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Attorney for Idaho Power Company

Idaho Public Utilities Commission  
Office of the Secretary  
RECEIVED

JAN - 5 2005

Boise, Idaho

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
IDAHO POWER COMPANY FOR APPROVAL )  
OF AN AGREEMENT FOR SALE AND )  
PURCHASE OF ELECTRIC ENERGY )  
BETWEEN IDAHO POWER COMPANY AND )  
US GEOTHERMAL INC. )  
\_\_\_\_\_ )

CASE NO. IPC-E-05-01  
APPLICATION

COMES NOW Idaho Power Company ("Idaho Power" or the "Company") and, pursuant to RP 52, hereby applies for an Idaho Public Utilities Commission ("IPUC" or the "Commission") Order approving a Firm Energy Sales Agreement between Idaho Power and US Geothermal Inc. ("US Geothermal") under which US Geothermal would sell and Idaho Power would purchase electric energy generated by the Raft River Geothermal Power Plant located near Malta, Idaho (the "Facility").

This Application is based on the following:

I.

US Geothermal proposes to design, construct, install, own, operate and maintain the Facility to produce 10 average MWs on a monthly basis. The Facility will be a

qualified small power production facility under the applicable provisions of the Public Utilities Regulatory Policy Act of 1978 ("PURPA").

## II.

On December 29, 2004, Idaho Power and US Geothermal entered into a Firm Energy Sales Agreement ("Agreement") pursuant to the terms and conditions of Commission Order No. 29632 and Commission Order 29646. Under the provisions of the Agreement, US Geothermal elected to contract with Idaho Power for a 20-year term. US Geothermal further elected to contract with the Company using the Non-Levelized Published Avoided Cost Rates as currently established by the Commission for energy deliveries of no more than 10 MWs.

## III.

As of the date of this filing, reconsideration by the Commission of Commission Order No. 29632 remains ongoing. Idaho Power and US Geothermal have discussed the reconsideration process. US Geothermal has requested to move forward with the Agreement and with this application prior to conclusion of the Commission's deliberations concerning the request to reconsider Commission Order No. 29632.

## IV.

In many respects, the US Geothermal Agreement is similar to the agreement between Idaho Power and Fossil Gulch Wind Park that was approved by the Commission in Order No. 29630 issued on November 12, 2004 and the various other Idaho Power PURPA agreements approved by the Commission during 2004. The US Geothermal Agreement also incorporates the conditions imposed by recent Commission Order No. 29632 that was issued in Case No. IPC-E-04-8. The following is a summary of certain provisions within the Agreement:

- 1) Regulatory Out Clause – This clause has been removed from the Agreement.
- 2) 10 MW Threshold – As specified in Commission Order No. 29632, this threshold is measured based upon 10 average monthly MWs.

Initial Capacity Determination – As specified in Commission Order No. 29632, to be eligible for the Published Avoided Cost rates, a facility must “... demonstrate that under normal or average design conditions the project will generate at no more than 10 aMW in any given month.”

Paragraph 1.7 and paragraph 4.1.3 of this Agreement define and specify how this requirement will be met. Idaho Power and US Geothermal have agreed that US Geothermal will supply Idaho Power a certificate from a professional engineer certifying that the Facility’s design and operating protocols will limit generation at this Facility to no more than 10 average MWs in any given month.

Inadvertent Energy – As specified in Commission Order No. 29632, once a project has qualified for Published Avoided Cost rates “... we also find it reasonable to cap the maximum monthly generation that qualifies for published rates at the total number of hours in a month multiplied by 10 MW.”

Paragraph 1.5 and paragraph 7.3 of this Agreement define and specify the calculation used to measure

energy in excess of 10 average MWs and provide that Idaho Power will accept but will not pay for any energy produced in excess of 10 average MWs.

3) 90%/110% Performance Band

Energy Payment – As specified in Commission Order No. 29632, energy deliveries outside of this Performance Band are purchased at a rate equal to 85% of the market price or the contract rate, which ever is less.

Paragraph 1.21 of this Agreement defines energy outside of this Performance Band to be “Surplus Energy” which is (1) all energy over 110% of the Facility’s estimated generation amounts (Paragraph 6.2) or (2) all of the current month’s energy if the Facility’s monthly generation is less than 90 % of the Facility’s estimated generation amounts (Paragraph 6.2) or (3) all energy delivered prior to the operation date of the Facility.

Forced Outage – As specified in Commission Order No. 29632, the Forced Outage minimum outage has been revised to 48 hours and is applicable to individual generation units at the Facility. Paragraph 14.3 and paragraph 6.2.4 of the Agreement specify the process, details and calculations for factoring forced outages into the computation of purchase obligations.

Revising Generation Estimates – As specified in Commission Order No. 29632, the Facility will initially provide Idaho Power monthly generation estimates for the first year of the Agreement and, beginning in the ninth month and every three months thereafter, the facility will provide Idaho Power with an additional three months of forward generation estimates. In addition, beginning with the end of the third month, the Facility may revise previously provided generation estimates beginning with the fourth month out from that point in time (previously provided generation estimates past the immediate next 3 three months may be revised). Paragraph 6.2 of the Agreement specifies the process and procedures to address revisions to generation estimates.

**V.**

This Facility will interconnect with the Raft River Rural Electric Cooperative (“COOP”) electrical system and will wheel its energy to Idaho Power over COOP and/or BPA transmission facilities. Therefore, the Facility will contract with COOP and BPA for all interconnection and transmission requirements. Metering and telemeter equipment will be installed at the Facility to accurately measure and communicate the Facility’s energy deliveries to Idaho Power. All applicable charges and monthly operation and maintenance charges under Schedule 72 for this metering and telemetering will be assessed to US Geothermal.

**VI.**

Section 24 of the Agreement provides that the Agreement will not become effective until the Commission has approved all of the Agreement's terms and conditions and declared that all payments Idaho Power makes to US Geothermal for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

**VII.**

Within this Agreement, various requirements have been placed upon US Geothermal in order for Idaho Power to accept energy deliveries from this Facility. Idaho Power will monitor compliance with these initial requirements as well as the ongoing requirements through the full term of this Agreement. Should the Commission approve this Agreement, Idaho Power intends to consider the Effective Date of the Agreement to be December 29, 2004.

**VIII.**

The Agreement, as signed and submitted by the Parties thereto, contains Non-Levelized Published Avoided Cost Rates in conformity with applicable IPUC Orders.

**IX.**

Service of pleadings, exhibits, orders and other documents relating to this proceeding should be served on the following:

Monica B. Moen, Attorney II  
Barton L. Kline, Senior Attorney  
Idaho Power Company  
P.O. Box 70  
Boise, Idaho 83707

Randy C. Allphin  
Contract Administrator  
Idaho Power Company  
P.O. Box 70  
Boise, Idaho 83707

NOW, THEREFORE, based on the foregoing, Idaho Power Company hereby requests that the Commission issue its Order:

(1) Approving the Firm Energy Sales Agreement between Idaho Power Company and US Geothermal Inc. without change or condition; and

(2) Declaring that all payments for purchases of energy under the Firm Energy Sales Agreement between Idaho Power Company and US Geothermal Inc. be allowed as prudently incurred expenses for ratemaking purposes.

Respectfully submitted this 5<sup>th</sup> day of January 2005.



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MONICA B. MOEN  
Attorney for Idaho Power Company

## CERTIFICATE OF MAILING

I HEREBY CERTIFY that on the 5<sup>th</sup> day of January 2005, I served a true and correct copy of the within and foregoing APPLICATION upon the following named parties by the method indicated below, and addressed to the following:

Daniel Kunz  
US Geothermal Inc.  
1509 Tyrell Lane, Suite B  
Boise, ID 83706

Hand Delivered  
U.S. Mail  
Overnight Mail  
FAX

Conley Ward  
Givens Pursley  
P.O. Box 2720  
Boise, ID 83701-2720

Hand Delivered  
U.S. Mail  
Overnight Mail  
FAX



\_\_\_\_\_  
MONICA B. MOEN



**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-05-\_\_\_\_\_**

**IDAHO POWER COMPANY**

**EXHIBIT 1**

FIRM ENERGY SALES AGREEMENT

BETWEEN

IDAHO POWER COMPANY

AND

US GEOTHERMAL INC

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	Facility and Interconnection
10	Transmission Agreement
11	Metering and Telemetry
12	Records
13	Protection
14	Operations
15	Reliability Management System
16	Indemnification and Insurance
17	Force Majeure
18	Liability; Dedication
19	Several Obligations
20	Waiver
21	Choice of Laws and Venue
22	Disputes and Default
23	Governmental Authorization
24	Commission Order
25	Successors and Assigns
26	Modification
27	Taxes
28	Notices
29	Additional Terms and Conditions
30	Severability
31	Counterparts
32	Entire Agreement Signatures
	Appendix A
	Appendix B
	Appendix C

FIRM ENERGY SALES AGREEMENT  
(10 aMW or Less)

RAFT RIVER GEOTHERMAL POWER PLANT

Project Number: 31765155

THIS AGREEMENT, entered into on this 29<sup>th</sup> day of December 2004 between  
US GEOTHERMAL INC. an Idaho corporation (Seller), and IDAHO POWER COMPANY, an  
Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as "Parties" or  
individually as "Party."

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 "Commission" - The Idaho Public Utilities Commission.
- 1.2 "Contract Year" - The period commencing each calendar year on the same calendar date as the  
Operation Date and ending 364 days thereafter.
- 1.3 "Designated Dispatch Facility" - Idaho Power's Systems Operations Group, or any subsequent  
group designated by Idaho Power.
- 1.4 "Facility" - That electric generation facility described in Appendix B of this Agreement.
- 1.5 "Geothermal Production Well Contribution Rating" - Each individual geothermal well  
contribution, defined in MWs, to the generator rating of the generator directly attached to the  
specific geothermal well. The sum of the individual Geothermal Production Well Contribution

Ratings directly providing motive force for individual generation units must equal the generator rating of the individual generation unit(s) as specified in Appendix B. The Geothermal Production Well Contribution Ratings will be as specified in Appendix B or as may be adjusted in accordance with paragraph 14.4 of this Agreement.

- 1.6 “Inadvertent Energy” – Electric energy Seller does not intend to generate. Inadvertent energy is more particularly described in paragraph 7.3 of this Agreement.
- 1.7 “Interconnection Facilities” - All facilities required to be installed to interconnect and deliver energy from the Facility to the Transmitting Entity’s system including, but not limited to, connection, switching, metering, relaying, communications and safety equipment.
- 1.8 “Initial Capacity Determination” – The process by which Idaho Power confirms that under normal or average design conditions the Facility will generate at no more than 10 average MW per month and is therefore eligible to be paid the published rates in accordance with Commission Order No. 29214.
- 1.9 “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 actually delivered to the Transmitting Entity (measured by either the Idaho Power or the Transmitting Entity’s Metering Equipment) and the Point of Delivery on the Idaho Power electrical system. The loss calculation formula will be as specified in Appendix B of this Agreement.
- 1.10 “Market Energy Cost” – Eighty-five percent (85%) of the weighted average of the daily on-peak and off-peak Dow Jones Mid-Columbia Index (Dow Jones Mid-C Index) prices for non-firm energy. If the Dow Jones Mid-Columbia Index price is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the Dow Jones Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and a commonly used index by the electrical industry.
- 1.11 “Material Breach” – A Default (paragraph 22.2.1) subject to paragraph 22.2.2.

- 1.12 “Maximum Capacity Amount” – The maximum capacity (MW) of the Facility will be as specified in Appendix B of this Agreement.
- 1.13 “Metering Equipment” - All equipment specified in Schedule 72, this Agreement and any additional equipment specified in Appendix B required to measure, record or telemeter power flows between the Seller's Facility and Idaho Power's electrical system.
- 1.14 “Net Energy” – All of the electric energy produced by the Facility, less Station Use, less Losses, expressed in kilowatt hours (kWh), which the Transmitting Entity delivers to Idaho Power at the Point of Delivery for the full term of the Agreement. Net Energy does not include Inadvertent Energy.
- 1.15 “Operation Date” – The day commencing at 00:00:01 (H:M:S) hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.16 “Point of Delivery” – The location specified in Appendix B, where the Transmitting Entity delivers the Facility’s Net Energy and Inadvertent Energy to Idaho Power.
- 1.17 “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.
- 1.18 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date.
- 1.19 “Schedule 72” – Idaho Power’s Tariff No 101, Schedule 72 or its successor schedules as approved by the Commission.
- 1.20 “Season” – The three periods identified in paragraph 6.2.1 of this Agreement.
- 1.21 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility.
- 1.22 “Surplus Energy” – (1) Net Energy produced by the Seller’s Facility, scheduled and delivered by the Transmitting Entity and accepted by Idaho Power during the month which exceeds 110% of the monthly Net Energy Amount for the corresponding month specified in paragraph 6.2. or (2) If the Net Energy produced by the Seller’s Facility, scheduled and delivered by the Transmitting

Entity and accepted by Idaho Power during the month is less than 90% of the monthly Net Energy Amount for the corresponding month specified in paragraph 6.2, then all Net Energy scheduled and delivered by the Transmitting Entity to Idaho Power on the Seller's behalf for that given month or (3) All Net Energy produced by the Seller's Facility, scheduled and delivered by the Transmitting Entity and accepted by Idaho Power prior to the Operation Date.

- 1.23 "Total Cost of the Facility" - The total cost of structures, equipment and appurtenances.
- 1.24 "Transmitting Entity" - The signatory(s) (other than the Seller) to the Transmission Agreement referred to in paragraph 10.1 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 §292.207. After initial qualification, Seller will take such steps as

may be required to maintain the Facility's Qualifying Facility status during the term of this Agreement and Seller's failure to maintain Qualifying Facility status will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

- 4.1 Prior to the Operation Date and as a condition of Idaho Power's acceptance of deliveries of energy from the Seller, Seller shall:
- 4.1.1 Submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.207.
- 4.1.2 Opinion of Counsel - Submit to Idaho Power an Opinion Letter signed by an attorney admitted to practice and in good standing in the State of Idaho providing an opinion that Seller's licenses, permits and approvals as set forth in paragraph 4.1.1 above are legally and validly issued, are held in the name of the Seller and, based on a reasonable independent review, counsel is of the opinion that Seller is in substantial compliance with said permits as of the date of the Opinion Letter. The Opinion Letter will be in a form acceptable to Idaho Power and will acknowledge that the attorney rendering the opinion understands that Idaho Power is relying on said opinion. Idaho Power's acceptance of the form will not be unreasonably withheld. The Opinion Letter will be governed by and shall be interpreted in accordance with the legal opinion accord of the American Bar Association Section of Business Law (1991).
- 4.1.3 Initial Capacity Determination - Submit to Idaho Power a certificate from a Registered Professional Engineer licensed and in good standing in the State of Idaho certifying that the Facility's design and operating protocols will limit generation at the Facility to no more than 10 average MW in any given month.
- 4.1.4 Engineer's Certifications - Submit an executed Engineer's Certification of Design &

Construction Adequacy and an Engineer's Certification of Operations and Maintenance (O&M) Policy as described in Commission Order No. 21690. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.

- 4.1.5 Insurance - Submit written proof to Idaho Power of all insurance required in Article XVI.
- 4.1.6 Transmission Agreement - Provide Idaho Power with a copy of the Transmission Agreement executed by the Seller and the Transmitting Entity in a form acceptable to Idaho Power. Idaho Power's acceptance will not be unreasonably withheld.
- 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.
- 4.1.8 Idaho Power Electrical System Study - Seller and Transmitting Entity will request, in writing, a specific Point of Delivery where the Facility's Net Energy and Inadvertent Energy will be delivered to Idaho Power. This request will include the Maximum Capacity Amount (MW) as specified in Appendix B-4. Upon receipt of this request, at Seller's expense, Idaho Power will complete an electrical system study to determine Idaho Power's ability to receive the Maximum Capacity Amount at the requested Point of Delivery. This study will include a study of the Idaho Power electrical system at this Point of Delivery and estimation of any additional Seller costs associated with completing this request as specified in Appendix B.
  - 4.1.8.1 If said study shows that Idaho Power will be unable to receive the Maximum Capacity Amount at the requested Point of Delivery, the Seller and Transmitting Entity may request a different Point of Delivery or revise the Maximum Capacity Amount and a similar study, at the Seller's expense, will be conducted.
  - 4.1.8.2 If the Seller and Transmitting Entity request permission to deliver the



Maximum Capacity Amount at a Point of Delivery that Idaho Power has identified as being unable to receive the Maximum Capacity Amount, at Seller's request and expense, Idaho Power will conduct a study to determine the necessary upgrades and/or modifications required to enable receipt of the Maximum Capacity Amount at the requested Point of Delivery.

- 4.1.8.3 Seller will be responsible for all customary and reasonable expenses associated with all Idaho Power studies, upgrades and/or modifications required to enable delivery of the Maximum Capacity Amount at the requested Point of Delivery. An initial deposit will be calculated based upon the estimated cost of each individual study, upgrade or modification and will be required to be paid by the Seller prior to Idaho Power conducting any work associated with the Seller's request. Upon completion of any and all studies, upgrades and/or modifications required to accommodate the Seller's request, Idaho Power will reconcile the actual expenses with the previously paid deposit and the appropriate refund or additional billing will be processed.

#### ARTICLE V: TERM AND OPERATION DATE

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

Operation Date in written form.

d) Seller has received written confirmation from Idaho Power of the Operation Date.

This confirmation will not be unreasonably withheld by Idaho Power.

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

#### ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

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

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

6.2.1 Initial Year Monthly Net Energy Amounts:

	<u>Month</u>	<u>kWh</u>
Season 1	March	7,440,000
	April	7,200,000
	May	7,440,000
Season 2	July	7,440,000
	August	7,440,000
	November	7,200,000
	December	7,440,000
Season 3	June	7,200,000
	September	7,200,000
	October	7,440,000
	January	7,440,000
	February	6,720,000

- 6.2.2 Ongoing Monthly Net Energy Amounts - Seller shall initially provide Idaho Power with one year of monthly generation estimates (Initial Year Monthly Net Energy Amounts) and beginning at the end of month nine and every three months thereafter provide Idaho Power with an additional three months of forward generation estimates. This information will be provided to Idaho Power by written notice in accordance with paragraph 28.1, no later than 5pm of the 5<sup>th</sup> day following the end of the previous month. If the Seller does not provide the Ongoing Monthly Net Energy amounts in a timely manner, Idaho Power will use the most recent 3 months of the Initial Year Monthly Net Energy Amounts specified in paragraph 6.2.1 for the next 3 months of monthly Net Energy amounts.
- 6.2.3 Seller's Adjustment of Net Energy Amount –
- 6.2.3.1 No later than the Operation Date, by written notice given to Idaho Power in accordance with paragraph 28.1, the Seller may revise all of the previously provided Initial Year Monthly Net Energy Amounts.
- 6.2.3.2 Beginning with the end of the 3<sup>rd</sup> month after the Operation Date and at the end of every third month thereafter: (1) the Seller may not revise the immediate next three months of previously provided Net Energy Amounts, (2) but by written notice given to Idaho Power in accordance with paragraph 28.1, no later than 5pm of the 5<sup>th</sup> day following the end of the previous month, the Seller may revise all other previously provided Net Energy Amounts. Failure to provide timely written notice of changed amounts will be deemed to be an election of no change.
- 6.2.4 Idaho Power Adjustment of Net Energy Amount – If Idaho Power is excused from accepting the Seller's Net Energy as specified in paragraph 14.2.1 or if the Seller declares a Suspension of Energy Deliveries as specified in paragraph 14.3.1 and the Seller's declared Suspension of Energy Deliveries is accepted by Idaho Power, the Net Energy Amount as specified in paragraph 6.2 for the specific month in which the reduction or suspension under paragraph 14.2.1 or 14.3.1 occurs will be reduced in accordance with

the following:

Where:

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

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

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

c.) If the Seller declares a Suspension of Energy Deliveries as specified in paragraph 14.3.1 due to a forced outage of an individual production well(s), this value will be the sum of the individual production well(s) Geothermal Production Well Contribution Rating(s) as specified in Appendix B that are impacted by the circumstances causing the Seller to declare a Suspension of Energy Deliveries.

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

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

TH = Actual total hours in the current month

Resulting formula being:

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

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

6.3 Unless excused by an event of Force Majeure, Seller's failure to deliver Net Energy in any Contract Year in an amount equal to at least ten percent (10%) of the sum of the Initial Year Net

Energy Amounts as specified in paragraph 6.2 shall constitute an event of default.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

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

<u>Year</u>	<u>Season 1 - (73.50 %)</u> <u>Mills/kWh</u>	<u>Season 2 - (120.00 %)</u> <u>Mills/kWh</u>	<u>Season 3 - (100.00 %)</u> <u>Mills/kWh</u>
2004	36.17	59.05	49.21
2005	37.00	60.41	50.34
2006	37.85	61.80	51.50
2007	38.73	63.23	52.69
2008	39.62	64.68	53.90
2009	40.53	66.17	55.14
2010	41.46	67.69	56.41
2011	42.42	69.25	57.71
2012	43.39	70.85	59.04
2013	44.39	72.48	60.40
2014	45.42	74.16	61.80
2015	46.47	75.86	63.22
2016	47.54	77.62	64.68
2017	48.63	79.40	66.17
2018	49.76	81.24	67.70
2019	50.91	83.11	69.26
2020	52.07	85.02	70.85
2021	53.28	86.99	72.49
2022	54.51	88.99	74.16
2023	55.76	91.04	75.87
2024	57.05	93.14	77.62
2025	58.37	95.29	79.41
2026	59.72	97.50	81.25

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

7.3 Inadvertent Energy –

7.3.1 Inadvertent Energy is electric energy produced by the Facility, expressed in kWh, which the Transmitting Entity delivers to Idaho Power at the Point of Delivery that exceeds 10,000 KW multiplied by the hours in the specific month in which the energy was

