operations Group, or any subsequent group designated by Idaho Power
- 1.7 “Facility” - That electric generation facility described in Appendix B of this Agreement.
- 1.8 “First Energy Date” - The day commencing at 0001 hours, Mountain Time, following the day that Seller has satisfied the requirements of Article IV and the Seller begins delivering energy to Idaho Power’s system at the Point of Delivery.
- 1.9 “Generation Interconnection Process” – Idaho Power’s generation interconnection application and engineering review process developed to ensure a safe and reliable generation interconnection in compliance with all applicable regulatory requirements, Prudent Electrical Practices and national safety standards.
- 1.10 “Intermittent Resource” – a Facility that produces electrical energy from the use of wind, solar or run of river hydro as the prime mover.
- 1.11 “Letter of Credit Security” – Has the meaning set out in paragraph 4.1.67.2.
- 1.12 “Losses” – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility’s energy is metered and the point the Facility’s energy is delivered to the Idaho Power electrical system. The loss calculation formula will be as specified in Appendix B of this Agreement.
- 1.13 “Material Breach” – A Default (paragraph 18.2.1) subject to paragraph 18.2.2.

1.14 ~~“Mid-Columbia Market Energy Cost” – The weighted 82.4% of the monthly arithmetic average of the Intercontinental Exchange (“ICE”) daily on-peak firm Mid-C Peak Avg and off-peak Dow Jones Mid-C Off-Peak Avg reported prices.~~

The actual calculation being:

$$\frac{.824 * \left(\sum_{x=1}^n \{(\text{ICE Mid-C Peak Avg}_x * \text{On-Peak hours for day}) + (\text{ICE Mid-C Off-Peak Avg}_x * \text{Off-Peak hours for day})\} \right)}{(n*24)}$$

where n = number of days in the month

~~1.3 If the ICE Mid-Columbia Index (Dow Jones Mid-C Index) prices for non-firm energy. If the Dow Jones Mid-Columbia Index price reporting is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the Dow Jones ICE Mid-Columbia Index.- The selected replacement index will be consistent with other similar agreements and will be an index a commonly used index by the electrical industry.~~

~~1.14 “Material Breach” – A Default (paragraph 18.2.1) subject to paragraph 18.2.2.~~

1.15 “Nameplate Capacity” – The full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperers, kilowatts, volts or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.

1.16 “Net Energy” – Electric energy produced by the Facility, less Station Use and Losses, expressed in kilowatt hours (kWh) that is less than or equal to the Nameplate Capacity. Seller commits to deliver all Net Energy to Idaho Power at the Point of Delivery for the full term of the Agreement.

1.17 “Off-Peak Hours” – The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

- 1.18 “On-Peak Hours” – The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.19 “Operation Date” – The day commencing at 0001 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.20 “Point of Delivery” – The location specified in Appendix B, where Idaho Power’s and the Seller’s electrical facilities are interconnected.
- 1.21 “Prudent Electrical Practices” – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.
- 1.22 “Schedule 85” – Idaho Power’s Oregon Tariff No E-27, Schedule 85 in effect as of the effective date of this Agreement.
- 1.23 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date.
- 1.24 “Season” – The three periods identified in Schedule 85.
- 1.25 “Senior Lien” – Has the meaning set out in paragraph 4.1.67.3.
- 1.26 “Shortfall Energy” (1) Prior to the Operation Date - Shortfall Energy shall be equal to the Annual Net Energy Amount specified in paragraph 6.2 divided by 365, multiplied by the number of days past the Scheduled Operation Date when the Operation Date is achieved less 30 days, less Surplus Energy. If this calculation results in a value less than 0 then the result shall be 0 and (2) After the Operation Date - Shortfall Energy shall be equal to the difference (kWh) between the actual annual Net Energy delivered to Idaho Power for a specific Contract Year and the Annual Net Energy Amount specified in paragraph 6.2 of this Agreement for the same Contract Year.
- 1.27 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility.
- 1.28 “Step-In Rights” – Has the meaning set out in paragraph 4.1.6.4.

- 1.29 “Surplus Energy” – (1) All Net Energy produced by the Seller’s Facility and delivered by the Facility to the Idaho Power electrical system that exceeds the Nameplate Capacity of the Facility. Deliveries above the Facility’s Nameplate Capacity solely for the purpose of accommodating hourly scheduling in whole MWs by a third party transmission provider shall not be considered to be Surplus Energy as described within this paragraph 1.~~2934~~ item 1 or (2) All Net Energy produced by the Seller’s Facility and delivered by the Facility to the Idaho Power electrical system prior to the Operation Date.
- 1.30 “Total Cost of the Facility” - The total cost of structures, equipment and appurtenances.

ARTICLE II: NO RELIANCE ON IDAHO POWER

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

ARTICLE III: WARRANTIES

- 3.1 No Warranty by Idaho Power - Any review, acceptance or failure to review Seller’s design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho Power and Idaho Power makes no warranties, expressed or implied, regarding any aspect of Seller’s design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.
- 3.2 Qualifying Facility Status - Seller warrants that the Facility is a “Qualifying Facility,” as that term is used and defined in 18 CFR 292.201 et seq. Seller’s failure to maintain the Facility and

operations of the Facility in a manner consistent with the initial Qualifying Facility certificate will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.

3.2.1 If Idaho Power's obligation to purchase energy from a "Qualifying Facility," as that term is defined in 18 CFR 292.201 et seq. or ORS 758.505(8), is repealed or otherwise terminated, this Agreement will remain in full force and effect unless state or federal law mandates termination of this Agreement.

3.3 FERC License (*only applies to hydro projects*) - Seller warrants that Seller possesses a valid license or exemption from licensing from the Federal Energy Regulatory Commission ("FERC") for the Facility. Seller recognizes that Seller's possession and retention of a valid FERC license or exemption is a material part of the consideration for Idaho Power's execution of this Agreement. Seller will take such steps as may be required to maintain a valid FERC license or exemption for the Facility during the term of this Agreement, and Seller's failure to maintain a valid FERC license or exemption will be a material breach of this Agreement.

3.4 Eligibility for Standard Rates and Contract

3.4.1 Initial Qualification - Seller warrants that the Seller's Facility meets the definitions contained in Appendix D, "Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract" of this Agreement approved by the Commission at the time this Agreement is executed and is therefore eligible for standard rates and the standard contract. Upon request from Idaho Power, the Seller will provide Idaho Power with documentation verifying the ownership, management and financial structure of the Facility in reasonably sufficient detail to allow Idaho Power to make an initial determination of whether or not the Facility meets the described criteria for entitlement to the standard rates and standard contract as defined in Appendix D.

3.4.2 Ongoing Qualification - Seller warrants that the Seller will not make any changes in its

ownership, control or management during the term of this Agreement that would cause it to be ineligible for standard rates and a standard contract in compliance with the Appendix D approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by Idaho Power not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller's continued compliance with the Definition in Appendix D. Idaho Power agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except Idaho Power will provide all such confidential information to the Public Utility Commission of Oregon upon the Commission's request.

- 3.4.3 Qualification Dispute - Any dispute concerning the Seller's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.
- 3.4.4 Seller warrants that the Facility is **not** an Intermittent Resource.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

- 4.1 Prior to the First Energy Date and as a condition of Idaho Power's acceptance of deliveries of energy from the Seller, Seller shall:
 - 4.1.1 Submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.201 et seq.
 - 4.1.2 Nameplate Capacity Determination - Submit to Idaho Power such data as Idaho Power may reasonably require to confirm the manufacturer's Nameplate Capacity rating of the Facility. Such data will include but not be limited to, equipment specifications, power factor assumptions, and any other data that would allow Idaho Power to verify the manufacturer's nameplate rating of this Facility. Upon receipt of this information, Idaho Power will review the provided data and if necessary, request additional data to complete

the verification process within a reasonable time.

4.1.3 Engineer's Certifications - Submit an executed Engineer's Certification of Design & Construction Adequacy and an Engineer's Certification of Operations and Maintenance (O&M) Policy. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.

4.1.4 Insurance - Submit written proof to Idaho Power of all insurance required in Article XI.

4.1.5 Interconnection – Provide written proof to Idaho Power that all Generation Interconnection Process requirements have been completed. The entire completed Generation Interconnection Process, including, but not limited to, the equipment specifications and requirements will be included by reference in this Agreement.

4.1.6 Security Requirements – Provide Idaho Power with commercially reasonable representations and warranties and other documentation to determine the Seller's creditworthiness. Such documentation would include, at a minimum, that the Seller is current on existing debt obligations and has not been a debtor in a bankruptcy preceding within the preceding two years. Upon receipt of this information, Idaho Power will review the provided data and, if necessary, request additional data and/or will provide written confirmation or rejection of the provided data within a reasonable time. In lieu of providing evidence of acceptable creditworthiness, the Seller may provide Idaho Power with commercially reasonable security instruments such as Letter of Credit, Senior Lien Rights, Step-In-Rights, Cash Escrow Security as those terms are defined in this Agreement or other forms of liquid financial security that would provide readily available cash to Idaho Power in the Event of a Default under this Agreement. The value of these security instruments shall at the minimum be equal to the Default Security as defined in paragraph 1.56 of this Agreement.

4.1.6.1 Cash Escrow Security - Seller shall deposit funds in an escrow account established by Idaho Power in a banking institution acceptable to both

Parties equal to, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

4.1.6.2 Letter of Credit Security - Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to Idaho Power in its discretion, or (b) a Letter of Credit in favor of Idaho Power. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

4.1.6.3 Senior Lien - Before the Scheduled Operation Date, Seller shall grant Idaho Power a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to Idaho Power in the reasonable exercise of its discretion). Pending delivery of the senior lien to Idaho Power, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to Idaho Power's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

4.1.6.4 Step-in Rights (Operation by Idaho Power Following Event of Default of Seller).

4.1.6.4.1 Prior to any termination of this Agreement due to an Event of

Default of Seller, as identified in paragraph 18.2, Idaho Power shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to Idaho Power's right under this paragraph 4.1.6.4.

4.1.6.4.2 Idaho Power shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of Idaho Power's rights under this paragraph 4.1.6.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, Idaho Power, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints Idaho Power as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as Idaho Power may reasonably deem necessary or appropriate to exercise Idaho Power's step-in rights under this paragraph 4.1.6.4.

4.1.6.4.3 During any period that Idaho Power is in possession of and constructing and/or operating the Facility, no proceeds or other

monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

4.1.6.4.4 During any period that Idaho Power is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and Idaho Power shall assume possession, operation, and control solely as agent for Seller.

a) In the event Idaho Power is in possession and control of the Facility for an interim period, Seller shall resume operation and Idaho Power shall relinquish its right to operate when Seller demonstrates to Idaho Power's reasonable satisfaction that it will remove those grounds that originally gave rise to Idaho Power's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed Idaho Power to exercise its rights under this paragraph 4.1.6.4.

b) In the event that Idaho Power is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and Idaho Power shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

4.1.6.4.5 Idaho Power's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by Idaho

Power of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility Idaho Power elects to return such possession and operation to Seller, Idaho Power shall provide Seller with at least fifteen (15) calendar days advance notice of the date Idaho Power intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

- 4.1.7 Written Acceptance – Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller’s request and will not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

- 5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of _____ (*not to exceed 20 years*) Contract Years from the Operation Date.
- 5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the following:
- a) Achieved the First Energy Date.
 - b) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner.
 - c) Seller has requested an Operation Date from Idaho Power in a written format.
 - d) Seller has received written confirmation from Idaho Power of the Operation Date.

This confirmation will not be unreasonably withheld by Idaho Power.

- 5.3 If the Seller fails to achieve the Operation Date within 30 days of the Scheduled Operation Date,

Seller will reimburse Idaho Power for any Shortfall Energy Repayment Amount accruing from 30 days following the Scheduled Operation Date until the Seller achieves the Operation Date. Such reimbursement shall be determined in the manner described in paragraph 7.4, 7.5 and 7.6 of this Agreement.

- 5.4 Seller's failure to achieve the Operation Date within ten (10) months of the Scheduled Operation Date will be an Event of Default.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

- 6.1 Delivery and Acceptance of Net Energy - Except when either Party's performance is excused as provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy to Idaho Power at the Point of Delivery.

- 6.2 Annual Net Energy Amount - Seller intends to produce and deliver Net Energy in the following annual amount:

6.2.1 Annual Net Energy Amount: _____ kWh

6.2.2 Seller's Adjustment of Annual Net Energy Amounts

6.2.2.1 No later than the Scheduled Operation Date, by written notice given to Idaho Power in accordance with paragraph 23.1, the Seller may revise the previously provided Annual Net Energy Amount.

6.2.2.1 At any time, by written notice given to Idaho Power in accordance with paragraph 23.1, Seller may revise the previously provided Annual Net Energy Amount, beginning with the next calendar year for the remaining term of the agreement.

- 6.3 Unless excused by an event of Force Majeure, Seller's failure to deliver Net Energy in any two consecutive Contract Years in an amount equal to at least ten percent (10%) of the Annual Net Energy Amount specified in paragraph 6.2 shall constitute an Event of Default.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

7.1 Net Energy Purchase Price – ~~For the first fifteen (15) Contract Years the Seller shall be paid the On-Peak and Off-Peak prices applicable to the Facility resource type as specified in Schedule 85 and included as Appendix E of this Agreement for Net Energy deliveries during On Peak or Off Peak hours. For all Net Energy delivered to Idaho Power after the first fifteen (15) Contract Years and for the remaining term of this Agreement, the Seller has selected Option _____ from Schedule 85 as the basis for determining the purchase price. The Net Energy Purchase Price shall be calculated as specified in Schedule 85 resulting in an On-Peak and Off-Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On-Peak and Off-Peak Hours.~~The Seller has selected option _____ from Schedule 85 as the basis for determining the purchase price during the first 15 Contract Years of this Agreement. For all Net Energy delivered to Idaho Power after the first 15 Contract Years and for the remaining term of this Agreement, the Seller has selected option _____ from Schedule 85 as the basis for determining the purchase price. The Seller may not select Option 1, Fixed Price Method, for any Contract Years past the first 15 Contract Years. The Net Energy Purchase Price shall be calculated as specified in Schedule 85 for the option(s) selected by the Seller resulting in an On-Peak and Off-Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On-Peak and Off-Peak hours as defined by the North American Electric Reliability Council (NERC). Based on Seller's selected options, Appendix E specifies the purchase prices to be paid under this Agreement.

7.2 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller ~~an amount equal to 85% of the daily on-peak or off-peak Dow Jones Mid-Columbia Index (Dow Jones Mid-C Index) prices for non-firm energy. The price paid will depend on when the Surplus Market Energy was delivered to Idaho Power. If the Dow Jones Mid-Columbia Index price Cost or the Off-Peak Net Energy Purchase Price as specified in Appendix E, whichever is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the Dow Jones Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and will be an index commonly used by the electrical industry~~lower.

7.3 Increase in Nameplate Capacity - If the Seller increases the Nameplate Capacity of the Seller's Facility as a result of increased prime mover, refurbishing equipment, upgrading equipment, reconfiguration of equipment, operation modifications, or by any means other than installing additional generation units, then the Nameplate Capacity as defined in paragraph 1.1~~58~~ shall be revised to match this increased Nameplate Capacity rating. If the increase in Nameplate Capacity results in the Nameplate Capacity of the Facility exceeding 10 MW, then the on a going-forward basis Idaho Power shall pay Seller the Net Energy Price specified in Section 7.1 for the fraction of total Net Energy delivered equal to 10,000 kW divided by the Nameplate Capacity of the upgraded Facility. For the remaining fraction of Net Energy Idaho Power Company and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Nameplate Capacity or the maximum instantaneous capacity of the Facility complies with Seller's Interconnection Agreement, Transmission Agreement and any other relevant agreements.

7.4 Shortfall Energy Repayment Price –

7.4.1 Price to be applied to all Shortfall Energy that occurs prior to the Operation Date - If the current day's Market Energy Cost is greater than the applicable Net Energy Purchase Price that would have been paid to the Seller for energy delivered to Idaho Power on that day if the Facility had achieved its Operation Date, the Shortfall Energy Repayment Price will be determined by subtracting the current day's Market Energy Cost from the current day's Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the current day's Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current day's Net Energy Purchase Price.

7.4.2 Price to be applied to all Shortfall Energy that occurs after the Operation Date has been established for this Facility - If the weighted average of the daily Market Energy Costs for the current Contract Year is greater than the current Contract Year's average Net Energy Purchase Price, (total Contract Year's actual energy payments divided by the total

Contract Year's actual energy deliveries) the Shortfall Energy Repayment Price will be determined by subtracting the weighted average of the daily Market Energy Costs for the current Contract Year from the current Contract Year's average Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the current Contract Year's average Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current Contract Year's average Net Energy Purchase Price

7.5 Shortfall Energy Repayment Amount –

7.5.1 Amount due for Shortfall Energy that occurs prior to the Operation Date - An accumulation of each day's Shortfall Energy multiplied by the Shortfall Energy Repayment Price for each day of the preceding month.

7.5.2 Amount due for Shortfall Energy that occurs after the Operation Date has been established for this Facility - Current year's Shortfall Energy multiplied by the Shortfall Energy Repayment Price.

7.6 Shortfall Energy Repayment Schedule –

7.6.1 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy prior to the Operation Date – No later than 15 days following the end of each month, Idaho Power will calculate the previous month's Shortfall Energy Repayment Amount. The Seller shall pay any Shortfall Energy Repayment Amounts to Idaho Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.

7.6.2 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy after the Operation Date has been established for this Facility - No later than 30 days following the end of a Contract Year, Idaho Power will calculate the previous Contract Year's Shortfall Energy Repayment Amount. The accumulated Shortfall Energy Repayment Amount will then be offset in equal monthly amounts against the next 36 monthly Net Energy payments to the Seller. An annual interest rate of 7.8% will be

applied to the unamortized balance of the accumulated Shortfall Energy Repayment Amount at the end of each month. The Seller may at any time pay Idaho Power the outstanding balance of the accumulated Shortfall Energy Repayment Amount, including any interest that has accumulated. Within 10 business days of the date of termination of this Agreement, Idaho Power will calculate any Shortfall Energy Repayment Amount due to Idaho Power, including any unpaid balances from previous Contract Years and any Shortfall Energy Repayment Amount due for the most recent Contract Year. The Seller shall pay any unpaid prior Contract Year s Shortfall Energy Repayment Amount to Idaho Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.

- 7.7 Payment Due Date – Energy payments to the Seller will be disbursed within 30 days of the date which Idaho Power receives and accepts the documentation of the monthly Net Energy actually produced by the Seller’s Facility and delivered to Idaho Power as specified in Appendix A.

ARTICLE VIII: ENVIRONMENTAL ATTRIBUTES

- 8.1 Idaho Power waives any claim to ownership of Environmental Attributes. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) directly associated with the production of energy from the Seller’s Facility.

ARTICLE IX: RECORDS

- 9.1 Maintenance of Records - Seller shall maintain at the Facility or such other location mutually acceptable to the Parties adequate total generation (kWh), Net Energy, Station Use and maximum generation (kW) records in a form and content recommended by Idaho Power.
- 9.2 Inspection - Either Party, after reasonable notice to the other Party, shall have the right, during normal business hours, to inspect and audit any or all generation, Net Energy, Station Use and maximum generation (kW) records pertaining to the Seller's Facility.

ARTICLE X: OPERATIONS

10.1 Communications - Idaho Power and the Seller shall maintain appropriate operating communications through Idaho Power's Designated Dispatch Facility in accordance with Appendix A of this Agreement.

10.2 Energy Acceptance –

10.2.1 Idaho Power shall be excused from accepting and paying for Net Energy produced by the Facility and delivered by the Seller to the Point of Delivery, if it is prevented from doing so by an event of Force Majeure, or if Idaho Power determines that curtailment, interruption or reduction of Net Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, electrical system operating conditions on its system or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of Force Majeure, Idaho Power requires such a curtailment, interruption or reduction of Net Energy deliveries for a period that exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amount specified in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.

10.2.2 If, in the reasonable opinion of Idaho Power, Seller's operation of the Facility or Interconnection Facilities is unsafe or may otherwise adversely affect Idaho Power's equipment, personnel or service to its customers, Idaho Power may physically interrupt the flow of energy from the Facility as specified within the Generation Interconnection Process or take such other reasonable steps as Idaho Power deems appropriate.

10.3 Scheduled Maintenance – On or before January 31 of each calendar year, Seller shall submit a written proposed maintenance schedule of significant Facility maintenance for that calendar year and Idaho Power and Seller shall mutually agree as to the acceptability of the proposed schedule. The Parties' determination as to the acceptability of the Seller's timetable for scheduled

maintenance will take into consideration Prudent Electrical Practices, Idaho Power system requirements and the Seller's preferred schedule. Neither Party shall unreasonably withhold acceptance of the proposed maintenance schedule.

10.4 Maintenance Coordination - The Seller and Idaho Power shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.

10.5 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller prior to exercising its rights to curtail, interrupt or reduce deliveries from the Seller's Facility. Seller understands that, in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events Idaho Power may not be able to provide notice to the Seller prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.

ARTICLE XI: INDEMNIFICATION AND INSURANCE

11.1 Indemnification - Each Party shall agree to hold harmless and to indemnify the other Party, its officers, directors, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

11.2 Insurance -

11.2.1 If the Facility's Nameplate Capacity as determined in paragraph 1.1~~58~~ of this Agreement is greater than 200 kW, the Seller shall secure and continuously carry the following insurance coverage:

11.2.1.1 Comprehensive General Liability Insurance for both bodily injury and property damage with limits equal to \$1,000,000, each occurrence, combined single limit.

The deductible for such insurance shall be consistent with current Insurance Industry Utility practices for similar property.

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

- (a) An endorsement naming Idaho Power as an additional insured and loss payee as applicable; and
- (b) A provision stating that such policy shall not be canceled or the limits of liability reduced without sixty (60) days' prior written notice to Idaho Power.

11.2.1.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.4 herein and annually thereafter, Seller shall furnish Idaho Power a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.

11.2.1.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by paragraph 11.2 shall lapse for any reason, Seller will immediately notify Idaho Power in writing. The notice will advise Idaho Power of the specific reason for the lapse and the steps Seller is taking to reinstate the coverage. Failure to provide this notice and to expeditiously reinstate or replace the coverage will constitute a Material Breach of this Agreement.

ARTICLE XII: FORCE MAJEURE

12.1 As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the control of the Seller or of Idaho Power which, despite the exercise of due diligence, such Party is unable to prevent or overcome. Force Majeure includes, but is not limited to, acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, or changes in law or regulation occurring after the Operation Date, which, by the exercise of reasonable foresight such party could not

reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome. If either Party is rendered wholly or in part unable to perform its obligations under this Agreement because of an event of Force Majeure, both Parties shall be excused from whatever performance is affected by the event of Force Majeure, provided that:

- (1) The non-performing Party shall, as soon as is reasonably possible after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence.
- (2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure.
- (3) No obligations of either Party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

ARTICLE XIII: LAND RIGHTS

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

13.2 Use of Public Rights-of-Way - The Parties agree that it is necessary to avoid the adverse environmental and operating impacts that would occur as a result of duplicate electric lines being constructed in close proximity. Therefore, subject to Idaho Power's compliance with paragraph 13.4, Seller agrees that should Seller seek and receive from any local, state or federal

governmental body the right to erect, construct and maintain Seller-furnished Interconnection Facilities upon, along and over any and all public roads, streets and highways, then the use by Seller of such public right-of-way shall be subordinate to any future use by Idaho Power of such public right-of-way for construction and/or maintenance of electric distribution and transmission facilities and Idaho Power may claim use of such public right-of-way for such purposes at any time. Except as required by paragraph 13.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 13.2.

13.3 Joint Use of Facilities - Subject to Idaho Power's compliance with paragraph 13.4, Idaho Power may use and attach its distribution and/or transmission facilities to Seller's Interconnection Facilities, may reconstruct Seller's Interconnection Facilities to accommodate Idaho Power's usage or Idaho Power may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to paragraph 13.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by paragraph 13.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 13.3.

13.4 Conditions of Use - It is the intention of the Parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior to Idaho Power's exercising its rights under this Article XIII. Therefore, the Parties agree that the exercise by Idaho Power of any of the rights enumerated in paragraphs 13.2 and 13.3 shall: (1) comply with all applicable laws, codes and Prudent Electrical Practices, (2) equitably share the costs of installing, owning and operating jointly used facilities and rights-of-way. If the Parties are unable to agree on the method of apportioning these costs, the dispute will be submitted to the Commission for resolution and the decision of the Commission will be binding on the Parties, and (3) shall provide Seller with an interconnection to Idaho Power's system of equal capacity and durability as existed prior to Idaho Power exercising its rights under this Article XIII.

ARTICLE XIV: LIABILITY; DEDICATION

14.1 Nothing in this Agreement shall be construed to create any duty to, any standard of care with

reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or entity.

ARTICLE XV: SEVERAL OBLIGATIONS

- 15.1 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XVI: WAIVER

- 16.1 Any waiver at any time by either Party of its rights with respect to a Default under this Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent Default or other matter.

ARTICLE XVII: CHOICE OF LAWS AND VENUE

- 17.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Oregon without reference to its choice of law provisions.
- 17.2 Venue for any litigation arising out of or related to this Agreement will lie in the District Court of the Ninth Judicial District of Oregon in and for the County of Malheur.

ARTICLE XVIII: DISPUTES, DEFAULTS AND REMEDIES

- 18.1 Disputes - All disputes related to or arising under this Agreement, including, but not limited to, the interpretation of the terms and conditions of this Agreement, will be submitted to the Commission for resolution.

18.2 Notice of Default -

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

18.2.2 Material Breaches – The notice and cure provisions in paragraph 18.2.1 do not apply to Defaults identified in this Agreement as Material Breaches. Material Breaches must be cured as expeditiously as possible following occurrence of the breach.

18.3 Security for Performance - Prior to the Operation Date and thereafter for the full term of this Agreement, Seller will provide Idaho Power with the following:

18.3.1 Insurance - Evidence of compliance with the provisions of paragraph ~~11~~2.2. If Seller fails to comply, such failure will be a Material Breach and may only be cured by Seller supplying evidence that the required insurance coverage has been replaced or reinstated;

18.3.2 Engineer’s Certifications - Every three (3) years after the Operation Date, Seller will supply Idaho Power with a Certification of Ongoing Operations and Maintenance (O & M) from a Registered Professional Engineer licensed in the State of Oregon, which Certification of Ongoing O & M shall be in the form specified in Appendix C. Seller’s failure to supply the required certificate will be an Event of Default. Such a Default may only be cured by Seller providing the required certificate; and

18.3.3 Licenses and Permits - During the full term of this Agreement, Seller shall maintain compliance with all permits and licenses described in paragraph 4.1.1 of this Agreement. In addition, Seller will supply Idaho Power with copies of any new or additional permits

or licenses. At least every fifth Contract Year, Seller will update the documentation described in paragraph 4.1.1. If at any time Seller fails to maintain compliance with the permits and licenses described in paragraph 4.1.1 or to provide the documentation required by this paragraph, such failure will be an Event of Default and may only be cured by Seller submitting to Idaho Power evidence of compliance from the permitting agency.

18.3.4 Security Requirements – During the full term of this Agreement, Seller shall maintain the Security Requirements established in accordance with paragraph 4.1.6. Failure to maintain these Security Requirements will be a Material Breach of this Agreement.

18.3.4.1 If the Seller fails to maintain the Security Requirements as specified in paragraph 18.3.4 and it is deemed the Seller is in Material Breach of this Agreement, if the Material Breach is a result of the Seller defaulting on a Facility construction loan, the Seller shall provide Idaho Power notice of the Facility construction loan default. Idaho Power may require the Seller to provide Default Security to remedy this Material Breach. Upon notice from Idaho Power to the Seller requiring the Seller to provide Default Security to remedy this Material Breach, within 10 business days of said notice, the Seller may provide Idaho Power evidence for review that the Seller has negotiated satisfactory financial arrangements with the construction loan lender that mitigates the Seller's financial risk. Upon review of the Seller's provided documentation, if Idaho Power determines that the negotiated financial arrangements satisfactorily mitigates the Seller's financial risk, Idaho Power will deem this Material Breach to be cured. If Idaho Power determines that the provided documentation does not provide evidence that the Seller's risk has been satisfactorily mitigated, the Seller will be required to provide Default Security within 5 business days of Idaho Power's notification that the Material Breach has not been cured.

18.3.5 Recoupment of Damages

18.3.5.1 Default Security Available. – If a Default has occurred and has not been cured and if the Seller has posted Default Security, Idaho Power may draw upon that security, in accordance with paragraph 18.2.1 to satisfy any damages.

18.3.5.2 Default Security Unavailable – If a Default has occurred and has not been cured and if Seller has not posted Default Security, or if Idaho Power has exhausted the Default Security, Idaho Power may collect any remaining amount owing by; (1) lump sum payment to Idaho Power by the Seller or (2) partially withholding future payments to the Seller over a reasonable period of time. Idaho Power and the Seller shall work together in good faith to establish the reasonable period and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operations of the Facility.

18.3.6 Termination

18.3.6.1 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement and the Seller or a party substantially the same as the Seller, subsequently seeks to enter into a new standard QF contract for this same Facility. Then, the new standard QF contract shall run for the period that the original contract would have run, and shall contain the same terms, rates and conditions as the original Agreement.

18.3.6.2 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement, the Seller shall pay Idaho Power damages equal to the positive difference, if any, obtained by subtracting the Net Energy Purchase Price from the projected forward Mid-Columbia Market Energy Cost for 24 months beginning with the next full

month after the date of termination multiplied by the Annual Net Energy Amounts.

ARTICLE XIX: GOVERNMENTAL AUTHORIZATION

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

ARTICLE XX: SUCCESSORS AND ASSIGNS

20.1 This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, except that no assignment hereof by either Party shall become effective without the written consent of both Parties being first obtained. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, any party which Idaho Power may consolidate, or into which it may merge, or to which it may convey or transfer substantially all of its electric utility assets, shall automatically, without further act, and without need of consent or approval by the Seller, succeed to all of Idaho Power's rights, obligations and interests under this Agreement. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho Power shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXI: MODIFICATION

21.1 No modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission.

ARTICLE XXII: TAXES

22.1 Each Party shall pay before delinquency all taxes and other governmental charges which, if failed

to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXIII: NOTICES

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

To Seller: _____

To Idaho Power:

Original document to:

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

Copy of document to:

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

ARTICLE XXIV: ADDITIONAL TERMS AND CONDITIONS

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

- Appendix A - Generation Scheduling and Reporting
- Appendix B - Facility and Point of Delivery
- Appendix C - Engineer’s Certifications
- Appendix D - Definition of a Small Cogeneration Facility or Small Power Production Facility eligible to receive the standard rates and standard contract.
- Appendix E - Applicable Prices from Schedule 85

ARTICLE XXV: SEVERABILITY

25.1 The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other terms or provisions and this Agreement shall be construed

in all other respects as if the invalid or unenforceable term or provision were omitted.

ARTICLE XXVI: COUNTERPARTS

26.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXVII: ENTIRE AGREEMENT

27.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

ARTICLE XXVIII: COMMISSION INVESTIGATION

~~28.1—The Seller and Idaho Power acknowledge that the rates, terms and conditions specified in this Agreement and the related tariffs are being investigated by the Oregon Public Utility Commission. Upon a decision by the Oregon Public Utility Commission in the investigation, Idaho Power will notify the Seller within ten (10) calendar days. If the rates resulting from the investigation are higher than the rates in effect during the initial period, Idaho Power, pursuant to the investigation, may be required to refund, with interest, the difference to the Seller. The Seller shall have thirty (30) calendar days from the effective date of the revised standard contract and tariffs complying with the Commission's order to amend this Agreement if the Seller so chooses to adopt the revised standard contract and/or the revised rates, terms and conditions in the tariff approved by the Oregon Public Utility Commission as a result of the investigation.~~

~~—This section will need removed once our compliance filing is complete~~

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be executed in their respective names on the dates set forth below:

Idaho Power Company

By

By

Dated

“Idaho Power”

Dated

“Seller”

APPENDIX A

A –1 MONTHLY POWER PRODUCTION AND SWITCHING REPORT

At the end of each month, the following required documentation will be submitted to:

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

The Meter readings required on this report will be the reading on the Idaho Power Meter Equipment measuring the Facility's total energy production and Station Use delivered to Idaho Power and the maximum generated energy (kW) as recorded on the Meter Equipment and/or any other required energy measurements to adequately administer this Agreement.

Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND SWITCHING REPORT

Month _____ Year _____

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

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

Breaker Opening Record

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

*	<u>Reason</u>

Breaker Closing Record

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

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

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

Signature Date

A-2 ROUTINE REPORTING

Idaho Power Designated Dispatch Facility contact information

Daily Energy Production Reporting

All projects with a Nameplate Capacity of 1 MW or greater shall:

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

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

If Idaho Power determines that adequate generation data is available for this Facility's daily generation, Idaho Power may modify these reporting requirements

Planned and Unplanned Project outages

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

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

Seller's Contact Information

24-Hour Project Operational Contact

Name: _____
Telephone Number: _____
Cell Phone: _____

Project On-site Contact information

Telephone Number: _____

APPENDIX B

FACILITY AND POINT OF DELIVERY

PROJECT NO. _____

B-1 DESCRIPTION OF FACILITY

B-2 LOCATION OF FACILITY

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected _____ as the estimated Scheduled First Energy Date.

Seller has selected _____ as the estimated Scheduled Operation Date.

In making these selections, Seller recognizes that adequate testing of the Facility and completion of all requirements in paragraph 5.2 of this Agreement must be completed prior to the project being granted an Operation Date.

B-4 POINT OF DELIVERY

_____ the point on the Idaho Power electrical system where the Sellers Facility's energy is delivered to the Idaho Power. This point shall be a point on the Idaho Power electrical system that is able to accept the Seller's energy and Idaho Power is able to disburse the energy to local Idaho Power load requirements or available capacity exists on

the Idaho Power electrical system to allow transporting the Seller's energy to areas within the Idaho Power system that is capable of consuming the Seller's energy deliveries.

B-5 LOSSES

If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated for this Facility. If the Idaho Power Metering is unable to measure the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss specifications, conductor sizes, etc) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at anytime during the term of this Agreement, Idaho Power determines that the loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power may adjust the calculation and retroactively adjust the previous months kWh loss calculations.

B-6 METERING AND TELEMETRY

At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries to the Point of Delivery and any other energy measurements required to administer this Agreement.

APPENDIX C

ENGINEER'S CERTIFICATION

OF

OPERATIONS & MAINTENANCE POLICY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and is hereinafter referred to as the "Project."
4. That the Project, which is commonly known as the _____, is located in Section _____, Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has reviewed and/or supervised the review of the Policy for Operation and Maintenance ("O&M") for this Project and it is his professional opinion that, provided said Project has been designed and built to appropriate standards, adherence to said O&M Policy will result in the

Project's producing at or near the design electrical output, efficiency and plant factor for a period of _____years.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself and _____ hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____, is located at _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. It is Engineer's professional opinion, based on the Project's appearance, that its ongoing O&M has been substantially in accordance with said O&M Policy; that it is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the remaining _____ years of the Agreement.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer", hereby states and certifies to Idaho Power as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement", between Idaho Power as Buyer, and _____ as Seller, dated _____, _____.
3. That the cogeneration or small power production project, which is the subject of the Agreement and this Statement, is identified as IPCo Facility No _____ and is hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ (____) year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project and has made the analysis of the plans and specifications independently.
8. That Engineer has reviewed the engineering design and construction of the Project, including the civil work, electrical work, generating equipment, prime mover conveyance system, Seller furnished Interconnection Facilities and other Project facilities and equipment.
9. That the Project has been constructed in accordance with said plans and specifications, all

applicable codes and consistent with Prudent Electrical Practices as that term is described in the Agreement.

10. That the design and construction of the Project is such that with reasonable and prudent operation and maintenance practices by Seller, the Project is capable of performing in accordance with the terms of the Agreement and with Prudent Electrical Practices for a _____ (_____) year period.

11. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, in interconnecting the Project with its system, is relying on Engineer's representations and opinions contained in this Statement.

12. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____
(P.E. Stamp)

Date _____

APPENDIX D

DEFINITION OF A SMALL COGENERATION FACILITY

OR

SMALL POWER PRODUCTION FACILITY

ELIGIBLE TO RECEIVE THE STANDARD RATES AND STANDARD CONTRACT

A Qualifying Facility (either a small power production facility or a cogeneration facility) (“QF”) will be eligible to receive the standard rates and standard contract if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, does not exceed 10 MW.

Definition of Person(s) or Affiliated Person(s):

As used above, the term “same person(s)” or “affiliated person(s)” means a natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. However, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Furthermore, except for independent family-owned or community-based facilities, two facilities will ~~not~~ be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a “passive investor” whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a “passive investor” if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Definition of Same Site:

For purposes of the foregoing, generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Shared Interconnection and Infrastructure:

QFs otherwise meeting the above-described separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

APPENDIX E

COPY OF APPLICABLE PRICES FROM SCHEDULE 85

**OREGON STANDARD ENERGY
SALES AGREEMENT FOR
NON INTERMITTENT RESOURCE
OUT OF SERVICE TERRITORY**

CLEAN FORMAT

OREGON STANDARD
ENERGY SALES AGREEMENT
(Non Intermittent Resource)
BETWEEN
IDAHO POWER COMPANY
AND

(Includes Transmission Provisions)

TABLE OF CONTENTS

<u>Article</u>	<u>TITLE</u>
1	Definitions
2	No Reliance on Idaho Power
3	Warranties
4	Conditions to Acceptance of Energy
5	Term and Operation Date
6	Purchase and Sale of Net Energy
7	Purchase Price and Method of Payment
8	Environmental Attributes
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12	Reliability Management System
13	Indemnification and Insurance
14	Force Majeure
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16	Several Obligations
17	Waiver
18	Choice of Laws and Venue
19	Disputes, Defaults and Remedies
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21	Successors and Assigns
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26	Severability
27	Counterparts
28	Entire Agreement Signatures

Appendix A

Appendix B

Appendix C
Appendix D
Appendix E

ENERGY SALES AGREEMENT
NON INTERMITTENT RESOURCE
(10 MW or Less)

Project Number: _____

THIS AGREEMENT, entered into on this _____ day of _____ 20__ between _____, a _____ company (Seller), and IDAHO POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as “Parties” or individually as “Party.”

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 “Annual Net Energy Amount” – Net Energy that the Seller estimates the Facility will produce and the Transmitting Entity will deliver to Idaho Power at the Point of Delivery for one Contract Year. The Seller shall use all available information (equipment characteristics, resource characteristics and data, Facility design, etc) to accurately estimate the Annual Net Energy Amount. This Annual Net Energy Amount as specified in paragraph 6.2 will be used to calculate the Shortfall Energy quantities within this Agreement.
- 1.2 “Cash Escrow Security” – Has the meaning set out in paragraph 4.1.6.1.
- 1.3 “Commission” - The Oregon Public Utility Commission.

- 1.4 “Contract Year” - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.5 “Default Security” - A dollar amount computed by the annual On Peak Hours multiplied by the (On peak price less Off Peak price) multiplied by Annual Net Energy Amount divided by 8,760 where the On Peak price and Off Peak price are the applicable prices specified in Appendix E.
- 1.6 “Designated Dispatch Facility” - Idaho Power’s Systems Operations Group, or any subsequent group designated by Idaho Power
- 1.7 “Facility” - That electric generation facility described in Appendix B of this Agreement.
- 1.8 “First Energy Date” - The day commencing at 0001 hours, Mountain Time, following the day that Seller has satisfied the requirements of Article IV and the Seller begins delivering energy to Idaho Power’s system at the Point of Delivery.
- 1.9 “Idaho Power Electrical System Control Area” or “Control Area” – The geographical area of integrated transmission and generation controlled by Idaho Power for which Idaho Power is responsible for scheduling interchanges with other control areas and balancing supply and demand within the area. The Control Area may include physical locations and/or electrical systems not served or owned by Idaho Power, but which are dependant upon Idaho Power’s operation of its generation and transmission to balance supply and demand.
- 1.10 “Intermittent Resource” – a Facility that produces electrical energy from the use of wind, solar or run of river hydro as the prime mover.
- 1.11 “Letter of Credit Security” – Has the meaning set out in paragraph 4.1.6.2.
- 1.12 “Losses” – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility’s energy is metered and the point the Facility’s energy is delivered to the Idaho Power electrical system by the Transmitting Entity. The loss calculation formula will be as specified in Appendix B of this Agreement.
- 1.13 “Material Breach” – A Default (paragraph 19.2.1) subject to paragraph 19.2.2.

- 1.14 “Mid-Columbia Market Energy Cost” – 82.4% of the monthly arithmetic average of the Intercontinental Exchange (“ICE”) daily firm Mid-C Peak Avg and Mid-C Off-Peak Avg reported prices.

The actual calculation being:

$$.824 * \left(\sum_{X=1}^n \{(\text{ICE Mid-C Peak Avg}_x * \text{On-Peak hours for day}) + (\text{ICE Mid-C Off-Peak Avg}_x * \text{Off-Peak hours for day})\} / (n*24) \right)$$

where n = number of days in the month

- If the ICE Mid-Columbia Index reporting is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the ICE Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and a commonly used index by the electrical industry.
- 1.15 “Maximum Capacity” - The maximum capacity (MW) of the Facility will be as specified in Appendix B of this Agreement.
- 1.16 “Nameplate Capacity” – The full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperers, kilowatts, volts or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.
- 1.17 “Net Energy” – Electric energy produced by the Facility, less Station Use and Losses, expressed in kilowatt hours (kWh), which the Transmitting Entity delivers to Idaho Power, that is less than or equal to the Nameplate Capacity. Seller commits to deliver all energy produced by the Facility, less Station Use, and Losses, to the Transmitting Entity for delivery by the Transmitting Entity to Idaho Power at the Point of Delivery for the full term of the Agreement.
- 1.18 “Off-Peak Hours” – The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

- 1.19 “On-Peak Hours” – The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.20 “Operation Date” – The day commencing at 0001 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.21 “Point of Delivery” – The location specified in Appendix B, where the Transmitting Entity delivers the Facility’s Net Energy to the Idaho Power electrical system.
- 1.22 “Prudent Electrical Practices” – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.
- 1.23 “Schedule 85” – Idaho Power’s Oregon Tariff No E-27, Schedule 85 in effect as of the effective date of this Agreement.
- 1.24 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date.
- 1.25 “Season” – The three periods identified in Schedule 85.
- 1.26 “Senior Lien” – Has the meaning set out in paragraph 4.1.6.3.
- 1.27 “Shortfall Energy” – (1) Prior to the Operation Date - Shortfall Energy shall be equal to the Annual Net Energy Amount specified in paragraph 6.2 divided by 365, multiplied by the number of days past the Scheduled Operation Date when the Operation Date is achieved less 30 days, less Surplus Energy. If this calculation results in a value less than 0 then the result shall be 0 and (2) After the Operation Date - Shortfall Energy shall be equal to the difference (kWh) between the actual annual Net Energy delivered to Idaho Power for a specific Contract Year and the Annual Net Energy Amount specified in paragraph 6.2 of this Agreement for the same Contract Year.
- 1.28 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility.
- 1.29 “Step-In Rights” – Has the meaning set out in paragraph 4.1.6.4.

- 1.30 “Surplus Energy” – (1) All Net Energy produced by the Seller’s Facility and delivered by the Transmitting Entity to the Idaho Power electrical system that exceeds the Nameplate Capacity of the Facility but is less than the Maximum Capacity of the Facility. Deliveries above the Facility’s Nameplate Capacity solely for the purpose of accommodating hourly scheduling in whole MWs by a third party transmission provider shall not be considered to be Surplus Energy as described within this paragraph 1.30 item 1 or (2) All Net Energy produced by the Seller’s Facility and delivered by the Transmitting Entity to the Idaho Power electrical system prior to the Operation Date and is less than the Maximum Capacity of the Facility.
- 1.31 “Total Cost of the Facility” - The total cost of structures, equipment and appurtenances.
- 1.32 “Transmitting Entity” - The signatory(s) (other than the Seller) to the Transmission Agreement referred to in paragraph 9.1 and its successors and assigns.

ARTICLE II: NO RELIANCE ON IDAHO POWER

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

ARTICLE III: WARRANTIES

- 3.1 No Warranty by Idaho Power - Any review, acceptance or failure to review Seller’s design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho

Power and Idaho Power makes no warranties, expressed or implied, regarding any aspect of Seller's design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

3.2 Qualifying Facility Status - Seller warrants that the Facility is a "Qualifying Facility," as that term is used and defined in 18 CFR 292.201 et seq. Seller's failure to maintain the Facility and operations of the Facility in a manner consistent with the initial Qualifying Facility certificate will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.

3.2.1 If Idaho Power's obligation to purchase energy from a "Qualifying Facility," as that term is defined in 18 CFR 292.201 et seq. or ORS 758.505(8), is repealed or otherwise terminated, this Agreement will remain in full force and effect unless state or federal law mandates termination of this Agreement.

3.3 FERC License (*only applies to hydro projects*) - Seller warrants that Seller possesses a valid license or exemption from licensing from the Federal Energy Regulatory Commission ("FERC") for the Facility. Seller recognizes that Seller's possession and retention of a valid FERC license or exemption is a material part of the consideration for Idaho Power's execution of this Agreement. Seller will take such steps as may be required to maintain a valid FERC license or exemption for the Facility during the term of this Agreement, and Seller's failure to maintain a valid FERC license or exemption will be a material breach of this Agreement.

3.4 Eligibility for Standard Rates and Contract

3.4.1 Initial Qualification - Seller warrants that the Seller's Facility meets the definitions contained in Appendix D, "Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract" of this Agreement approved by the Commission at the time this Agreement is executed and is therefore eligible for standard rates and the standard contract. Upon request from Idaho Power, the Seller will provide Idaho Power with documentation verifying the ownership,

management and financial structure of the Facility in reasonably sufficient detail to allow Idaho Power to make an initial determination of whether or not the Facility meets the described criteria for entitlement to the standard rates and standard contract as defined in Appendix D.

- 3.4.2 Ongoing Qualification - Seller warrants that the Seller will not make any changes in its ownership, control or management during the term of this Agreement that would cause it to be ineligible for standard rates and a standard contract in compliance with the Appendix D approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by Idaho Power not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller's continued compliance with the Definition in Appendix D. Idaho Power agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except Idaho Power will provide all such confidential information to the Public Utility Commission of Oregon upon the Commission's request.
- 3.4.3 Qualification Dispute - Any dispute concerning a Seller's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.
- 3.4.4 Seller warrants that the Facility is **not** an Intermittent Resource.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

- 4.1 Prior to the First Energy Date and as a condition of Idaho Power's acceptance of deliveries of energy from the Seller, Seller shall:
- 4.1.1 Submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.201 et seq.
- 4.1.2 Nameplate Capacity Determination - Submit to Idaho Power such data as Idaho Power

may reasonably require to confirm the manufacturer's Nameplate Capacity rating and the Maximum Capacity rating of the Facility. Such data will include but not be limited to, equipment specifications, power factor assumptions, and any other data that would allow Idaho Power to verify the generating capacity and the manufacturer's nameplate rating of this Facility. Upon receipt of this information, Idaho Power will review the provided data and if necessary, request additional data to complete the verification process within a reasonable time.

- 4.1.3 Engineer's Certifications - Submit an executed Engineer's Certification of Design & Construction Adequacy and an Engineer's Certification of Operations and Maintenance (O&M) Policy. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.
- 4.1.4 Insurance - Submit written proof to Idaho Power of all insurance required in Article XIII.
- 4.1.5 Transmission Agreement - Provide Idaho Power with a copy of (1) the Transmission Agreement executed by the Seller and the Transmitting Entity in a form acceptable to Idaho Power and (2) confirmation that the Idaho Power delivery business unit has agreed to accept the Net Energy deliveries at the Point of Delivery in an amount up to the Maximum Capacity Amount. Idaho Power's acceptance will not be unreasonably withheld.
- 4.1.6 Security Requirements – Provide Idaho Power with commercially reasonable representations and warranties and other documentation to determine the Seller's creditworthiness. Such documentation would include, at a minimum, that the Seller is current on existing debt obligations and has not been a debtor in a bankruptcy preceding within the preceding two years. Upon receipt of this information, Idaho Power will review the provided data and, if necessary, request additional data and/or will provide written confirmation or rejection of the provided data within a reasonable time. In lieu of providing evidence of acceptable creditworthiness, the Seller may provide Idaho Power

with commercially reasonable security instruments such as Letter of Credit, Senior Lien Rights, Step-In-Rights, Cash Escrow Security as those terms are defined in this Agreement or other forms of liquid financial security that would provide readily available cash to Idaho Power in the Event of a Default under this Agreement. The value of these security instruments shall at the minimum be equal to the Default Security as defined in paragraph 1.5 of this Agreement.

4.1.6.1 Cash Escrow Security - Seller shall deposit funds in an escrow account established by Idaho Power in a banking institution acceptable to both Parties equal to, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

4.1.6.2 Letter of Credit Security - Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to Idaho Power in its discretion, or (b) a Letter of Credit in favor of Idaho Power. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.

4.1.6.3 Senior Lien - Before the Scheduled Operation Date, Seller shall grant Idaho Power a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to Idaho Power in the reasonable exercise of its discretion). Pending delivery of the senior lien to Idaho Power, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to Idaho

Power's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

4.1.6.4 Step-in Rights (Operation by Idaho Power Following Event of Default of Seller).

4.1.6.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in paragraph 19.2, Idaho Power shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to Idaho Power's right under this paragraph 4.1.6.4.

4.1.6.4.2 Idaho Power shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of Idaho Power's rights under this paragraph 4.1.6.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Prudent Electrical Practices. Upon such notice, Idaho Power, its employees, contractors, or designated third parties shall have the unrestricted right to enter

the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints Idaho Power as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as Idaho Power may reasonably deem necessary or appropriate to exercise Idaho Power's step-in rights under this paragraph 4.1.6.4.

4.1.6.4.3 During any period that Idaho Power is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

4.1.6.4.4 During any period that Idaho Power is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and Idaho Power shall assume possession, operation, and control solely as agent for Seller.

a) In the event Idaho Power is in possession and control of the Facility for an interim period, Seller shall resume operation and Idaho Power shall relinquish its right to operate when Seller demonstrates to Idaho Power's reasonable satisfaction that it will remove those grounds that originally gave rise to Idaho Power's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of Seller which allowed Idaho Power to exercise its rights under this paragraph 4.1.6.4.

b) In the event that Idaho Power is in possession and control of

the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and Idaho Power shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

4.1.6.4.5 Idaho Power's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by Idaho Power of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility Idaho Power elects to return such possession and operation to Seller, Idaho Power shall provide Seller with at least fifteen (15) calendar days advance notice of the date Idaho Power intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

4.1.7 Written Acceptance – Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller's request and will not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of _____ (*not to exceed 20 years*) Contract Years from the Operation Date.

5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the

following:

- a) Achieved the First Energy Date.
- b) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner.
- c) Seller has requested an Operation Date from Idaho Power in a written format.
- d) Seller has received written confirmation from Idaho Power of the Operation Date.

This confirmation will not be unreasonably withheld by Idaho Power.

- 5.3 If the Seller fails to achieve the Operation Date within 30 days of the Scheduled Operation Date, Seller will reimburse Idaho Power for any Shortfall Energy Repayment Amount accruing from 30 days following the Scheduled Operation Date until the Seller achieves the Operation Date. Such reimbursement shall be determined in the manner described in Article VII of this Agreement.
- 5.4 Seller's failure to achieve the Operation Date within ten (10) months of the Scheduled Operation Date will be an Event of Default.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

- 6.1 Delivery and Acceptance of Net Energy - Except when either Party's performance is excused as provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy produced by the Facility and delivered by the Transmitting Entity to Idaho Power at the Point of Delivery.
- 6.2 Annual Net Energy Amount - Seller intends to produce and Transmitting Entity shall deliver Net Energy in the following annual amount:

6.2.1 Annual Net Energy Amount: _____ kWh.

6.2.2 Seller's Adjustment of Annual Net Energy Amounts –

6.2.2.1 No later than the Scheduled Operation Date, by written notice given to Idaho Power in accordance with paragraph 24.1, the Seller may revise the previously provided Annual Net Energy Amount.

6.2.2.2 At any time, by written notice given to Idaho Power in accordance with paragraph 24.1, Seller may revise the previously provided Annual Net Energy

Amount, beginning with the next calendar year for the remaining term of the agreement.

- 6.3 Unless excused by an event of Force Majeure, Seller's failure to deliver Net Energy in any two consecutive Contract Years in an amount equal to at least ten percent (10%) of the Annual Net Energy Amount specified in paragraph 6.2 shall constitute an Event of Default.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

- 7.1 Net Energy Purchase Price – For the first fifteen (15) Contract Years the Seller shall be paid the On-Peak and Off-Peak prices applicable to the Facility resource type as specified in Schedule 85 and included as Appendix E of this Agreement for Net Energy deliveries during On Peak or Off Peak hours. For all Net Energy delivered to Idaho Power after the first fifteen (15) Contract Years and for the remaining term of this Agreement, the Seller has selected Option _____ from Schedule 85 as the basis for determining the purchase price. The Net Energy Purchase Price shall be calculated as specified in Schedule 85 resulting in an On-Peak and Off-Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On-Peak and Off-Peak Hours.
- 7.2 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller 85% of the Mid-Columbia Market Energy Cost or the Off-Peak Net Energy Purchase Price as specified in Appendix E, whichever is lower.
- 7.3 Increase in Nameplate Capacity - If the Seller increases the Nameplate Capacity of the Seller's Facility as a result of increased prime mover, refurbishing equipment, upgrading equipment, reconfiguration of equipment, operation modifications, or by any means other than installing additional generation units, then the Nameplate Capacity as defined in paragraph 1.16 shall be revised to match this increased Nameplate Capacity rating. If the increase in Nameplate Capacity results in the Nameplate Capacity of the Facility exceeding 10 MW, then the on a going-forward basis Idaho Power shall pay Seller the Net Energy Price specified in Section 7.1 for the fraction of total Net Energy delivered equal to 10,000 kW divided by the Nameplate Capacity of the

upgraded Facility. For the remaining fraction of Net Energy Idaho Power Company and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Nameplate Capacity or the maximum instantaneous capacity of the Facility complies with Seller's Interconnection Agreement, Transmission Agreement and any other relevant agreements.

7.4 Shortfall Energy Repayment Price –

7.4.1 Price to be applied to all Shortfall Energy that occurs prior to the Operation Date - If the current day's Market Energy Cost is greater than the applicable Net Energy Purchase Price that would have been paid to the Seller for energy delivered to Idaho Power on that day if the Facility had achieved its Operation Date, the Shortfall Energy Repayment Price will be determined by subtracting the current day's Market Energy Cost from the current day's Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the current day's Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current day's Net Energy Purchase Price.

7.4.2 Price to be applied to all Shortfall Energy that occurs after the Operation Date has been established for this Facility - If the weighted average of the daily Market Energy Costs for the current Contract Year is greater than the current Contract Year's average Net Energy Purchase Price, (total Contract Year's actual energy payments divided by the total Contract Year's actual energy deliveries) the Shortfall Energy Repayment Price will be determined by subtracting the weighted average of the daily Market Energy Costs for the current Contract Year from the current Contract Year's average Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the current Contract Year's average Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current Contract Year's average Net Energy Purchase Price.

7.5 Shortfall Energy Repayment Amount –

7.5.1 Amount due for Shortfall Energy that occurs prior to the Operation Date - An accumulation of each day's Shortfall Energy multiplied by the Shortfall Energy Repayment Price for each day of the preceding month.

7.5.2 Amount due for Shortfall Energy that occurs after the Operation Date has been established for this Facility - Current year's Shortfall Energy multiplied by the Shortfall Energy Repayment Price.

7.6 Shortfall Energy Repayment Schedule –

7.6.1 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy prior to the Operation Date – No later than 15 days following the end of each month, Idaho Power will calculate the previous month's Shortfall Energy Repayment Amount. The Seller shall pay any Shortfall Energy Repayment Amounts to Idaho Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.

7.6.2 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy after the Operation Date has been established for this Facility - No later than 30 days following the end of a Contract Year, Idaho Power will calculate the previous Contract Year's Shortfall Energy Repayment Amount. The accumulated Shortfall Energy Repayment Amount will then be offset in equal monthly amounts against the next 36 monthly Net Energy payments to the Seller. An annual interest rate of 7.8% will be applied to the unamortized balance of the accumulated Shortfall Energy Repayment Amount at the end of each month. The Seller may at any time pay Idaho Power the outstanding balance of the accumulated Shortfall Energy Repayment Amount, including any interest that has accumulated. Within 10 business days of the date of termination of this Agreement, Idaho Power will calculate any Shortfall Energy Repayment Amount due to Idaho Power, including any unpaid balances from previous Contract Years and any Shortfall Energy Repayment Amount due for the most recent Contract Year. The Seller shall pay any unpaid prior Contract Year's Shortfall Energy Repayment Amount to Idaho

Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.

- 7.7 Payment Due Date – Energy payments to the Seller will be disbursed within 30 days of the date which Idaho Power receives and accepts the documentation of the monthly Net Energy actually produced by the Seller’s Facility and delivered to Idaho Power as specified in Appendix A.

ARTICLE VIII: ENVIRONMENTAL ATTRIBUTES

- 8.1 Idaho Power waives any claim to ownership of Environmental Attributes. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) directly associated with the production of energy from the Seller’s Facility.

ARTICLE IX: TRANSMISSION AGREEMENT

- 9.1 Transmission Agreement - The Seller will arrange and pay for the delivery of Net Energy over the facilities of the Transmitting Entity(s) (XXXXXX) to the Point of Delivery. The delivery of Net Energy from the Facility to the Idaho Power Point of Delivery shall be in accordance with the terms and conditions of a Transmission Agreement between the Seller and the Transmitting Entities.
- 9.2 Acceptance of Transmission Agreement - This Agreement is expressly conditioned and contingent upon Idaho Power’s acceptance of the Transmission Agreement. Such acceptance will not be unreasonably withheld. A default by Seller under the Transmission Agreement will be a Material Default under this Agreement.
- 9.3 Losses - Idaho Power will only purchase the Net Energy that is delivered by the Transmitting Entity to Idaho Power at the Point of Delivery. Losses will be calculated as provided in Appendix B of this Agreement.
- 9.4 Required Transmission Agreement provisions for Facilities not located within the Idaho Power Electrical System Control Area –

If the Facility is not located within the Idaho Power Electrical System Control Area, the following requirements must be contained within the Transmission Agreement (s);

- 9.4.1 Scheduling and delivery of Net Energy – The Transmission Agreement shall include provisions that require the Transmitting Entity(s) to schedule and deliver the Facility’s energy to Idaho Power in accordance with industry standard Western Electricity Coordinating Council (WECC) scheduling processes and procedures.
- 9.4.2 Energy Reserve Requirements – The Transmitting Entity(s) will provide all generation reserves as required by the WECC and/or as required by any other governing agency or industry standard to deliver the Net Energy to the specified Point(s) of Delivery.
- 9.4.3 Documentation – Seller and/or the Transmitting Entity will provide Idaho Power with monthly documentation in a form acceptable to Idaho Power showing the amount of energy scheduled and delivered to Idaho Power on an hourly bases.

ARTICLE X: RECORDS

- 10.1 Maintenance of Records - Seller shall maintain at the Facility or such other location mutually acceptable to the Parties adequate total generation (kWh), Net Energy, Station Use and maximum generation (kW) records in a form and content recommended by Idaho Power.
- 10.2 Inspection - Either Party, after reasonable notice to the other Party, shall have the right, during normal business hours, to inspect and audit any or all generation (kWh), Net Energy, Station Use and maximum generation (kW) records pertaining to the Seller's Facility.

ARTICLE XI: OPERATIONS

- 11.1 Communications - Idaho Power, the Transmitting Entity and the Seller shall maintain appropriate operating communications through Idaho Power’s Designated Dispatch Facility in accordance with Appendix A of this Agreement.

- 11.2 Energy Acceptance –Idaho Power shall be excused from accepting and paying for Net Energy produced by the Facility and delivered by the Transmitting Entity on behalf of the Seller to the Point of Delivery, if it is prevented from doing so by an event of Force Majeure, or if Idaho Power determines that curtailment, interruption or reduction of Net Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, electrical system operating conditions on its system or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of Force Majeure, Idaho Power requires such a curtailment, interruption or reduction of Net Energy deliveries for a period that exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amounts specified in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.
- 11.3 Scheduled Maintenance – On or before January 31 of each calendar year, Seller shall submit a written proposed maintenance schedule of significant Facility and/or Transmitting Entity maintenance for that calendar year and Idaho Power, Seller and the Transmitting Entity shall mutually agree as to the acceptability of the proposed schedule. The Parties' determination as to the acceptability of the Seller's timetable for scheduled maintenance will take into consideration Prudent Electrical Practices, Idaho Power system requirements and the Seller's preferred schedule. Neither Party shall unreasonably withhold acceptance of the proposed maintenance schedule.
- 11.4 Maintenance Coordination - The Seller, Idaho Power and the Transmitting Entity shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.
- 11.5 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller and/or the Transmitting Entity prior to exercising its rights to curtail, interrupt or reduce deliveries from the Transmitting Entity from the Seller's Facility. Seller and the Transmitting Entity understand that, in the case of emergency circumstances, real time operations of the

electrical system, and/or unplanned events Idaho Power may not be able to provide notice to the Seller or the Transmitting Entity prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.

- 11.6 Increase in Nameplate Capacity – If the Seller increases the Nameplate Capacity of the Sellers Facility as described in paragraph 7.3 of this agreement to be greater than the Maximum Capacity originally provided by the Seller, the Seller must provide Idaho Power with verifiable documentation from both the Transmitting Entity and the Idaho Power delivery business unit that clearly indicates that the Transmitting Entity is capable and willing to deliver the increased quantity of energy to Idaho Power and that the Idaho Power delivery business unit is able to accept the increased quantity of energy at the designated Point of Delivery. This documentation must be accepted and approved by Idaho Power prior to the Transmitting Entity delivering any energy to Idaho Power that exceeds the original Maximum Capacity as established within this Agreement.

ARTICLE XII: RELIABILITY MANAGEMENT SYSTEM

If the Facility is not located within the Idaho Power Electrical System Control Area, the Seller will be required to comply with the Reliability Management processes of the control area operator having control of the specific location of the Facility and this Article XII will not apply. If the Facility is located within the Idaho Power Control Area, the Seller is required to comply with the following:

- 12.1 Purpose. In order to maintain the reliable operation of the transmission grid, the WECC Reliability Criteria Agreement sets forth reliability criteria adopted by the WECC to which Seller and Idaho Power shall be required to comply. Seller acknowledges receipt of and understanding of the WECC Reliability Criteria Agreement and how it pertains to the Seller's Facility.
- 12.2 Compliance. Seller shall comply with the requirements of the WECC Reliability Criteria Agreement, including the applicable WECC reliability criteria set forth in Section IV of Annex A thereof, and, in the event of failure to comply, Seller agrees to be subject to the sanctions applicable to such failure. Such sanctions shall be assessed pursuant to the procedures contained

in the WECC Reliability Criteria Agreement. Each and all of the provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Article XII as though set forth fully herein, and Seller shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WECC Reliability Criteria Agreement, including, but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WECC Reliability Criteria Agreement.

- 12.3 Payment of Sanctions. Seller shall be responsible for reimbursing Idaho Power for any monetary sanctions assessed against Idaho Power by WECC due to the action or inaction of the Seller, pursuant to the WECC Reliability Criteria Agreement. Seller also shall be responsible for payment of any monetary sanction assessed against the Seller by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.
- 12.4 Transfer of Control or Sale of Generation Facilities. In any sale or transfer of control of any generation facilities subject to this Agreement, Seller shall, as a condition of such sale or transfer, require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Seller with respect to this Agreement or to enter into an agreement with Idaho Power imposing on the acquiring party or transferee the same obligations applicable to the Seller pursuant to this Article XII.
- 12.5 Publication. Seller consents to the release by the WECC of information related to the Seller's compliance with this Agreement only in accordance with the WECC Reliability Criteria Agreement.
- 12.6 Third Parties. Except for the rights and obligations between the WECC and the Seller specified in this Article XII, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WECC: (a) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (b) any duty or standard of care whatsoever. In addition, nothing in this

Agreement shall create any duty, liability or standard of care whatsoever as to any other party.

Except for the rights, as a third-party beneficiary under this Article XII, of the WECC against the Seller for the Seller, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Idaho Power and the Seller expressly intend that the WECC is a third-party beneficiary to this Article XII, and the WECC shall have the right to seek to enforce against the Seller any provision of this Article XII, provided that specific performance shall be the sole remedy available to the WECC pursuant to Article XII of this Agreement, and the Seller shall not be liable to the WECC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WECC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.

12.7 Reserved Rights. Nothing in the Article XII of this Agreement or the WECC Reliability Criteria Agreement shall affect the right of Idaho Power, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection that Idaho Power may otherwise be entitled to take.

12.8 Termination of Article XII. Seller may terminate its obligations pursuant to this Article XII:

12.8.1 If after the effective date of this Article XII, the requirements of the WECC Reliability Criteria Agreement applicable to the Seller are amended so as to adversely affect the Seller, provided that the Seller gives fifteen (15) days' notice of such termination to Idaho Power and WECC within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Seller for an additional forty-five (45) days if the Seller gives written notice to Idaho Power of such requested extension within the initial forty-five (45) day period; or

12.8.2 For any reason on one year's written notice to Idaho Power and the WECC.

ARTICLE XIII: INDEMNIFICATION AND INSURANCE

13.1 Indemnification - Each Party shall agree to hold harmless and to indemnify the other Party, its

officers, directors, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

13.2 Insurance -

13.2.1 If the Facility's Nameplate Capacity as determined in paragraph 1.16 of this Agreement is greater than 200 kW, the Seller shall secure and continuously carry the following insurance coverage:

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

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

- (a) An endorsement naming Idaho Power as an additional insured and loss payee as applicable; and
- (b) A provision stating that such policy shall not be canceled or the limits of liability reduced without sixty (60) days' prior written notice to Idaho Power.

13.2.1.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.4 herein and annually thereafter, Seller shall furnish Idaho Power a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.

13.2.1.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage

required by paragraph 13.2 shall lapse for any reason, Seller will immediately notify Idaho Power in writing. The notice will advise Idaho Power of the specific reason for the lapse and the steps Seller is taking to reinstate the coverage. Failure to provide this notice and to expeditiously reinstate or replace the coverage will constitute a Material Breach of this Agreement.

ARTICLE XIV: FORCE MAJEURE

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

- (1) The non-performing Party shall, as soon as is reasonably possible after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence.
- (2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure.
- (3) No obligations of either Party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

ARTICLE XV: LIABILITY; DEDICATION

- 15.1 Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or entity.

ARTICLE XVI: SEVERAL OBLIGATIONS

- 16.1 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XVII: WAIVER

- 17.1 Any waiver at any time by either Party of its rights with respect to a Default under this Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent Default or other matter.

ARTICLE XVIII: CHOICE OF LAWS AND VENUE

- 18.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Oregon without reference to its choice of law provisions.
- 18.2 Venue for any litigation arising out of or related to this Agreement will lie in the District Court of the Ninth Judicial District of Oregon in and for the County of Malheur.

ARTICLE XIX: DISPUTES, DEFAULTS AND REMEDIES

- 19.1 Disputes - All disputes related to or arising under this Agreement, including, but not limited to, the interpretation of the terms and conditions of this Agreement, will be submitted to the Commission for resolution.
- 19.2 Notice of Default -
- 19.2.1 Defaults. If either Party fails to perform any of the terms or conditions of this Agreement (an “Event of Default” or “Default”), the nondefaulting Party shall cause notice in writing to be given to the defaulting Party, specifying the manner in which such Default occurred. If the defaulting Party shall fail to cure such Default within the sixty (60) days after service of such notice, or if the defaulting Party reasonably demonstrates to the other Party that the Default can be cured within a commercially reasonable time but not within such sixty (60) day period and then fails to diligently pursue such cure, then, the nondefaulting Party may, at its option, terminate this Agreement and/or pursue its legal or equitable remedies.
- 19.2.2 Material Breaches – The notice and cure provisions in paragraph 19.2.1 do not apply to Defaults identified in this Agreement as Material Breaches. Material Breaches must be cured as expeditiously as possible following occurrence of the breach.
- 19.3 Security for Performance - Prior to the Operation Date and thereafter for the full term of this Agreement, Seller will provide Idaho Power with the following:
- 19.3.1 Insurance - Evidence of compliance with the provisions of paragraph 13.2. If Seller fails to comply, such failure will be a Material Breach and may only be cured by Seller supplying evidence that the required insurance coverage has been replaced or reinstated;
- 19.3.2 Engineer’s Certifications - Every three (3) years after the Operation Date, Seller will supply Idaho Power with a Certification of Ongoing Operations and Maintenance (O & M) from a Registered Professional Engineer licensed in the State of Oregon, which Certification of Ongoing O & M shall be in the form specified in Appendix C. Seller’s failure to supply the required certificate will be an Event of Default. Such a Default may only be cured by Seller providing the required certificate; and

19.3.3 Licenses and Permits - During the full term of this Agreement, Seller shall maintain compliance with all permits and licenses described in paragraph 4.1.1 of this Agreement. In addition, Seller will supply Idaho Power with copies of any new or additional permits or licenses. At least every fifth Contract Year, Seller will update the documentation described in paragraph 4.1.1. If at any time Seller fails to maintain compliance with the permits and licenses described in paragraph 4.1.1 or to provide the documentation required by this paragraph, such failure will be an Event of Default and may only be cured by Seller submitting to Idaho Power evidence of compliance from the permitting agency.

19.3.4 Security Requirements – During the full term of this Agreement, Seller shall maintain the Security Requirements established in accordance with paragraph 4.1.6. Failure to maintain these Security Requirements will be a Material Breach of this Agreement.

19.3.4.1 If the Seller fails to maintain the Security Requirements as specified in paragraph 19.3.4 and it is deemed the Seller is in Material Breach of this Agreement, if the Material Breach is a result of the Seller defaulting on a Facility construction loan, the Seller shall provide Idaho Power notice of the Facility construction loan default. Idaho Power may require the Seller to provide Default Security to remedy this Material Breach. Upon notice from Idaho Power to the Seller requiring the Seller to provide Default Security to remedy this Material Breach, within 10 business days of said notice, the Seller may provide Idaho Power evidence for review that the Seller has negotiated satisfactory financial arrangements with the construction loan lender that mitigates the Seller's financial risk. Upon review of the Seller's provided documentation, if Idaho Power determines that the negotiated financial arrangements satisfactorily mitigates the Seller's financial risk, Idaho Power will deem this Material Breach to be cured. If Idaho Power determines that the provided documentation does not provide evidence that

the Seller's risk has been satisfactorily mitigated, the Seller will be required to provide Default Security within 5 business days of Idaho Power's notification that the Material Breach has not been cured.

19.3.5 Recoupment of Damages

19.3.5.1 Default Security Available. – If a Default has occurred and has not been cured and if the Seller has posted Default Security, Idaho Power may draw upon that security, in accordance with paragraph 19.2.1 to satisfy any damages.

19.3.5.2 Default Security Unavailable – If a Default has occurred and has not been cured and if Seller has not posted Default Security, or if Idaho Power has exhausted the Default Security, Idaho Power may collect any remaining amount owing by; (1) lump sum payment to Idaho Power by the Seller or (2) partially withholding future payments to the Seller over a reasonable period of time. Idaho Power and the Seller shall work together in good faith to establish the reasonable period and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operations of the Facility.

19.3.6 Termination

19.3.6.1 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement and the Seller or a party substantially the same as the Seller, subsequently seeks to enter into a new standard QF contract for this same Facility, then the new standard QF contract, shall run for the period that the original contract would have run, and shall contain the same terms, rates and conditions as the original Agreement.

19.3.6.2 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement, the Seller shall pay

Idaho Power damages equal to the positive difference, if any, obtained by subtracting the Net Energy Purchase Price from the projected forward Mid-Columbia Market Energy Cost for 24 months beginning with the next full month after the date of termination multiplied by the Annual Net Energy Amounts.

ARTICLE XX: GOVERNMENTAL AUTHORIZATION

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

ARTICLE XXI: SUCCESSORS AND ASSIGNS

- 21.1 This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, except that no assignment hereof by either Party shall become effective without the written consent of both Parties being first obtained. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, any party which Idaho Power may consolidate, or into which it may merge, or to which it may convey or transfer substantially all of its electric utility assets, shall automatically, without further act, and without need of consent or approval by the Seller, succeed to all of Idaho Power's rights, obligations and interests under this Agreement. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho Power shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXII: MODIFICATION

- 22.1 No modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission.

ARTICLE XXIII: TAXES

23.1 Each Party shall pay before delinquency all taxes and other governmental charges which, if failed to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXIV: NOTICES

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

To Seller: _____

To Idaho Power:

Original document to:

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

Copy of document to:

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

ARTICLE XXV: ADDITIONAL TERMS AND CONDITIONS

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

- Appendix A - Generation Scheduling and Reporting
- Appendix B - Facility and Point of Delivery
- Appendix C - Engineer's Certifications
- Appendix D - Definition of a Small Cogeneration Facility or Small Power Production Facility eligible to receive the standard rates and standard contract.
- Appendix E - Applicable Prices from Schedule 85

ARTICLE XXVI: SEVERABILITY

26.1 The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other terms or provisions and this Agreement shall be construed in all other respects as if the invalid or unenforceable term or provision were omitted.

ARTICLE XXVII: COUNTERPARTS

27.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXVIII: ENTIRE AGREEMENT

28.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be executed in their respective names on the dates set forth below:

Idaho Power Company

By

By

Dated

Dated

“Idaho Power”

“Seller”

APPENDIX A

A –1 MONTHLY POWER PRODUCTION AND SWITCHING REPORT FOR PROJECTS
LOCATED WITHIN THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA

At the end of each month, the following required documentation will be submitted to:

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

The Meter readings required on this report will be the reading on the Meter Equipment measuring the Facility's Net Energy delivered by the Transmitting Entity to the Idaho Power electrical system and/or any other required energy measurements to adequately administer this Agreement. If the Metering Equipment is not located at the point which is able to measure the exact energy deliveries to the Idaho Power electrical system, then the metered energy amounts will be adjusted to account for electrical Losses occurring between the metering point and the point which the energy is delivered to the Idaho Power electrical system.

Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND SWITCHING REPORT

Month _____ Year _____

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

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

Breaker Opening Record

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

*	<u>Reason</u>

Breaker Closing Record

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

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

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

Signature Date

A-2 ROUTINE REPORTING FOR PROJECTS WITHIN THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA.

Idaho Power Designated Dispatch Facility contact information

Daily Energy Production Reporting

All projects with a Nameplate Capacity of 1 MW or greater shall:

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

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

If Idaho Power determines that adequate generation data is available for this Facility's daily generation, Idaho Power may modify these reporting requirements

Planned and Unplanned Project outages

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

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

Seller's Contact Information

24-Hour Project Operational Contact

Name: _____
Telephone Number: _____
Cell Phone: _____

Project On-site Contact information

Telephone Number: _____

A-3 MONTHLY POWER PRODUCTION AND SWITCHING REPORT FOR PROJECTS
LOCATED OUTSIDE OF THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA.

- a.) The Transmitting Entity will schedule and deliver the Facility's Net Energy to the Idaho Power electrical system at the Point of Delivery in accordance with the electrical industry standard WECC scheduling and delivery processes. As specified in paragraph 9.4 the Seller and/or the Transmitting Entity shall provide Idaho Power with monthly documentation indicating the hourly energy scheduled and delivered to Idaho Power. This documentation will be reconciled with Idaho Power records of energy scheduled and received from this Facility. In the event a discrepancy exists between the Idaho Power records and the Seller / Transmitting Entity documents, Idaho Power records will be considered to be accurate until such time as Idaho Power, the Seller and the Transmitting Entity mutually agree on an adjustment to the Idaho Power records.
- b.) The Seller shall submit to Idaho Power a Monthly Power Production And Switching Report as specified in Appendix A-1 of this Agreement. The meter readings on this report shall be the meter readings at the actual Facility measuring the actual energy deliveries to Transmitting Entity at the Facility.

A-4 ROUTINE REPORTING FOR PROJECTS OUTSIDE OF THE IDAHO POWER
ELECTRICAL SYSTEM CONTROL AREA.

The Seller and Transmitting Entity shall maintain appropriate communications with the Idaho Power Designed Dispatch Facility in compliance with electric industry standard WECC energy scheduling processes and procedures.

APPENDIX B

FACILITY AND POINT OF DELIVERY

PROJECT NO. _____

B-1 DESCRIPTION OF FACILITY

B-2 LOCATION OF FACILITY

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected _____ as the estimated Scheduled First Energy Date.

Seller has selected _____ as the estimated Scheduled Operation Date.

In making these selections, Seller recognizes that adequate testing of the Facility and completion of all requirements in paragraph 5.2 of this Agreement must be completed prior to the project being granted an Operation Date.

B-4 MAXIMUM CAPACITY AMOUNT:

This value will be _____ MW. This value is the maximum energy (MW) that potentially could be delivered by the Seller's Facility to the Idaho Power electrical system at any moment in time and will be consistent with the designed capacity of the Facility.

B-5 POINT OF DELIVERY

_____ at the point on the Idaho Power electrical system where the Sellers Facility's Net energy is delivered by the Transmitting Entity to the Idaho Power electrical system.

B-6 LOSSES

- a. For Facilities within the Idaho Power Electrical System Control area - If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Transmitting Entity on behalf of the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated for this Facility. If the Idaho Power Metering is unable to measure the exact energy deliveries by the Transmitting Entity on behalf of the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss specifications, conductor sizes, etc) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at anytime during the term of this Agreement, Idaho Power determines that the loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power may adjust the calculation and retroactively adjust the previous months kWh loss calculations.
- b. For Facilities outside of the Idaho Power Electrical Control area - Idaho Power will only pay for Net Energy that is scheduled and delivered by the Transmitting Entity to the Point of Delivery. All energy Losses between the Facility and the Point of Delivery will be borne by either the Transmitting Entity or the Seller.

B-7 INTERCONNECTION FACILITIES

The Seller and Transmitting Entity shall construct, operate and maintain the Facility and all interconnection and protection equipment in accordance with Prudent Electrical Practices, the National Electric Safety Code and any other applicable local, state and federal codes

B-8 METERING AND TELEMETRY

- a. For Facilities located within the Idaho Power Electrical System Control Area

Metering Equipment - At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries by the Transmitting Entity to the Point of Delivery and any other energy measurements required to administer this Agreement.

Telemetry Equipment - At the minimum the Telemetry Equipment must be able to provide Idaho Power with continuous instantaneous telemetry of the Facility's energy deliveries to the Transmitting Entity. The Seller will arrange for and make available at Seller's cost, a communications circuit acceptable to Idaho Power, dedicated to Idaho Power's use to be used for load profiling and another communications circuit dedicated to Idaho Power's communication equipment for continuous telemetering of the Facility's energy deliveries to the Transmitting Entity to Idaho Power's Designated Dispatch Facility.

All costs including but not limited to actual equipment, installation, engineering, monthly communication circuit fees, operations and maintenance will be the responsibility of the Seller.

Exact details of the Metering and Telemetry equipment and specifications will need to be added to this appendix once more information becomes available in regards to the physical and electrical configuration at this site and the configuration of the interconnection at the Point of Delivery.

b. For Facilities located outside of the Idaho Power Electrical System Control Area

Metering Equipment - At the minimum the Metering Equipment must be able to provide and record hourly energy deliveries by the Facility to the Transmitting Entity and any other energy measurements required to administer this Agreement.

Telemetry Equipment – If Telemetry Equipment is required by the Transmitting Entity and the Transmitting Entity and Idaho Power determine that it is required that Idaho Power have access to the automated data. The Seller shall be responsible for all costs associated with providing the automated telemetry data to Idaho Power.

Exact details of the Metering and Telemetry equipment and specifications will need to be added to this appendix once more information becomes available in regards to the physical and electrical configuration at this site and the configuration of the interconnection at the Point of Delivery.

APPENDIX C

ENGINEER'S CERTIFICATION

OF

OPERATIONS & MAINTENANCE POLICY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and is hereinafter referred to as the "Project."
4. That the Project, which is commonly known as the _____, is located in Section _____, Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has reviewed and/or supervised the review of the Policy for Operation and Maintenance ("O&M") for this Project and it is his professional opinion that, provided said Project has been designed and built to appropriate standards, adherence to said O&M Policy will result in the

Project's producing at or near the design electrical output, efficiency and plant factor for a period of _____years.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself and _____ hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____, is located at _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. It is Engineer's professional opinion, based on the Project's appearance, that its ongoing O&M has been substantially in accordance with said O&M Policy; that it is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the remaining _____ years of the Agreement.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer", hereby states and certifies to Idaho Power as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement", between Idaho Power as Buyer, and _____ as Seller, dated _____, _____.
3. That the cogeneration or small power production project, which is the subject of the Agreement and this Statement, is identified as IPCo Facility No _____ and is hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ (____) year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project and has made the analysis of the plans and specifications independently.
8. That Engineer has reviewed the engineering design and construction of the Project, including the civil work, electrical work, generating equipment, prime mover conveyance system, Seller furnished Interconnection Facilities and other Project facilities and equipment.
9. That the Project has been constructed in accordance with said plans and specifications, all

applicable codes and consistent with Prudent Electrical Practices as that term is described in the Agreement.

10. That the design and construction of the Project is such that with reasonable and prudent operation and maintenance practices by Seller, the Project is capable of performing in accordance with the terms of the Agreement and with Prudent Electrical Practices for a _____ (_____) year period.

11. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, in interconnecting the Project with its system, is relying on Engineer's representations and opinions contained in this Statement.

12. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____
(P.E. Stamp)

Date _____

APPENDIX D

DEFINITION OF A SMALL COGENERATION FACILITY

OR

SMALL POWER PRODUCTION FACILITY

ELIGIBLE TO RECEIVE THE STANDARD RATES AND STANDARD CONTRACT

A Qualifying Facility (either a small power production facility or a cogeneration facility) (“QF”) will be eligible to receive the standard rates and standard contract if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, does not exceed 10 MW.

Definition of Person(s) or Affiliated Person(s):

As used above, the term “same person(s)” or “affiliated person(s)” means a natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. However, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Furthermore, except for independent family-owned or community-based facilities, two facilities will be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a “passive investor” whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a “passive investor” if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Definition of Same Site:

For purposes of the foregoing, generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Shared Interconnection and Infrastructure:

QFs otherwise meeting the above-described separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

APPENDIX E

COPY OF APPLICABLE PRICES FROM SCHEDULE 85

**OREGON STANDARD ENERGY
SALES AGREEMENT FOR
NON INTERMITTENT RESOURCE
OUT OF SERVICE TERRITORY**

REDLINE FORMAT

OREGON STANDARD
ENERGY SALES AGREEMENT
(Non Intermittent Resource)
BETWEEN
IDAHO POWER COMPANY
AND

(Includes Transmission Provisions)

TABLE OF CONTENTS

<u>Article</u>	<u>TITLE</u>
1	Definitions
2	No Reliance on Idaho Power
3	Warranties
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5	Term and Operation Date
6	Purchase and Sale of Net Energy
7	Purchase Price and Method of Payment
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~~29 Commission Investigation~~

Appendix A

Appendix B
Appendix C
Appendix D
Appendix E

ENERGY SALES AGREEMENT
NON INTERMITTENT RESOURCE
(10 MW or Less)

Project Number: _____

THIS AGREEMENT, entered into on this _____ day of _____ 20__ between _____, a _____ company (Seller), and IDAHO POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as “Parties” or individually as “Party.”

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 “Annual Net Energy Amount” – Net Energy that the Seller estimates the Facility will produce and the Transmitting Entity will deliver to Idaho Power at the Point of Delivery for one Contract Year. The Seller shall use all available information (equipment characteristics, resource characteristics and data, Facility design, etc) to accurately estimate the Annual Net Energy Amount. This Annual Net Energy Amount as specified in paragraph 6.2 will be used to calculate the Shortfall Energy quantities within this Agreement.
- 1.2 “Cash Escrow Security” – Has the meaning set out in paragraph 4.1.6.1.
- 1.3 “Commission” - The Oregon Public Utility Commission.

- 1.4 “Contract Year” - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.5 “Default Security” - A dollar amount computed by the annual $O_{on} P_{peak} H$ multiplied by the $(O_{on} peak price less O_{off} P_{peak} price)$ multiplied by Annual Net Energy Amount divided by 8,760 where the $O_{on} P_{peak} price$ and $O_{off} P_{peak} price$ are the applicable prices specified in Appendix E, the Schedule 85 option the Seller has selected in paragraph 7.1 of this Agreement
- 1.6 “Designated Dispatch Facility” - Idaho Power’s Systems Operations Group, or any subsequent group designated by Idaho Power
- 1.7 “Facility” - That electric generation facility described in Appendix B of this Agreement.
- 1.8 “First Energy Date” - The day commencing at 0001 hours, Mountain Time, following the day that Seller has satisfied the requirements of Article IV and the Seller begins delivering energy to Idaho Power’s system at the Point of Delivery.
- 1.9 “Idaho Power Electrical System Control Area” or “Control Area” – The geographical area of integrated transmission and generation controlled by Idaho Power for which Idaho Power is responsible for scheduling interchanges with other control areas and balancing supply and demand within the area. The Control Area may include physical locations and/or electrical systems not served or owned by Idaho Power, but which are dependant upon Idaho Power’s operation of its generation and transmission to balance supply and demand.
- 1.10 “Intermittent Resource” – a Facility that produces electrical energy from the use of wind, solar or run of river hydro as the prime mover.
- 1.11 “Letter of Credit Security” – Has the meaning set out in paragraph 4.1.76.2.
- 1.12 “Losses” – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility’s energy is metered and the point the Facility’s energy is delivered to the Idaho Power electrical system by the Transmitting Entity. The loss calculation formula will be as specified in Appendix B of this Agreement.
- 1.13 “Material Breach” – A Default (paragraph 19.2.1) subject to paragraph 19.2.2.

1.14 ~~“Mid-Columbia Market Energy Cost” – The weighted 82.4% of the monthly arithmetic average of the Intercontinental Exchange (“ICE”) daily on-peak and off-peak Dow Jones Mid-Columbia Index (Dow Jones firm Mid-C Index) Peak Avg and Mid-C Off-Peak Avg reported prices.~~

The actual calculation being:

$$\frac{.824 * \sum_{X=1}^n \{(\text{ICE Mid-C Peak Avg}_x * \text{On-Peak hours for non-firm energy-day}) + (\text{ICE Mid-C Off-Peak Avg}_x * \text{Off-Peak hours for day})\}}{(n*24)}$$

where n = number of days in the month

~~1.2~~ If the ~~Dow Jones~~ ICE Mid-Columbia Index ~~price~~ reporting is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the ~~Dow Jones~~ ICE Mid-Columbia Index. - The selected replacement index will be consistent with other similar agreements and a commonly used index by the electrical industry.

~~1.14 “Material Breach” – A Default (paragraph 19.2.1) subject to paragraph 19.2.2.~~

1.15 “Maximum Capacity” - The maximum capacity (MW) of the Facility will be as specified in Appendix B of this Agreement.

1.16 “Nameplate Capacity” – The full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperes, kilowatts, volts or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.

1.17 “Net Energy” – Electric energy produced by the Facility, less Station Use and Losses, expressed in kilowatt hours (kWh), which the Transmitting Entity delivers to Idaho Power, that is less than or equal to the Nameplate Capacity. Seller commits to deliver all energy produced by the Facility, less Station Use, and Losses, to the Transmitting Entity for delivery by the Transmitting Entity to Idaho Power at the Point of Delivery for the full term of the Agreement.

- 1.18 “Off-Peak Hours” – The daily hours from hour ending 2300 - 0600 Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.19 “On-Peak Hours” – The daily hours from hour ending 0700 – 2200 Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.20 “Operation Date” – The day commencing at 0001 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.21 “Point of Delivery” – The location specified in Appendix B, where the Transmitting Entity delivers the Facility’s Net Energy to the Idaho Power electrical system.
- 1.22 “Prudent Electrical Practices” – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.
- 1.23 “Schedule 85” – Idaho Power’s Oregon Tariff No E-27, Schedule 85 in effect as of the effective date of this Agreement.
- 1.24 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date.
- 1.25 “Season” – The three periods identified in Schedule 85.
- 1.26 “Senior Lien” – Has the meaning set out in paragraph 4.1.~~67~~.3.
- 1.27 “Shortfall Energy” – (1) Prior to the Operation Date - Shortfall Energy shall be equal to the Annual Net Energy Amount specified in paragraph 6.2 divided by 365, multiplied by the number of days past the Scheduled Operation Date when the Operation Date is achieved less 30 days, less Surplus Energy. If this calculation results in a value less than 0 then the result shall be 0 and (2) After the Operation Date - Shortfall Energy shall be equal to the difference (kWh) between the actual annual Net Energy delivered to Idaho Power for a specific Contract Year and the Annual Net Energy Amount specified in paragraph 6.2 of this Agreement for the same Contract Year.

- 1.28 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility.
- 1.29 “Step-In Rights” – Has the meaning set out in paragraph 4.1.6.4.
- 1.30 “Surplus Energy” – (1) All Net Energy produced by the Seller’s Facility and delivered by the Transmitting Entity to the Idaho Power electrical system that exceeds the Nameplate Capacity of the Facility but is less than the Maximum Capacity of the Facility. Deliveries above the Facility’s Nameplate Capacity solely for the purpose of accommodating hourly scheduling in whole MWs by a third party transmission provider shall not be considered to be Surplus Energy as described within this paragraph 1.30~~2~~ item 1 or (2) All Net Energy produced by the Seller’s Facility and delivered by the Transmitting Entity to the Idaho Power electrical system prior to the Operation Date and is less than the Maximum Capacity of the Facility.
- 1.31 “Total Cost of the Facility” - The total cost of structures, equipment and appurtenances.
- 1.32 “Transmitting Entity” - The signatory(s) (other than the Seller) to the Transmission Agreement referred to in paragraph 9.1 and its successors and assigns.

ARTICLE II: NO RELIANCE ON IDAHO POWER

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

ARTICLE III: WARRANTIES

3.1 No Warranty by Idaho Power - Any review, acceptance or failure to review Seller's design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho Power and Idaho Power makes no warranties, expressed or implied, regarding any aspect of Seller's design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

3.2 Qualifying Facility Status - Seller warrants that the Facility is a "Qualifying Facility," as that term is used and defined in 18 CFR 292.201 et seq. Seller's failure to maintain the Facility and operations of the Facility in a manner consistent with the initial Qualifying Facility certificate will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.

3.2.1 If Idaho Power's obligation to purchase energy from a "Qualifying Facility," as that term is defined in 18 CFR 292.201 et seq. or ORS 758.505(8), is repealed or otherwise terminated, this Agreement will remain in full force and effect unless state or federal law mandates termination of this Agreement.

3.3 FERC License (*only applies to hydro projects*) - Seller warrants that Seller possesses a valid license or exemption from licensing from the Federal Energy Regulatory Commission ("FERC") for the Facility. Seller recognizes that Seller's possession and retention of a valid FERC license or exemption is a material part of the consideration for Idaho Power's execution of this Agreement. Seller will take such steps as may be required to maintain a valid FERC license or exemption for the Facility during the term of this Agreement, and Seller's failure to maintain a valid FERC license or exemption will be a material breach of this Agreement.

3.4 Eligibility for Standard Rates and Contract

3.4.1 Initial Qualification - Seller warrants that the Seller's Facility meets the definitions contained in Appendix D, "Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Standard Rates and Standard Contract" of this

Agreement approved by the Commission at the time this Agreement is executed and is therefore eligible for standard rates and the standard contract. Upon request from Idaho Power, the Seller will provide Idaho Power with documentation verifying the ownership, management and financial structure of the Facility in reasonably sufficient detail to allow Idaho Power to make an initial determination of whether or not the Facility meets the described criteria for entitlement to the standard rates and standard contract as defined in Appendix D.

- 3.4.2 Ongoing Qualification - Seller warrants that the Seller will not make any changes in its ownership, control or management during the term of this Agreement that would cause it to be ineligible for standard rates and a standard contract in compliance with the Appendix D approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by Idaho Power not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller's continued compliance with the Definition in Appendix D. Idaho Power agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except Idaho Power will provide all such confidential information to the Public Utility Commission of Oregon upon the Commission's request.
- 3.4.3 Qualification Dispute - Any dispute concerning a Seller's entitlement to the standard rates and standard contract shall be presented to the Commission for resolution.
- 3.4.4 Seller warrants that the Facility is **not** an Intermittent Resource.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

- 4.1 Prior to the First Energy Date and as a condition of Idaho Power's acceptance of deliveries of energy from the Seller, Seller shall:
- 4.1.1 Submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities,

including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.201 et seq.

- 4.1.2 Nameplate Capacity Determination - Submit to Idaho Power such data as Idaho Power may reasonably require to confirm the manufacturer's Nameplate Capacity rating and the Maximum Capacity rating of the Facility. Such data will include but not be limited to, equipment specifications, power factor assumptions, and any other data that would allow Idaho Power to verify the generating capacity and the manufacturer's nameplate rating of this Facility. Upon receipt of this information, Idaho Power will review the provided data and if necessary, request additional data to complete the verification process within a reasonable time.
- 4.1.3 Engineer's Certifications - Submit an executed Engineer's Certification of Design & Construction Adequacy and an Engineer's Certification of Operations and Maintenance (O&M) Policy. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.
- 4.1.4 Insurance - Submit written proof to Idaho Power of all insurance required in Article XIII.
- 4.1.5 Transmission Agreement - Provide Idaho Power with a copy of (1) the Transmission Agreement executed by the Seller and the Transmitting Entity in a form acceptable to Idaho Power and (2) confirmation that the Idaho Power delivery business unit has agreed to accept the Net Energy deliveries at the Point of Delivery in an amount up to the Maximum Capacity Amount. Idaho Power's acceptance will not be unreasonably withheld.
- 4.1.6 Security Requirements - Provide Idaho Power with commercially reasonable representations and warranties and other documentation to determine the Seller's creditworthiness. Such documentation would include, at a minimum, that the Seller is current on existing debt obligations and has not been a debtor in a bankruptcy preceding within the preceding two years. Upon receipt of this information, Idaho Power will

review the provided data and, if necessary, request additional data and/or will provide written confirmation or rejection of the provided data within a reasonable time. In lieu of providing evidence of acceptable creditworthiness, the Seller may provide Idaho Power with commercially reasonable security instruments such as Letter of Credit, Senior Lien Rights, Step-In-Rights, Cash Escrow Security as those terms are defined in this Agreement or other forms of liquid financial security that would provide readily available cash to Idaho Power in the Event of a Default under this Agreement. The value of these security instruments shall at the minimum be equal to the Default Security as defined in paragraph 1.56 of this Agreement.

- 4.1.6.1 Cash Escrow Security - Seller shall deposit funds in an escrow account established by Idaho Power in a banking institution acceptable to both Parties equal to, the Default Security. Such sum shall earn interest at the rate applicable to money market deposits at such banking institution from time to time. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.
- 4.1.6.2 Letter of Credit Security - Seller shall post and maintain in an amount equal to the Default Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to Idaho Power in its discretion, or (b) a Letter of Credit in favor of Idaho Power. To the extent Idaho Power receives payment from the Default Security, Seller shall, within fifteen (15) days, restore the Default Security as if no such deduction had occurred.
- 4.1.6.3 Senior Lien - Before the Scheduled Operation Date, Seller shall grant Idaho Power a senior, unsubordinated lien on the Facility and its assets as security for performance of this Agreement by executing, acknowledging and delivering a security agreement and a deed of trust or a mortgage, in a recordable form (each in a form satisfactory to Idaho Power in the

reasonable exercise of its discretion). Pending delivery of the senior lien to Idaho Power, Seller shall not cause or permit the Facility or its assets to be burdened by liens or other encumbrances that would be superior to Idaho Power's, other than workers', mechanics', suppliers' or similar liens, or tax liens, in each case arising in the ordinary course of business that are either not yet due and payable or that have been released by means of a performance bond posted within eight (8) calendar days of the commencement of any proceeding to foreclose the lien.

4.1.6.4 Step-in Rights (Operation by Idaho Power Following Event of Default of Seller).

4.1.6.4.1 Prior to any termination of this Agreement due to an Event of Default of Seller, as identified in paragraph 198.2, Idaho Power shall have the right, but not the obligation, to possess, assume control of, and operate the Facility as agent for Seller (in accordance with Seller's rights, obligations, and interest under this Agreement) during the period provided for herein. Seller shall not grant any person, other than the lending institution providing financing to the Seller for construction of the Facility ("Facility Lender"), a right to possess, assume control of, and operate the Facility that is equal to or superior to Idaho Power's right under this paragraph 4.1.6.4.

4.1.6.4.2 Idaho Power shall give Seller ten (10) calendar days notice in advance of the contemplated exercise of Idaho Power's rights under this paragraph 4.1.6.4. Upon such notice, Seller shall collect and have available at a convenient, central location at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the

Facility in accordance with Prudent Electrical Practices. Upon such notice, Idaho Power, its employees, contractors, or designated third parties shall have the unrestricted right to enter the Facility for the purpose of constructing and/or operating the Facility. Seller hereby irrevocably appoints Idaho Power as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions as Idaho Power may reasonably deem necessary or appropriate to exercise Idaho Power's step-in rights under this paragraph 4.1.6.4.

4.1.6.4.3 During any period that Idaho Power is in possession of and constructing and/or operating the Facility, no proceeds or other monies attributed to operation of the Facility shall be remitted to or otherwise provided to the account of Seller until all Events of Default of Seller have been cured.

4.1.6.4.4 During any period that Idaho Power is in possession of and operating the Facility, Seller shall retain legal title to and ownership of the Facility and Idaho Power shall assume possession, operation, and control solely as agent for Seller.

a) In the event Idaho Power is in possession and control of the Facility for an interim period, Seller shall resume operation and Idaho Power shall relinquish its right to operate when Seller demonstrates to Idaho Power's reasonable satisfaction that it will remove those grounds that originally gave rise to Idaho Power's right to operate the Facility, as provided above, in that Seller (i) will resume operation of the Facility in accordance with the provisions of this Agreement, and (ii) has cured any Events of Default of

Seller which allowed Idaho Power to exercise its rights under this paragraph 4.1.6.4.

- b) In the event that Idaho Power is in possession and control of the Facility for an interim period, the Facility Lender, or any nominee or transferee thereof, may foreclose and take possession of and operate the Facility and Idaho Power shall relinquish its right to operate when the Facility Lender or any nominee or transferee thereof, requests such relinquishment.

4.1.6.4.5 Idaho Power's exercise of its rights hereunder to possess and operate the Facility shall not be deemed an assumption by Idaho Power of any liability attributable to Seller. If at any time after exercising its rights to take possession of and operate the Facility Idaho Power elects to return such possession and operation to Seller, Idaho Power shall provide Seller with at least fifteen (15) calendar days advance notice of the date Idaho Power intends to return such possession and operation, and upon receipt of such notice Seller shall take all measures necessary to resume possession and operation of the Facility on such date.

- 4.1.7 Written Acceptance – Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller's request and will not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

- 5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective

on the date first written and shall continue in full force and effect for a period of _____ (*not to exceed 20 years*) Contract Years from the Operation Date.

5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the following:

- a) Achieved the First Energy Date.
- b) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner.
- c) Seller has requested an Operation Date from Idaho Power in a written format.
- d) Seller has received written confirmation from Idaho Power of the Operation Date.

This confirmation will not be unreasonably withheld by Idaho Power.

5.3 If the Seller fails to achieve the Operation Date within 30 days of the Scheduled Operation Date, Seller will reimburse Idaho Power for any Shortfall Energy Repayment Amount accruing from 30 days following the Scheduled Operation Date until the Seller achieves the Operation Date. Such reimbursement shall be determined in the manner described in Article VII of this Agreement.

5.4 Seller's failure to achieve the Operation Date within ten (10) months of the Scheduled Operation Date will be an Event of Default.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

6.1 Delivery and Acceptance of Net Energy - Except when either Party's performance is excused as provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy produced by the Facility and delivered by the Transmitting Entity to Idaho Power at the Point of Delivery.

6.2 Annual Net Energy Amount - Seller intends to produce and Transmitting Entity shall deliver Net Energy in the following annual amount:

6.2.1 Annual Net Energy Amount: _____ kWh.

6.2.2 Seller's Adjustment of Annual Net Energy Amounts –

6.2.2.1 No later than the Scheduled Operation Date, by written notice given to Idaho Power in accordance with paragraph 24.1, the Seller may revise the previously

provided Annual Net Energy Amount.

6.2.2.2 At any time, by written notice given to Idaho Power in accordance with paragraph 24.1, Seller may revise the previously provided Annual Net Energy Amount, beginning with the next calendar year for the remaining term of the agreement.

6.3 Unless excused by an event of Force Majeure, Seller's failure to deliver Net Energy in any two consecutive Contract Years in an amount equal to at least ten percent (10%) of the Annual Net Energy Amount specified in paragraph 6.2 shall constitute an Event of Default.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

7.1 Net Energy Purchase Price – ~~For the first fifteen (15) Contract Years the Seller shall be paid the On-Peak and Off-Peak prices applicable to the Facility resource type as specified in Schedule 85 and included as Appendix E of this Agreement for Net Energy deliveries during On Peak or Off Peak hours. For all Net Energy delivered to Idaho Power after the first fifteen (15) Contract Years and for the remaining term of this Agreement, the Seller has selected Option _____ from Schedule 85 as the basis for determining the purchase price. The Net Energy Purchase Price shall be calculated as specified in Schedule 85 resulting in an On-Peak and Off-Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On-Peak and Off-Peak Hours.~~ ~~The Seller has selected option _____ from Schedule 85 as the basis for determining the purchase price during the first 15 Contract Years of this Agreement. For all Net Energy delivered to Idaho Power after the first 15 Contract Years and for the remaining term of this Agreement, the Seller has selected option _____ from Schedule 85 as the basis for determining the purchase price. The Seller may not select Option 1, Fixed Price Method, for any Contract Years past the first 15 Contract Years. The Net Energy Purchase Price shall be calculated as specified in Schedule 85 for the option(s) selected by the Seller resulting in an On-Peak and Off Peak Net Energy Purchase Price which will be applied to the applicable energy deliveries during On Peak and Off Peak hours as defined by the North American Electric~~

~~Reliability Council (NERC). Based on Seller's selected options, Appendix E specifies the purchase prices to be paid under this Agreement.~~

7.2 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller ~~an amount equal to 85% of the daily on-peak or off-peak Dow Jones Mid-Columbia Index (Dow Jones Mid-C Index) prices for non-firm energy. The price paid will depend on when the Surplus Market Energy was delivered to Idaho Power. If the Dow Jones Mid-Columbia Index price~~ Cost or the Off-Peak Net Energy Purchase Price as specified in Appendix E, ~~whichever is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the Dow Jones Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and will be an index commonly used by the electrical industry. lower.~~

7.3 Increase in Nameplate Capacity - If the Seller increases the Nameplate Capacity of the Seller's Facility as a result of increased prime mover, refurbishing equipment, upgrading equipment, reconfiguration of equipment, operation modifications, or by any means other than installing additional generation units, then the Nameplate Capacity as defined in paragraph 1.1~~68~~ shall be revised to match this increased Nameplate Capacity rating. If the increase in Nameplate Capacity results in the Nameplate Capacity of the Facility exceeding 10 MW, then the on a going-forward basis Idaho Power shall pay Seller the Net Energy Price specified in Section 7.1 for the fraction of total Net Energy delivered equal to 10,000 kW divided by the Nameplate Capacity of the upgraded Facility. For the remaining fraction of Net Energy Idaho Power Company and Seller shall agree to a new negotiated rate. Seller shall be responsible for ensuring that any planned increase in the Nameplate Capacity or the maximum instantaneous capacity of the Facility complies with Seller's Interconnection Agreement, Transmission Agreement and any other relevant agreements.

7.4 Shortfall Energy Repayment Price –

7.4.1 Price to be applied to all Shortfall Energy that occurs prior to the Operation Date - If the

current day's Market Energy Cost is greater than the applicable Net Energy Purchase Price that would have been paid to the Seller for energy delivered to Idaho Power on that day if the Facility had achieved its Operation Date, the Shortfall Energy Repayment Price will be determined by subtracting the current day's Market Energy Cost from the current day's Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the current day's Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current day's Net Energy Purchase Price.

- 7.4.2 Price to be applied to all Shortfall Energy that occurs after the Operation Date has been established for this Facility - If the weighted average of the daily Market Energy Costs for the current Contract Year is greater than the current Contract Year's average Net Energy Purchase Price, (total Contract Year's actual energy payments divided by the total Contract Year's actual energy deliveries) the Shortfall Energy Repayment Price will be determined by subtracting the weighted average of the daily Market Energy Costs for the current Contract Year from the current Contract Year's average Net Energy Purchase Price. If the result of this subtraction is less than 0, then the Shortfall Energy Repayment Price is 0. If the result of this subtraction is greater than the current Contract Year's average Net Energy Purchase Price as described in this paragraph, then the Shortfall Energy Purchase Price shall be equal to current Contract Year's average Net Energy Purchase Price.

7.5 Shortfall Energy Repayment Amount –

- 7.5.1 Amount due for Shortfall Energy that occurs prior to the Operation Date - An accumulation of each day's Shortfall Energy multiplied by the Shortfall Energy Repayment Price for each day of the preceding month.
- 7.5.2 Amount due for Shortfall Energy that occurs after the Operation Date has been established for this Facility - Current year's Shortfall Energy multiplied by the Shortfall Energy Repayment Price.

7.6 Shortfall Energy Repayment Schedule –

- 7.6.1 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy prior to the Operation Date – No later than 15 days following the end of each month, Idaho Power will calculate the previous month’s Shortfall Energy Repayment Amount. The Seller shall pay any Shortfall Energy Repayment Amounts to Idaho Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.
- 7.6.2 Repayment schedule for all Shortfall Energy amounts that are due to Shortfall Energy after the Operation Date has been established for this Facility - No later than 30 days following the end of a Contract Year, Idaho Power will calculate the previous Contract Year’s Shortfall Energy Repayment Amount. The accumulated Shortfall Energy Repayment Amount will then be offset in equal monthly amounts against the next 36 monthly Net Energy payments to the Seller. An annual interest rate of 7.8% will be applied to the unamortized balance of the accumulated Shortfall Energy Repayment Amount at the end of each month. The Seller may at any time pay Idaho Power the outstanding balance of the accumulated Shortfall Energy Repayment Amount, including any interest that has accumulated. Within 10 business days of the date of termination of this Agreement, Idaho Power will calculate any Shortfall Energy Repayment Amount due to Idaho Power, including any unpaid balances from previous Contract Years and any Shortfall Energy Repayment Amount due for the most recent Contract Year. The Seller shall pay any unpaid prior Contract Year s Shortfall Energy Repayment Amount to Idaho Power within 10 business days of Idaho Power presenting a billing for payment to the Seller.

- 7.7 Payment Due Date – Energy payments to the Seller will be disbursed within 30 days of the date which Idaho Power receives and accepts the documentation of the monthly Net Energy actually produced by the Seller’s Facility and delivered to Idaho Power as specified in Appendix A.

ARTICLE VIII: ENVIRONMENTAL ATTRIBUTES

8.1 Idaho Power waives any claim to ownership of Environmental Attributes. Environmental Attributes include, but are not limited to, Green Tags, Green Certificates, Renewable Energy Credits (RECs) and Tradable Renewable Certificates (TRCs) directly associated with the production of energy from the Seller's Facility.

ARTICLE IX: TRANSMISSION AGREEMENT

9.1 Transmission Agreement - The Seller will arrange and pay for the delivery of Net Energy over the facilities of the Transmitting Entity(s) (XXXXXX) to the Point of Delivery. The delivery of Net Energy from the Facility to the Idaho Power Point of Delivery shall be in accordance with the terms and conditions of a Transmission Agreement between the Seller and the Transmitting Entities.

9.2 Acceptance of Transmission Agreement - This Agreement is expressly conditioned and contingent upon Idaho Power's acceptance of the Transmission Agreement. Such acceptance will not be unreasonably withheld. A default by Seller under the Transmission Agreement will be a Material Default under this Agreement.

9.3 Losses - Idaho Power will only purchase the Net Energy that is delivered by the Transmitting Entity to Idaho Power at the Point of Delivery. Losses will be calculated as provided in Appendix B of this Agreement.

9.4 Required Transmission Agreement provisions for Facilities not located within the Idaho Power Electrical System Control Area –

If the Facility is not located within the Idaho Power Electrical System Control Area, the following requirements must be contained within the Transmission Agreement (s);

9.4.1 Scheduling and delivery of Net Energy – The Transmission Agreement shall include provisions that require the Transmitting Entity(s) to schedule and deliver the Facility's energy to Idaho Power in accordance with industry standard Western Electricity Coordinating Council (WECC) scheduling processes and procedures.

9.4.2 Energy Reserve Requirements – The Transmitting Entity(s) will provide all generation reserves as required by the WECC and/or as required by any other governing agency or industry standard to deliver the Net Energy to the specified Point(s) of Delivery.

9.4.3 Documentation – Seller and/or the Transmitting Entity will provide Idaho Power with monthly documentation in a form acceptable to Idaho Power showing the amount of energy scheduled and delivered to Idaho Power on an hourly bases.

ARTICLE X: RECORDS

10.1 Maintenance of Records - Seller shall maintain at the Facility or such other location mutually acceptable to the Parties adequate total generation (kWh), Net Energy, Station Use and maximum generation (kW) records in a form and content recommended by Idaho Power.

10.2 Inspection - Either Party, after reasonable notice to the other Party, shall have the right, during normal business hours, to inspect and audit any or all generation (kWh), Net Energy, Station Use and maximum generation (kW) records pertaining to the Seller's Facility.

ARTICLE XI: OPERATIONS

11.1 Communications - Idaho Power, the Transmitting Entity and the Seller shall maintain appropriate operating communications through Idaho Power's Designated Dispatch Facility in accordance with Appendix A of this Agreement.

11.2 Energy Acceptance –Idaho Power shall be excused from accepting and paying for Net Energy produced by the Facility and delivered by the Transmitting Entity on behalf of the Seller to the Point of Delivery, if it is prevented from doing so by an event of Force Majeure, or if Idaho Power determines that curtailment, interruption or reduction of Net Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, electrical system operating conditions on its system or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of Force Majeure, Idaho Power requires such a curtailment,

interruption or reduction of Net Energy deliveries for a period that exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amounts specified in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.

- 11.3 Scheduled Maintenance – On or before January 31 of each calendar year, Seller shall submit a written proposed maintenance schedule of significant Facility and/or Transmitting Entity maintenance for that calendar year and Idaho Power, Seller and the Transmitting Entity shall mutually agree as to the acceptability of the proposed schedule. The Parties’ determination as to the acceptability of the Seller’s timetable for scheduled maintenance will take into consideration Prudent Electrical Practices, Idaho Power system requirements and the Seller’s preferred schedule. Neither Party shall unreasonably withhold acceptance of the proposed maintenance schedule.
- 11.4 Maintenance Coordination - The Seller, Idaho Power and the Transmitting Entity shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.
- 11.5 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller and/or the Transmitting Entity prior to exercising its rights to curtail, interrupt or reduce deliveries from the Transmitting Entity from the Seller’s Facility. Seller and the Transmitting Entity understand that, in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events Idaho Power may not be able to provide notice to the Seller or the Transmitting Entity prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.
- 11.6 Increase in Nameplate Capacity – If the Seller increases the Nameplate Capacity of the Sellers Facility as described in paragraph 7.3 of this agreement to be greater than the Maximum Capacity originally provided by the Seller, the Seller must provide Idaho Power with verifiable documentation from both the Transmitting Entity and the Idaho Power delivery business unit that

clearly indicates that the Transmitting Entity is capable and willing to deliver the increased quantity of energy to Idaho Power and that the Idaho Power delivery business unit is able to accept the increased quantity of energy at the designated Point of Delivery. This documentation must be accepted and approved by Idaho Power prior to the Transmitting Entity delivering any energy to Idaho Power that exceeds the original Maximum Capacity as established within this Agreement.

ARTICLE XII: RELIABILITY MANAGEMENT SYSTEM

If the Facility is not located within the Idaho Power Electrical System Control Area, the Seller will be required to comply with the Reliability Management processes of the control area operator having control of the specific location of the Facility and this Article XII will not apply. If the Facility is located within the Idaho Power Control Area, the Seller is required to comply with the following:

- 12.1 Purpose. In order to maintain the reliable operation of the transmission grid, the WECC Reliability Criteria Agreement sets forth reliability criteria adopted by the WECC to which Seller and Idaho Power shall be required to comply. Seller acknowledges receipt of and understanding of the WECC Reliability Criteria Agreement and how it pertains to the Seller's Facility.
- 12.2 Compliance. Seller shall comply with the requirements of the WECC Reliability Criteria Agreement, including the applicable WECC reliability criteria set forth in Section IV of Annex A thereof, and, in the event of failure to comply, Seller agrees to be subject to the sanctions applicable to such failure. Such sanctions shall be assessed pursuant to the procedures contained in the WECC Reliability Criteria Agreement. Each and all of the provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Article XII as though set forth fully herein, and Seller shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WECC Reliability Criteria Agreement, including, but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WECC Reliability Criteria Agreement.

- 12.3 Payment of Sanctions. Seller shall be responsible for reimbursing Idaho Power for any monetary sanctions assessed against Idaho Power by WECC due to the action or inaction of the Seller, pursuant to the WECC Reliability Criteria Agreement. Seller also shall be responsible for payment of any monetary sanction assessed against the Seller by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.
- 12.4 Transfer of Control or Sale of Generation Facilities. In any sale or transfer of control of any generation facilities subject to this Agreement, Seller shall, as a condition of such sale or transfer, require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Seller with respect to this Agreement or to enter into an agreement with Idaho Power imposing on the acquiring party or transferee the same obligations applicable to the Seller pursuant to this Article XII.
- 12.5 Publication. Seller consents to the release by the WECC of information related to the Seller's compliance with this Agreement only in accordance with the WECC Reliability Criteria Agreement.
- 12.6 Third Parties. Except for the rights and obligations between the WECC and the Seller specified in this Article XII, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WECC: (a) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (b) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary under this Article XII, of the WECC against the Seller for the Seller, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Idaho Power and the Seller expressly intend that the WECC is a third-party beneficiary to this Article XII, and the WECC shall have the right to seek to enforce against the Seller any provision of this Article XII, provided that specific performance shall be the sole remedy available to the WECC pursuant to Article XII of this Agreement, and

the Seller shall not be liable to the WECC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WECC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.

12.7 **Reserved Rights.** Nothing in the Article XII of this Agreement or the WECC Reliability Criteria Agreement shall affect the right of Idaho Power, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection that Idaho Power may otherwise be entitled to take.

12.8 **Termination of Article XII.** Seller may terminate its obligations pursuant to this Article XII:

12.8.1 If after the effective date of this Article XII, the requirements of the WECC Reliability Criteria Agreement applicable to the Seller are amended so as to adversely affect the Seller, provided that the Seller gives fifteen (15) days' notice of such termination to Idaho Power and WECC within forty-five (45) days of the date of issuance of a FERC order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Seller for an additional forty-five (45) days if the Seller gives written notice to Idaho Power of such requested extension within the initial forty-five (45) day period; or

12.8.2 For any reason on one year's written notice to Idaho Power and the WECC.

ARTICLE XIII: INDEMNIFICATION AND INSURANCE

13.1 **Indemnification** - Each Party shall agree to hold harmless and to indemnify the other Party, its officers, directors, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

13.2 Insurance -

13.2.1 If the Facility's Nameplate Capacity as determined in paragraph 1.1~~69~~ of this Agreement is greater than 200 kW, the Seller shall secure and continuously carry the following insurance coverage:

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

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

- (a) An endorsement naming Idaho Power as an additional insured and loss payee as applicable; and
- (b) A provision stating that such policy shall not be canceled or the limits of liability reduced without sixty (60) days' prior written notice to Idaho Power.

13.2.1.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.4 herein and annually thereafter, Seller shall furnish Idaho Power a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.

13.2.1.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by paragraph 13.2 shall lapse for any reason, Seller will immediately notify Idaho Power in writing. The notice will advise Idaho Power of the specific reason for the lapse and the steps Seller is taking to reinstate the coverage. Failure to provide this notice and to expeditiously reinstate or replace the coverage will constitute a Material Breach of this Agreement.

ARTICLE XIV: FORCE MAJEURE

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

- (1) The non-performing Party shall, as soon as is reasonably possible after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence.
- (2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure.
- (3) No obligations of either Party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

ARTICLE XV: LIABILITY; DEDICATION

15.1 Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party’s system or any portion thereof to the other Party or to the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or

entity.

ARTICLE XVI: SEVERAL OBLIGATIONS

16.1 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XVII: WAIVER

17.1 Any waiver at any time by either Party of its rights with respect to a Default under this Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent Default or other matter.

ARTICLE XVIII: CHOICE OF LAWS AND VENUE

18.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Oregon without reference to its choice of law provisions.

18.2 Venue for any litigation arising out of or related to this Agreement will lie in the District Court of the Ninth Judicial District of Oregon in and for the County of Malheur.

ARTICLE XIX: DISPUTES, DEFAULTS AND REMEDIES

19.1 Disputes - All disputes related to or arising under this Agreement, including, but not limited to, the interpretation of the terms and conditions of this Agreement, will be submitted to the Commission for resolution.

19.2 Notice of Default -

19.2.1 Defaults. If either Party fails to perform any of the terms or conditions of this Agreement (an “Event of Default” or “Default”), the nondefaulting Party shall cause

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

19.2.2 Material Breaches – The notice and cure provisions in paragraph 19.2.1 do not apply to Defaults identified in this Agreement as Material Breaches. Material Breaches must be cured as expeditiously as possible following occurrence of the breach.

19.3 Security for Performance - Prior to the Operation Date and thereafter for the full term of this Agreement, Seller will provide Idaho Power with the following:

19.3.1 Insurance - Evidence of compliance with the provisions of paragraph 13.2. If Seller fails to comply, such failure will be a Material Breach and may only be cured by Seller supplying evidence that the required insurance coverage has been replaced or reinstated;

19.3.2 Engineer's Certifications - Every three (3) years after the Operation Date, Seller will supply Idaho Power with a Certification of Ongoing Operations and Maintenance (O & M) from a Registered Professional Engineer licensed in the State of Oregon, which Certification of Ongoing O & M shall be in the form specified in Appendix C. Seller's failure to supply the required certificate will be an Event of Default. Such a Default may only be cured by Seller providing the required certificate; and

19.3.3 Licenses and Permits - During the full term of this Agreement, Seller shall maintain compliance with all permits and licenses described in paragraph 4.1.1 of this Agreement. In addition, Seller will supply Idaho Power with copies of any new or additional permits or licenses. At least every fifth Contract Year, Seller will update the documentation described in paragraph 4.1.1. If at any time Seller fails to maintain compliance with the permits and licenses described in paragraph 4.1.1 or to provide the documentation

required by this paragraph, such failure will be an Event of Default and may only be cured by Seller submitting to Idaho Power evidence of compliance from the permitting agency.

19.3.4 Security Requirements – During the full term of this Agreement, Seller shall maintain the Security Requirements established in accordance with paragraph 4.1.6. Failure to maintain these Security Requirements will be a Material Breach of this Agreement.

19.3.4.1 If the Seller fails to maintain the Security Requirements as specified in paragraph 19.3.4 and it is deemed the Seller is in Material Breach of this Agreement, if the Material Breach is a result of the Seller defaulting on a Facility construction loan, the Seller shall provide Idaho Power notice of the Facility construction loan default. Idaho Power may require the Seller to provide Default Security to remedy this Material Breach. Upon notice from Idaho Power to the Seller requiring the Seller to provide Default Security to remedy this Material Breach, within 10 business days of said notice, the Seller may provide Idaho Power evidence for review that the Seller has negotiated satisfactory financial arrangements with the construction loan lender that mitigates the Seller's financial risk. Upon review of the Seller's provided documentation, if Idaho Power determines that the negotiated financial arrangements satisfactorily mitigates the Seller's financial risk, Idaho Power will deem this Material Breach to be cured. If Idaho Power determines that the provided documentation does not provide evidence that the Seller's risk has been satisfactorily mitigated, the Seller will be required to provide Default Security within 5 business days of Idaho Power's notification that the Material Breach has not been cured.

19.3.5 Recoupment of Damages

19.3.5.1 Default Security Available. – If a Default has occurred and has not been cured and if the Seller has posted Default Security, Idaho Power may draw

upon that security, in accordance with paragraph 19.2.1 to satisfy any damages.

19.3.5.2 Default Security Unavailable – If a Default has occurred and has not been cured and if Seller has not posted Default Security, or if Idaho Power has exhausted the Default Security, Idaho Power may collect any remaining amount owing by; (1) lump sum payment to Idaho Power by the Seller or (2) partially withholding future payments to the Seller over a reasonable period of time. Idaho Power and the Seller shall work together in good faith to establish the reasonable period and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operations of the Facility.

19.3.6 Termination

19.3.6.1 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement and the Seller or a party substantially the same as the Seller, subsequently seeks to enter into a new standard QF contract for this same Facility, then the new standard QF contract, shall run for the period that the original contract would have run, and shall contain the same terms, rates and conditions as the original Agreement.

19.3.6.2 In the event a Default or a Material Breach by the Seller as specified in this Agreement results in the termination of this Agreement, the Seller shall pay Idaho Power damages equal to the positive difference, if any, obtained by subtracting the Net Energy Purchase Price from the projected forward Mid-Columbia Market Energy Cost for 24 months beginning with the next full month after the date of termination multiplied by the Annual Net Energy Amounts.

ARTICLE XX: GOVERNMENTAL AUTHORIZATION

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

ARTICLE XXI: SUCCESSORS AND ASSIGNS

21.1 This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, except that no assignment hereof by either Party shall become effective without the written consent of both Parties being first obtained. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, any party which Idaho Power may consolidate, or into which it may merge, or to which it may convey or transfer substantially all of its electric utility assets, shall automatically, without further act, and without need of consent or approval by the Seller, succeed to all of Idaho Power's rights, obligations and interests under this Agreement. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho Power shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXII: MODIFICATION

22.1 No modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission.

ARTICLE XXIII: TAXES

23.1 Each Party shall pay before delinquency all taxes and other governmental charges which, if failed to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXIV: NOTICES

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

To Seller: _____

To Idaho Power:

Original document to:

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

Copy of document to:

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

ARTICLE XXV: ADDITIONAL TERMS AND CONDITIONS

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

- Appendix A - Generation Scheduling and Reporting
- Appendix B - Facility and Point of Delivery
- Appendix C - Engineer's Certifications
- Appendix D - Definition of a Small Cogeneration Facility or Small Power Production Facility eligible to receive the standard rates and standard contract.
- Appendix E - Applicable Prices from Schedule 85

ARTICLE XXVI: SEVERABILITY

26.1 The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other terms or provisions and this Agreement shall be construed in all other respects as if the invalid or unenforceable term or provision were omitted.

ARTICLE XXVII: COUNTERPARTS

27.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXVIII: ENTIRE AGREEMENT

28.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

~~ARTICLE XXIX: COMMISSION INVESTIGATION~~

~~29.1 The Seller and Idaho Power acknowledge that the rates, terms and conditions specified in this Agreement and the related tariffs are being investigated by the Oregon Public Utility Commission. Upon a decision by the Oregon Public Utility Commission in the investigation, Idaho Power will notify the Seller within ten (10) calendar days. The Seller shall have thirty (30) calendar days from the effective date of the revised standard contract and tariffs complying with the Commission's order to amend this Agreement if the Seller so chooses to adopt the revised standard contract and/or the revised rates, terms and conditions in the tariff approved by the Oregon Public Utility Commission as a result of the investigation.~~

~~This section will be removed once our compliance filing is complete.~~

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be executed in their respective names on the dates set forth below:

Idaho Power Company

By

By

Dated

“Idaho Power”

Dated

“Seller”

APPENDIX A

A –1 MONTHLY POWER PRODUCTION AND SWITCHING REPORT FOR PROJECTS
LOCATED WITHIN THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA

At the end of each month, the following required documentation will be submitted to:

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

The Meter readings required on this report will be the reading on the Meter Equipment measuring the Facility's Net Energy delivered by the Transmitting Entity to the Idaho Power electrical system and/or any other required energy measurements to adequately administer this Agreement. If the Metering Equipment is not located at the point which is able to measure the exact energy deliveries to the Idaho Power electrical system, then the metered energy amounts will be adjusted to account for electrical Losses occurring between the metering point and the point which the energy is delivered to the Idaho Power electrical system.

Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND SWITCHING REPORT

Month _____ Year _____

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

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

Breaker Opening Record

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

*	<u>Reason</u>

Breaker Closing Record

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

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

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

Signature Date

A-2 ROUTINE REPORTING FOR PROJECTS WITHIN THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA.

Idaho Power Designated Dispatch Facility contact information

Daily Energy Production Reporting

All projects with a Nameplate Capacity of 1 MW or greater shall:

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

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

If Idaho Power determines that adequate generation data is available for this Facility's daily generation, Idaho Power may modify these reporting requirements

Planned and Unplanned Project outages

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

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

Seller's Contact Information

24-Hour Project Operational Contact

Name: _____
Telephone Number: _____
Cell Phone: _____

Project On-site Contact information

Telephone Number: _____

A –3 MONTHLY POWER PRODUCTION AND SWITCHING REPORT FOR PROJECTS
LOCATED OUTSIDE OF THE IDAHO POWER ELECTRICAL SYSTEM CONTROL AREA.

- a.) The Transmitting Entity will schedule and deliver the Facility's Net Energy to the Idaho Power electrical system at the Point of Delivery in accordance with the electrical industry standard WECC scheduling and delivery processes. As specified in paragraph 9.4 the Seller and/or the Transmitting Entity shall provide Idaho Power with monthly documentation indicating the hourly energy scheduled and delivered to Idaho Power. This documentation will be reconciled with Idaho Power records of energy scheduled and received from this Facility. In the event a discrepancy exists between the Idaho Power records and the Seller / Transmitting Entity documents, Idaho Power records will be considered to be accurate until such time as Idaho Power, the Seller and the Transmitting Entity mutually agree on an adjustment to the Idaho Power records.
- b.) The Seller shall submit to Idaho Power a Monthly Power Production And Switching Report as specified in Appendix A-1 of this Agreement. The meter readings on this report shall be the meter readings at the actual Facility measuring the actual energy deliveries to Transmitting Entity at the Facility.

A-4 ROUTINE REPORTING FOR PROJECTS OUTSIDE OF THE IDAHO POWER
ELECTRICAL SYSTEM CONTROL AREA.

The Seller and Transmitting Entity shall maintain appropriate communications with the Idaho Power Designed Dispatch Facility in compliance with electric industry standard WECC energy scheduling processes and procedures.

APPENDIX B

FACILITY AND POINT OF DELIVERY

PROJECT NO. _____

B-1 DESCRIPTION OF FACILITY

B-2 LOCATION OF FACILITY

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected _____ as the estimated Scheduled First Energy Date.

Seller has selected _____ as the estimated Scheduled Operation Date.

In making these selections, Seller recognizes that adequate testing of the Facility and completion of all requirements in paragraph 5.2 of this Agreement must be completed prior to the project being granted an Operation Date.

B-4 MAXIMUM CAPACITY AMOUNT:

This value will be _____ MW. This value is the maximum energy (MW) that potentially could be delivered by the Seller's Facility to the Idaho Power electrical system at any moment in time and will be consistent with the designed capacity of the Facility.

B-5 POINT OF DELIVERY

_____ at the point on the Idaho Power electrical system where the Sellers Facility's Net energy is delivered by the Transmitting Entity to the Idaho Power electrical system.

B-6 LOSSES

- a. For Facilities within the Idaho Power Electrical System Control area - If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Transmitting Entity on behalf of the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated for this Facility. If the Idaho Power Metering is unable to measure the exact energy deliveries by the Transmitting Entity on behalf of the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss specifications, conductor sizes, etc) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at anytime during the term of this Agreement, Idaho Power determines that the loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power may adjust the calculation and retroactively adjust the previous months kWh loss calculations.
- b. For Facilities outside of the Idaho Power Electrical Control area - Idaho Power will only pay for Net Energy that is scheduled and delivered by the Transmitting Entity to the Point of Delivery. All energy Losses between the Facility and the Point of Delivery will be borne by either the Transmitting Entity or the Seller.

B-7 INTERCONNECTION FACILITIES

The Seller and Transmitting Entity shall construct, operate and maintain the Facility and all interconnection and protection equipment in accordance with Prudent Electrical Practices, the National Electric Safety Code and any other applicable local, state and federal codes

B-8 METERING AND TELEMETRY

- a. For Facilities located within the Idaho Power Electrical System Control Area

Metering Equipment - At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries by the Transmitting Entity to the Point of Delivery and any other energy measurements required to administer this Agreement.

Telemetry Equipment - At the minimum the Telemetry Equipment must be able to provide Idaho Power with continuous instantaneous telemetry of the Facility's energy deliveries to the Transmitting Entity. The Seller will arrange for and make available at Seller's cost, a communications circuit acceptable to Idaho Power, dedicated to Idaho Power's use to be used for load profiling and another communications circuit dedicated to Idaho Power's communication equipment for continuous telemetering of the Facility's energy deliveries to the Transmitting Entity to Idaho Power's Designated Dispatch Facility.

All costs including but not limited to actual equipment, installation, engineering, monthly communication circuit fees, operations and maintenance will be the responsibility of the Seller.

Exact details of the Metering and Telemetry equipment and specifications will need to be added to this appendix once more information becomes available in regards to the physical and electrical configuration at this site and the configuration of the interconnection at the Point of Delivery.

b. For Facilities located outside of the Idaho Power Electrical System Control Area

Metering Equipment - At the minimum the Metering Equipment must be able to provide and record hourly energy deliveries by the Facility to the Transmitting Entity and any other energy measurements required to administer this Agreement.

Telemetry Equipment – If Telemetry Equipment is required by the Transmitting Entity and the Transmitting Entity and Idaho Power determine that it is required that Idaho Power have access to the automated data. The Seller shall be responsible for all costs associated with providing the automated telemetry data to Idaho Power.

Exact details of the Metering and Telemetry equipment and specifications will need to be added to this appendix once more information becomes available in regards to the physical and electrical configuration at this site and the configuration of the interconnection at the Point of Delivery.

APPENDIX C

ENGINEER'S CERTIFICATION

OF

OPERATIONS & MAINTENANCE POLICY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and is hereinafter referred to as the "Project."
4. That the Project, which is commonly known as the _____, is located in Section _____, Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has reviewed and/or supervised the review of the Policy for Operation and Maintenance ("O&M") for this Project and it is his professional opinion that, provided said Project has been designed and built to appropriate standards, adherence to said O&M Policy will result in the

Project's producing at or near the design electrical output, efficiency and plant factor for a period of _____years.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself and _____ hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____, is located at _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a period of _____ years.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. It is Engineer's professional opinion, based on the Project's appearance, that its ongoing O&M has been substantially in accordance with said O&M Policy; that it is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the remaining _____ years of the Agreement.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY

The undersigned _____, on behalf of himself and _____, hereinafter collectively referred to as "Engineer", hereby states and certifies to Idaho Power as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Oregon.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement", between Idaho Power as Buyer, and _____ as Seller, dated _____, _____.
3. That the cogeneration or small power production project, which is the subject of the Agreement and this Statement, is identified as IPCo Facility No _____ and is hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____, Range _____, _____ County, _____.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ (____) year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project and has made the analysis of the plans and specifications independently.
8. That Engineer has reviewed the engineering design and construction of the Project, including the civil work, electrical work, generating equipment, prime mover conveyance system, Seller furnished Interconnection Facilities and other Project facilities and equipment.
9. That the Project has been constructed in accordance with said plans and specifications, all

applicable codes and consistent with Prudent Electrical Practices as that term is described in the Agreement.

10. That the design and construction of the Project is such that with reasonable and prudent operation and maintenance practices by Seller, the Project is capable of performing in accordance with the terms of the Agreement and with Prudent Electrical Practices for a _____ (_____) year period.

11. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, in interconnecting the Project with its system, is relying on Engineer's representations and opinions contained in this Statement.

12. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____
(P.E. Stamp)

Date _____

APPENDIX D

DEFINITION OF A SMALL COGENERATION FACILITY

OR

SMALL POWER PRODUCTION FACILITY

ELIGIBLE TO RECEIVE THE STANDARD RATES AND STANDARD CONTRACT

A Qualifying Facility (either a small power production facility or a cogeneration facility) (“QF”) will be eligible to receive the standard rates and standard contract if the nameplate capacity of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, does not exceed 10 MW.

Definition of Person(s) or Affiliated Person(s):

As used above, the term “same person(s)” or “affiliated person(s)” means a natural person or persons or any legal entity or entities sharing common ownership, management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. However, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Furthermore, except for independent family-owned or community-based facilities, two facilities will ~~not~~ be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a “passive investor” whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MACRS depreciation as the primary ownership benefit. A unit of Oregon local government may also be a “passive investor” if the local governmental unit demonstrates that it will not have an equity ownership interest in or exercise any control over the management of the QF and that its only interest is a share of the cash flow from the QF, which share will not exceed 20%. The 20% cash flow share limit may only be exceeded for good cause shown and only with the prior approval of the Commission.

Definition of Same Site:

For purposes of the foregoing, generating facilities are considered to be located at the same site as the QF for which qualification for the standard rates and standard contract is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the standard rates and standard contract is sought.

Shared Interconnection and Infrastructure:

QFs otherwise meeting the above-described separate ownership test and thereby qualified for entitlement to the standard rates and standard contract will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the standard rates and standard contract so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved standard contract.

APPENDIX E

COPY OF APPLICABLE PRICES FROM SCHEDULE 85

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