

RECEIVED

JAN 08 2010

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR PERMIT
To appropriate the public waters of the State of Idaho

WATER RESOURCES
WESTERN REGION

1. Name of applicant(s) Boise Project Board of ControlPhone (208) 344-1141Name connector (check one): ☐ and ☐ or ☐ and/orMailing address: 2465 W. Overland Rd.City BoiseState IdahoZip 83705Email: www.boiseproject.org2. Source of water supply Boise Riverwhich is a tributary of Snake River

3. Location of point(s) of diversion:

Twp	Rge	Sec	Govt Lot	¼	¼	¼	County	Source	Local name or tag #
02N	03E	3		NW	SW		Ada		

4. Water will be used for the following purposes:

Amount 80 cfs for Power purposes from 3/15 to 10/31 (both dates inclusive)
(cfs or acre-feet per year)Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per year)Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per year)Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per year)5. Total quantity to be appropriated is (a) 80 cfs cubic feet per second (cfs) and/or (b) _____ acre-feet per year (af).

6. Proposed diverting works:

a. Describe type and size of devices used to divert water from the source. Controlled canal flow from the Golden Gate canal to a penstock to a hydro-turbine.

b. Height of storage dam _____ feet; active reservoir capacity _____ acre-feet; total reservoir capacity _____ acre-feet. If the reservoir will be filled more than once each year, describe the refill plan in item 12.

c. Proposed well diameter is _____ inches; proposed depth of well is _____ feet.

d. Is ground water with a temperature of greater than 85°F being sought? _____

e. If well is already drilled, when? _____; drilling firm _____;
Well was drilled for (well owner) _____; Drilling Permit No. _____7. Time required for completion of works and application of water to proposed beneficial use is 3 years (minimum 1 year).

8. Description of proposed uses (if irrigation only, go to item 9):

a. Hydropower; show total feet of head and proposed capacity in kW. 72 - 73 feet of head, 400kW

b. Stockwatering; list number and kind of livestock. _____

c. Municipal; show name of municipality or the applicant's qualifications as a municipal provider. _____

d. Domestic; show number of households. _____

e. Other; describe fully. _____

9. Description of place of use:

- If water is for irrigation, indicate acreage in each subdivision in the tabulation below.
- If water is used for other purposes, place a symbol of the use (example: D for Domestic) in the corresponding place of use below. See instructions for standard symbols.

TWP	RGE	SEC	NE				NW				SW				SE				TOTALS
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
04N	5W	5		P															

Total number of acres to be irrigated: _____

10. Describe any other water rights used for the same purposes as described above. Include water delivered by a municipality, canal company, or irrigation district. If this application is for domestic purposes, do you intend to use this water, water from another source, or both, to irrigate your lawn, garden, and/or landscaping? The water in the Arena Drop has been appropriated for irrigation purposes for lands lying within the Boise Project.

- Who owns the property at the point of diversion? See attached exhibit.
- Who owns the land to be irrigated or place of use? See attached exhibit.
- If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing: See attached exhibit.

12. Describe your proposal in narrative form, and provide additional explanation for any of the items above. Attach additional pages if necessary. The Boise Project Board of Control proposes the construction of a hydropower structure on the Arena Drop portion of its existing canal system. This structure will generate power from the water currently appropriated for irrigation purposes at the existing site.

13. **MAP OF PROPOSED PROJECT REQUIRED** - Attach an 8½"x11" map clearly identifying the proposed point of diversion, place of use, section #, township & range. A photocopy of a USGS 7.5 minute topographic quadrangle map is preferred.

The information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.



Signature of Applicant

Paul DeVeau, Project Manager for Board of Control

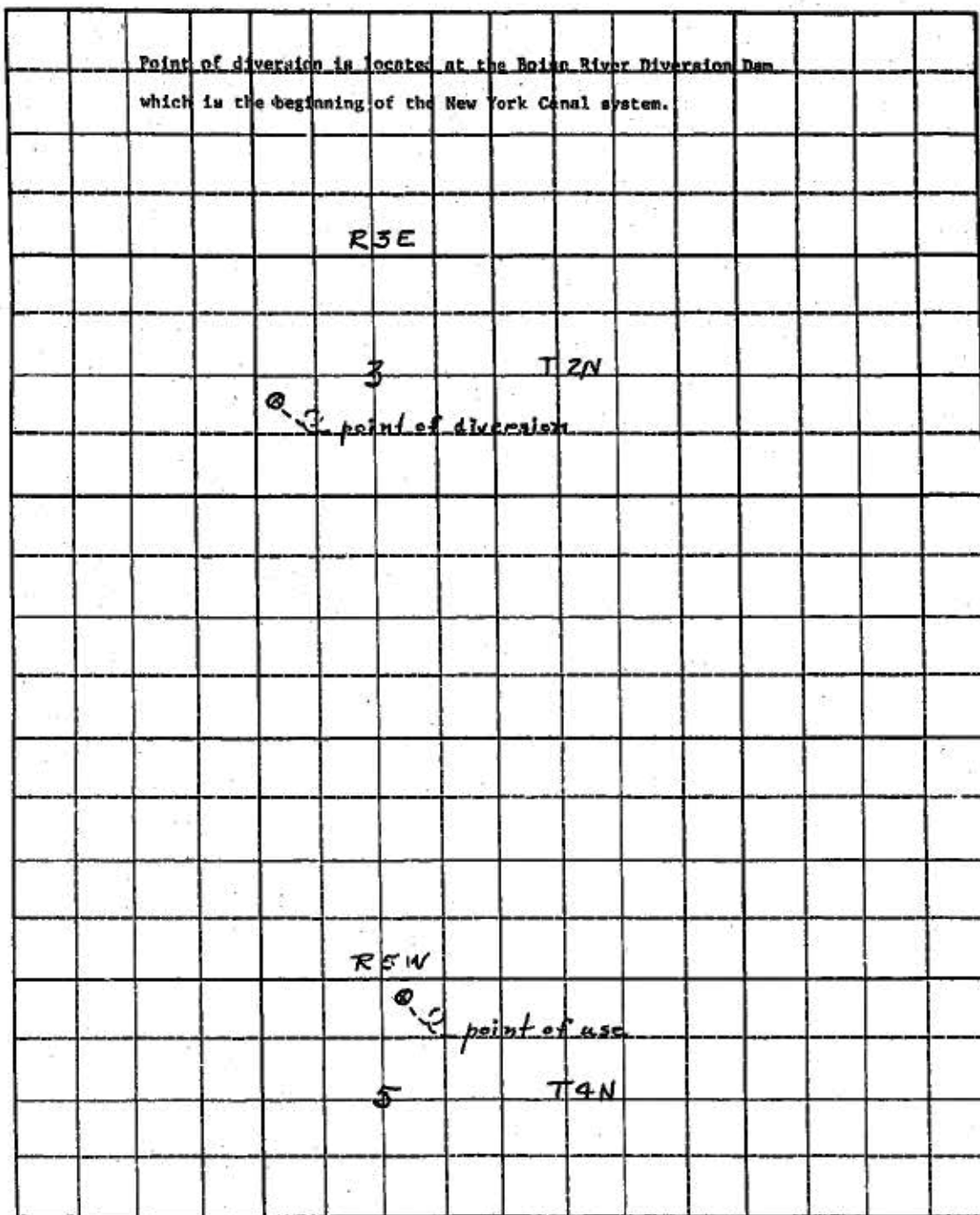
Print Name (and title, if applicable)

Signature of Applicant

Print Name (and title, if applicable)

Received by SB Date 1.8.2010 Time 1:05pm Preliminary check by VLM
 Fee \$ 2210.00 Receipted by SB Receipt No. W038077 Date 1.8.10

11. Map of proposed project: show clearly the proposed point of diversion, place of use, section number, township and range number.



Scale: 2 inches equal 1 mile.

BE IT KNOWN that the undersigned hereby makes application for permit to appropriate the public waters of the State of Idaho as herein set forth.

Royce Lee Currier
(Applicant)
Project Manager

63-33329

Explanation for 11 a, b and c.

The site is part of the works of the Arrowrock Division of the Boise Project which have been transferred to the Board of Control for operation purposes pursuant to a contract between the United States Department of the Interior and Boise-Kuna Irrigation District, the Nampa & Meridian Irrigation District, the New York Irrigation District, the Wilder Irrigation District and the Big Bend Irrigation District. The contract contemplates development of power at locations such as the Arena Drop and promises distribution of net power revenues among the contracting parties.

The Bureau of Reclamation and the Boise Project Board of Control have a lowhead contract governing the construction, coordination and completion of the Arena Drop Project. Pursuant to this contract, title to all lands which are currently owned by the United States, including the Arena Drop, shall remain vested in the name of the United States. The Districts shall retain title to all facilities and equipment they construct under the terms of the contract.

63-33329

AFFIDAVIT FOR WATER RIGHTS TO BE USED FOR POWER PURPOSES

I, Paul J. Deveau, of Boise, County of Ada, State of Idaho, being duly sworn, depose and say: That I am the manager of the Boise Project Board of Control: that I am in charge of the office of the Boise Project Board of Control, located at 2465 Overland Road, Boise, Idaho, wherein are kept the records; and that the Boise Project Board of Control is a public entity, and agent of five irrigation districts, qualified to do business in the State of Idaho under the laws of the State of Idaho.

The Boise Project Board of Control holds a FERC exemption for this hydroelectric project #4858.

The hydropower facility to be developed pursuant to the attached Application for Permit will utilize existing man-made irrigation facilities on the canal system of the Boise Project Board of Control, operated and maintained on behalf of the five irrigation districts.



Paul J. Deveau

STATE OF IDAHO)
) ss
County of Ada)

On this 6 day of January, 2010, personally appeared before me the signer of the above instrument, who duly acknowledged to me that he executed the same.



Notary Public
Residing at Meridian, ID
My commission expires 3-2-2015

RECEIVED

JAN 08 2010

WATER RESOURCES
WESTERN REGION

Buffington, Denise

From: Buffington, Denise
Sent: Wednesday, July 28, 2010 9:15 AM
To: Idaho Statesman
Subject: LEGAL NOTICE
Attachments: Ada County Ads - Cover Letter.Doc; Ada County Ads- COMBINED.doc

Attached please find (1) legal notice being submitted for publication. Please contact me immediately if you have any questions, or if you are not able to publish the ad on the dates requested.

Thank you in advance,

*Denise Buffington
Administrative Assistant I
Dept of Water Resources
Western Region
(208) 334-2190*

July 28, 2010

LEGAL NOTICE DEPARTMENT

IDAHO STATESMAN
PO BOX 40
BOISE, ID 83707

RE: Application For Permit No(s): 63-33266 and 63-33329

Dear Legal Notice Department:

Please publish the enclosed legal notice on the dates indicated (once a week for two consecutive weekly issues). If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Please send the affidavit and bill to this office before 8/23/2010. Your cooperation is appreciated.

Sincerely,

Denise Buffington
Administrative Assistant

Enclosure(s)

The following application(s) have been filed to appropriate the public waters of the State of Idaho:

63-33329

BOISE PROJECT BOARD OF CONTROL

2465 OVERLAND RD

BOISE, ID 83705

Point of Diversion NWSW S3 T02N R03E ADA County Source BOISE RIVER Tributary SNAKE RIVER

Use: POWER 03/15 to 10/31 80 CFS

Total Diversion: 80 CFS

Date Filed: 1/8/2010

Place Of Use: POWER

T04N R05W S5 NWNE

This application proposes an additional, non-consumptive use of irrigation water for power. The point of diversion is the Diversion Dam, the beginning of the New York Canal. The facility will be located at the local landmark in Canyon County, known as the Arena Drop, on the existing canal system.

GARY SPACKMAN, Interim Director

Published in the Idaho Statesman, Post Register, Lewiston Tribune & Times News on 8/5 & 8/12/2010

63-33266

THOMAS C SELLIN

KAREN A SELLIN

1036 IRON EAGLE DR STE 100

EAGLE, ID 83616

Point of Diversion NWSW S32 T05N R01W ADA County Source GROUND WATER Tributary

Use: IRRIGATION 03/01 to 11/15 0.14 CFS

Use: STOCKWATER 01/01 to 12/31 0.02 CFS

Use: DOMESTIC 01/01 to 12/31 0.04 CFS

Total Diversion: 0.2 CFS

Date Filed: 8/25/2009

Place Of Use: IRRIGATION AND DOMESTIC

T05N R01W S32 NWSW

Total Acres: 5

Place Of Use: STOCKWATER

T05N R01W S32 SWNW NWSW

Water bearing zone to be appropriated from existing well is from 380 to 400 feet. Use is for Lot 5, Block 1 Chukar Point Subd. Permits will be subject to all prior water rights. Protests may be submitted based on the criteria of Idaho Code § 42-203A. Any protest against the approval of this application must be filed with the Director, Dept. of Water Resources, Western Region, 2735 Airport Wy, Boise ID 83705 together with a protest fee of \$25.00 for each application on or before 8/23/2010. The protestant must also send a copy of the protest to the applicant.

GARY SPACKMAN, Interim Director

Published on 8/5 & 8/12/2010

Buffington, Denise

From: Buffington, Denise
Sent: Wednesday, July 28, 2010 9:19 AM
To: Post Register
Subject: LEGAL NOTICE
Attachments: 63-33329 - Cover Letter - Post Register.Doc; 63-33329 Ad.doc

Attached please find (1) legal notice being submitted for publication. Please contact me immediately if you have any questions, or if you are not able to publish the ad on the dates requested.

Thank you in advance,

*Denise Buffington
Administrative Assistant I
Dept of Water Resources
Western Region
(208) 334-2190*

July 28, 2010

LEGAL NOTICE DEPARTMENT

POST-REGISTER
PO BOX 1800
IDAHO FALLS, ID 83402

RE: Application For Permit No(s): 63-33329

Dear Legal Notice Department:

Please publish the enclosed legal notice on the dates indicated (once a week for two consecutive weekly issues). If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Please send the affidavit and bill to this office before 8/23/2010. Your cooperation is appreciated.

Sincerely,

Denise Buffington
Administrative Assistant

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BOISE, ID 83705

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GARY SPACKMAN, Interim Director

Published in the Idaho Statesman, Post Register, Lewiston Tribune & Times News on 8/5 & 8/12/2010

Buffington, Denise

From: Buffington, Denise
Sent: Wednesday, July 28, 2010 9:20 AM
To: Times News
Subject: LEGAL NOTICE
Attachments: 63-33329 - Cover Letter - Times News.Doc; 63-33329 Ad.doc

Attached please find (1) legal notice being submitted for publication. Please contact me immediately if you have any questions, or if you are not able to publish the ad on the dates requested.

Thank you in advance,

*Denise Buffington
Administrative Assistant I
Dept of Water Resources
Western Region
(208) 334-2190*

July 28, 2010

LEGAL NOTICE DEPARTMENT

TIMES NEWS
PO BOX 548
TWIN FALLS, ID 83303-0548

RE: Application For Permit No(s): 63-33329

Dear Legal Notice Department:

Please publish the enclosed legal notice on the dates indicated (once a week for two consecutive weekly issues). If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Please send the affidavit and bill to this office before 8/23/2010. Your cooperation is appreciated.

Sincerely,

Denise Buffington
Administrative Assistant

Enclosure(s)

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63-33329

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GARY SPACKMAN, Interim Director

Published in the Idaho Statesman, Post Register, Lewiston Tribune & Times News on 8/5 & 8/12/2010

Buffington, Denise

From: Buffington, Denise
Sent: Wednesday, July 28, 2010 9:25 AM
To: Lewiston Tribune
Subject: LEGAL NOTICE

July 28, 2010

LEGAL NOTICE DEPARTMENT

LEWISTON TRIBUNE
505 C ST PO BOX 957
LEWISTON, ID 83501

RE: Application For Permit No(s): 63-33329

Dear Legal Notice Department:

Please publish the enclosed legal notice on the dates indicated (once a week for two consecutive weekly issues). If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Please send the affidavit and bill to this office before 8/23/2010. Your cooperation is appreciated.

Sincerely,

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Administrative Assistant

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GARY SPACKMAN, Interim Director

Published in the Idaho Statesman, Post Register, Lewiston Tribune & Times News on 8/5 & 8/12/2010

July 28, 2010

LEGAL NOTICE DEPARTMENT

LEWISTON TRIBUNE
505 C ST PO BOX 957
LEWISTON, ID 83501

RE: Application For Permit No(s): 63-33329

Dear Legal Notice Department:

Please publish the enclosed legal notice on the dates indicated (once a week for two consecutive weekly issues). If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Please send the affidavit and bill to this office before 8/23/2010. Your cooperation is appreciated.

Sincerely,

Denise Buffington
Administrative Assistant

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Total Diversion: 80 CFS

Date Filed: 1/8/2010

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GARY SPACKMAN, Interim Director

Published in the Idaho Statesman, Post Register, Lewiston Tribune & Times News on 8/5 & 8/12/2010

Buffington, Denise

From: Buffington, Denise
Sent: Wednesday, July 28, 2010 9:41 AM
To: Rex Barrie, WD-63
Subject: Comment Letters: 63-33329 and Transfer 75920
Attachments: Comment Letter to WD 63 COMBINED.Doc; 63-33329 APP.pdf; X-fer 75920 APP.pdf

Please review the attached information and comment as necessary. If you have any questions regarding the attached information, please feel free to contact our office.

Thank you in advance,

*Denise Buffington
Administrative Assistant I
Dept of Water Resources
Western Region
(208) 334-2190*

July 28, 2010

REX BARRIE
WATER DISTRICT #63
PO BOX 767
10769 W STATE ST
STAR, ID 83669-0767

RE: Transfer No. 75920
Water Right No(s). 63-2338

RE: Application for Permit: 63-33329

Dear Watermaster:

A copy of the above referenced application is enclosed. Please review the application, then complete the enclosed recommendation form and return it to this office within 21 days of the date of this letter.

If the application is approved, IDWR will include appropriate standard conditions of approval for a water right located within a water district, such as regulation by the watermaster, lockable controlling works, and/or measuring devices. Any special conditions or other concerns you have related to this application should be specifically addressed in your recommendation.

IDWR's regional offices can finish reviewing an unprotested application as soon as the protest period has past. Your prompt response to this request will ensure that your recommendation can be considered. If IDWR has not received your written recommendation within 21 days from the date of this letter, IDWR will presume that you do not oppose approval of the application and that you have no comments for IDWR to consider.

Sincerely,

Denise Buffington
Administrative Assistant

Enclosure(s)

Buffington, Denise

From: Buffington, Denise
Sent: Wednesday, July 28, 2010 9:43 AM
To: Rick Ward, Fish & Game
Subject: Comment Letter for 63-33329
Attachments: 63-33329 Comment Letter to F & G.Doc; 63-33329 APP.pdf

Please review the attached information and comment as necessary. If you have any questions regarding the attached information, please feel free to contact our office.

Thank you in advance,

*Denise Buffington
Administrative Assistant I
Dept of Water Resources
Western Region
(208) 334-2190*

July 28, 2010

STATE OF IDAHO
DEPT OF FISH & GAME
ATTN: RICK WARD
3101 S POWERLINE RD
NAMPA, ID 83686

RE: Application for Permit: 63-33329

Dear Mr. Ward:

The Department of Water Resources is seeking written comment and/or recommendations from your agency regarding the above referenced water right application. A copy of the application is enclosed for your reference. Please review the application, complete the enclosed recommendation form, and submit it to this office within 21 days.

The Department can publish notice of the application as soon as the initial review is completed. Therefore, your prompt response to this request is appreciated. If your agency desires to formally protest the approval of this application, you may do so after the notice is published by filing a written protest along with a \$25.00 filing fee within 10 days after final publication.

Please contact this office if you have any questions regarding the application.

Sincerely,

Denise Buffington
Administrative Assistant

Enclosure(s)

Buffington, Denise

From: Buffington, Denise
Sent: Wednesday, July 28, 2010 9:44 AM
To: 'emcgarry@pn.usbr.gov'
Subject: Comment Letter for 63-33329
Attachments: 63-33329 Comment Letter to BOR.Doc; 63-33329 APP.pdf

Please review the attached information and comment as necessary. If you have any questions regarding the attached information, please feel free to contact our office.

Thank you in advance,

*Denise Buffington
Administrative Assistant I
Dept of Water Resources
Western Region
(208) 334-2190*

July 28, 2010

E GAIL MCGARRY
US BUREAU OF RECLAMATION
1150 N CURTIS STE 100
BOISE ID 83706

Re: Application for Permit: 63-33329

Dear Ms. McGarry:

Attached are copies of one or more applications that may be of interest to you. Please review the application(s) and submit any comments you may have.

This office normally completes the processing of an application within a six-week period and is required to take final action shortly thereafter. However, if your agency desires to file a formal protest against the approval of any of these applications, your written protest along with the \$25.00 protest fee for each application protested, must be received in this office by August 23, 2010.

If you have any questions regarding these applications, please contact this office at 334-2190.

Sincerely,

Denise Buffington
Administrative Assistant

Enclosure



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way • Boise, Idaho 83705-5082

Phone: (208) 334-2190 • Fax: (208) 334-2348 • Web Site: www.idwr.idaho.gov

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

July 28, 2010

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE ID 83720-0074

Re: Application for Permit No(s). 63-33329

To Whom It May Concern:

Attached are copies of one or more applications that may be of interest to you. Please contact the applicant(s) if you have concerns about the application(s).

If you desire to file a formal protest against approval of the application(s), a written protest along with the \$25.00 protest fee for each application protested must be received in this office by August 23, 2010.

Please contact this office at 208-334-2190 if you have any questions regarding the application(s), or you may visit our website at www.idwr.idaho.gov.

Sincerely,

A handwritten signature in black ink that reads "Denise Buffington". The signature is written in a cursive, flowing style.

Denise Buffington
Administrative Assistant

Enclosure

Music, Vicky

From: Music, Vicky
Sent: Tuesday, July 27, 2010 1:13 PM
To: 'Sarah Higer'; 'apb@idahowaters.com'
Subject: RE: Arena Drop Permit
Attachments: img-727131116.pdf

Attached is a courtesy copy of the letter mailed today regarding flow. Thanks.

Vicky Music

From: Sarah Higer [mailto:swh@idahowaters.com]
Sent: Tuesday, July 27, 2010 9:32 AM
To: Music, Vicky
Subject: RE: Arena Drop Permit

Thanks Vicky

From: Music, Vicky [mailto:Vicky.Music@idwr.idaho.gov]
Sent: Tuesday, July 27, 2010 9:30 AM
To: Sarah Higer
Subject: RE: Arena Drop Permit

Hi Sarah –

The application review and approval are nearly complete. I met with Steve L this morning regarding this application. We will send it to advertising but I will be sending a letter to Mr Barker asking for a brief explanation of how the applicant arrived at the diversion rate needed to generate 400 kw. Our calculation, using the formula in the admin memo and the head and kw provided in the application, results in an instantaneous diversion rate insufficient to generate 400 kw. I'll write the letter today and email it to you both.

Vicky Music

From: Sarah Higer [mailto:swh@idahowaters.com]
Sent: Tuesday, July 27, 2010 9:05 AM
To: Music, Vicky
Subject: Arena Drop Permit

Hi Vicky,

Idaho Power has given the Arena Drop hydro facility the green light to begin testing. Is the Arena Drop application complete at this time, aside from publication?

Thank you,

Sarah W. Higer
Barker Rosholt & Simpson LLP
(208) 336-0700



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082

Phone: (208) 334-2190 FAX: (208) 334-2348 www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

July 27, 2010

Albert P. Barker
Barker Rosholt & Simpson LLP
1010 Jefferson, Ste. 102
P.O. Box 2139
Boise, ID 83701-2139

Re Application for Permit No. 63-33329
Boise Project Board of Control – Arena Drop Lowhead Hydropower Project

Dear Mr. Barker:

Thank you for the supplemental information supplied to IDWR recently in the matter of the application referenced above. There is a last bit of information needed to complete the regional review of the application. In Administrative Memo #24 previously provided to you, section (3) *Flow Calculation*, states that the Department must evaluate the quantity proposed in a power application and determine if it is reasonable. The Arena Drop application requests 80 cfs and provides 72-73 feet as the hydraulic head to generate the proposed 400 kW power capacity. Using this information, 50% efficiency and the formula in the memo *Attachment C, Figure 1*, the result is 244 kW power output.

Please provide a brief explanation by August 13, 2010, as to how the applicant determined that 80 cfs was sufficient to generate 400 kW power. This will not delay advertising which should occur in the first and second week in August. I can be reached at 334.2190 if you have questions.

Sincerely,

Vicky Music
Sr. Water Resource Agent

Music, Vicky

From: Music, Vicky
Sent: Tuesday, July 20, 2010 4:09 PM
To: 'Sarah Higer'
Cc: Lester, Steve
Subject: RE: Arena Drop Permit 63-33329

Sarah -The file has been on Steve's desk for a few days for his supervisory review. When I know whether I have to tweak things and when it will be advertised, I will let you know.

Vicky Music

From: Sarah Higer [mailto:swh@idahowaters.com]
Sent: Tuesday, July 20, 2010 12:48 PM
To: Music, Vicky
Subject: Arena Drop Permit 63-33329

Ms. Music,

When does IDWR plan to publish public notice of this permit application?

Sarah W. Higer
Barker Rosholt & Simpson LLP
(208) 336-0700

CONFIDENTIALITY NOTICE: This e-mail and its attachments are confidential and may be privileged. If you believe this e-mail has been sent to you in error, please notify the sender immediately and delete this email. Do not deliver, distribute or copy this transmission.

Tracking:

ALBERT P. BARKER
JOHN A. ROSHOLT
JOHN K. SIMPSON
TRAVIS L. THOMPSON
SHELLEY M. DAVIS
PAUL L. ARRINGTON
SCOTT A. MAGNUSON
SARAH W. HIGER



1010 W. Jefferson, Suite 102
Post Office Box 2139
Boise, ID 83701-2139
(208) 336-0700 telephone
(208) 344-6034 facsimile
brs@idahowaters.com

113 Main Avenue West, Suite 303
Twin Falls, ID 83301-6167
(208) 733-0700 telephone
(208) 735-2444 facsimile
jar@idahowaters.com

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JUL 13 2010

WATER RESOURCES
WESTERN REGION

Sarah W. Higer
swh@idahowaters.com

July 12, 2010

Idaho Department of Water Resources
Attn: Vicky Music
2735 Airport Way
Boise, ID 83705-5082

Re: Arena Drop Water Right Permit 63-33329

Dear Ms. Music,

Enclosed is a copy of the Canyon County Certificate of Zoning Compliance/Permit for the Arena Drop hydroelectric facility.

Very truly yours,

BARKER ROSHOLT & SIMPSON LLP



Sarah W. Higer

SWH/se
Enclosure

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WATER RESOURCES
WESTERN REGION

Canyon County

Development Services Department Certificate of Zoning Compliance/Permit

permint.rtm 9/24/08

Zoning 454-7458

FAX 454-8633

Building 454-7460

www.canyoncounty.org

Tracking Number: BP2009-317

Parcel Number: R36693 &
R36644-DIO-A
Township: 4N
Range: 5W
Section: 05
Quarter: NE
Acreage of Parcel: 1.675
County Zone: A
City Impact Area: NO

Subdivision:**Lot:** **Block:****Permit Is For:** Accessory**Square Footage:** 1008**Site Address:** 23998 Stephen Lane
Parma, ID 83660**Temporary Use Address:****Original Parcel:** ☐
Land Use Case #: UF2009-3

Sec Line: 70 Feet **1/4 Sec:** 70 Feet
County Set Backs: ☒ **City Set Backs:** ☐
Front: 30 **Front:**
Side: 10 **Side:**
Rear: 20 **Rear:**

Project Flood Zone: X - Outside SFHA
Parcel Flood Zone: Zone X - Outside SFHA
Hwy Dist: Golden Gate
Fire Dist: Wilder
School Dist: Parma #137

Owner:
Boise Project Board of Control
2465 Overland Rd.
Boise, Id 83705
Cellular:
Voice: 412-9815

Applicant: Other
Boise Project Board of Control
Voice: 412-9815

Contractor:
RIVERSIDE INC
PO Box 720
Parma, ID 83660
Voice: 412-9815
Contractor Registration
PWC-C-11115

Required Documentation: **Received:**

- ☒ Legal Description / Deed
- ☒ Building / Site Plans(2)
- ☐ RES Check
- ☐ SWDH Permit
- ☐ Hwy Dist/IDT Permit
- ☐ Fire Dist Permit
- ☐ MH Application

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Required Documentation: **Received:**

- ☐ Ad Valorem / Pre 76 Rehab
- ☐ MH Temp Res Permit
- ☐ Easement & Maint Agreement
- ☒ Property Research
- ☒ Road Frontage
- ☐ Development Permit
- ☐ Elevation Certificate
- ☐ Bonding/ARCA

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App Accepted By: Connie Aebischer **Filing Date:** 8/19/2009 **Status:** Incomplete **On Hold By:** Zoning
Comments: No Fees will be charged. 24 x 42 Structure around a generator over the Golden Gate Canal, Need foundation plan

Tracking Number BP2009-317

Page 1 of 2

4/1/2010 4:04:07 PM

R36693

Special Conditions:

This permit is for a structure over a generator that is located in the Golden Gate Canal and has a conduit extending parallel to the existing slide which covers 3 separate parcels - R36693 R36694-010-A and a parcel for the canal without an R#. This will not meet individual parcel setbacks.

Fees:		Description	Amount
3/29/2010	FEE2010-505	8/14/06 BP Fees (Auto)	\$246.00
3/29/2010	FEE2010-506	8/14/06 Res. Plan Check (Calc)	\$39.36
		Total Zoning Fees:	\$285.36

This is not a Building Permit. For Building Permit applications this "Certificate of Zoning Compliance" shall expire if not completed within sixty (60) calendar days from the date of filing. One extension may be issued in writing by the Zoning Administrator. When your Building Permit is ready for pick-up you may do so during office hours of 8:00 a.m. and 4:00 p.m. to allow the permit technicians to make daily deposits.

Your signature acknowledges that any nuisance complaints regarding agricultural activity may be limited by the Idaho right to farm laws.

I affirm that all the information provided by me for the completion of this certificate is correct to the best of my knowledge.

Applicants Signature: *Jim Rose* Date: 4/29/10

DSD Staff Accepting Application: *Janice L. Debrscher* Date: 4/1/10

Reviewed By: *Don Hunt* Completed Date: 4/1/10

DSD Flood Plain Administrator: *N/A* Date: _____

ALBERT P. BARKER
JOHN A. ROSHOLT
JOHN K. SIMPSON
TRAVIS L. THOMPSON
SHELLEY M. DAVIS
PAUL L. ARRINGTON
SCOTT A. MAGNUSON
SARAH W. HIGER



1010 W. Jefferson, Suite 102
Post Office Box 2139
Boise, ID 83701-2139
(208) 336-0700 telephone
(208) 344-6034 facsimile
brs@idahowaters.com

113 Main Avenue West, Suite 303
Twin Falls, ID 83301-6167
(208) 733-0700 telephone
(208) 735-2444 facsimile
jar@idahowaters.com

Albert P. Barker
apb@idahowaters.com

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JUL 12 2010

WATER RESOURCES
WESTERN REGION

July 9, 2010

Idaho Department of Water Resources
Attn: Vicky Music
2735 Airport Way
Boise, ID 83705-5082

Re: Arena Drop Water Right Permit 63-33329

Dear Ms. Music,

This letter is in response to your letter sent earlier today regarding the submission of application Arena Drop Water Right Permit 63-33329.

Your first question asks "Has the applicant submitted an application to the PUC and/or received a PUC determination that the project is a QF? If not, IDWR will solicit comments from the PUC and no action other than answering this question." It is unclear what this question is asking because, according to IDWR's *Application Processing Memo No. 24 Re: Approval of Permits for Power Purposes*, irrigation districts are not regulated by the PUC. Page 1 of the *Memo* states:

The determination of which power producers are subject to PUC regulation and which are not remains a complex issue. In general, the PUC regulates and requires applications from investor-owned utilities that market power, such as Idaho Power Company, or independent small power producers. Systems that are not regulated include those owned by public entities (co-ops, municipalities, irrigation districts, etc.), private systems for personal use, and entities meeting the requirements of a qualifying facility (QF) under PURPA.

Application Processing Memo No. 24 Re: Approval of Permits for Power Purposes, pg. 1 (emphasis added). As stated in the application, the Boise Project Board of Control is the operating agent for five irrigation districts. See e.g. Water right no 63-136 (describing the relationship between the Boise Project Board of Control and the five member irrigation districts). The Boise Project and its member irrigation districts therefore are not subject to PUC regulation. The *Processing Memo* also states that "The Department does not require FERC &/or PUC

approvals to be prerequisites for issuance of a water right permit.” *Id.*, at 3. Further, as you noted in your letter, the PUC does not have jurisdiction over this project.

Your second question states “This project is subject to FERC jurisdiction. The power affidavit submitted with the application for permit states the facility has FERC exemption, however, no document from FERC stating the facility is exempt has been provided to IDWR. Please provide that document.” First, for your records attached is the FERC exemption for Project No 4858 issued to the Boise Project Board of Control. In addition, the Arena Drop qualifies as a Qualifying Facility under FERC Rules. FERC Order 732, amending 18 CFR § 292.207 provides:

- (a) Self-certification. The qualifying facility status of an existing or a proposed facility that meets the requirements of § 292.203 may be self-certified by the owner or operator of the facility or its representative by properly completing a Form No. 556 and filing that form with the Commission, pursuant to § 131.80 of this chapter, and complying with paragraph (c) of this section.

We provided a copy of FERC Form 556 for Arena Drop which certifies Arena Drop as a Qualifying Facility. That document is self certifying, and does not require nor receive any documentation from FERC. A copy of acknowledgement from FERC confirming receipt of the Arena Drop Form 556 is included with this letter. Under FERC rules for a project of this size, there will be no “document from FERC stating that the facility is exempt” as your letter requests. Your letter mistakenly states that the power sales contract between the Idaho Power Company and Riverside Inc., LLC is unsigned. That contract, including the copy sent to you, is signed, on page 29. Please note that this agreement is specific to the Arena Drop Project. *See* Appendix B, p. 36. Appendix C attached to the end of that contract includes several certifications which are to be executed after the project is completed and on-line. These certifications in Appendix C are not yet signed by the engineer, because the project is not yet completed or on-line.

You also referred us to Water Appropriation Rules 40.05.c through 40.05.g. We will respond to these references, but note that for the most part these provisions are not relevant to the construction and operation of this project.

Subsection c refers to impacts on existing water rights. There are none. As the application explains (section 10 and section 12), the water necessary to operate this turbine is water that has already been diverted from the Boise River through the existing water rights of the Boise Project Board of Control and the member irrigation districts. No additional diversions from the Boise River are required. The turbine and generator are located on the existing canal system at a location known as the Arena Drop. Hydro operations will only take place with water that is otherwise being delivered by the Boise Project to the water users. There are no other water users on the Boise Project canal system, other than landowners of the irrigation districts.

Subsection d asks for information about the available water supply. As stated above, the hydro plant will operate with the water already delivered to the Boise Project Board of Control system. The application states the flow rate (80 cfs) and the period of use (3/15-10/31). If water

is not available in the Boise Project system there will be no generation. There is no consumptive use.

Subsection e asks for information about good faith and delay. The purpose of providing the photos was to show that the hydro project is now under construction and nearing completion. Mr. Westra acknowledged the progress of the construction in his email of July 6, 2010. Actual construction of the facility should be a pretty good indication that the application is not speculative. The project facilities, including the new penstock, are all on land owned by the Boise Project or on Reclamation rights of way (transferred works) operated and maintained by the Boise Project. The Boise Project has a contract with Reclamation authorizing construction and operation of certain lowhead projects, including Arena. Please let us know if you need any additional information about the agreement with Reclamation.

Subsection f requests information demonstrating that the applicant has the financial capacity to build the project. The project is almost complete. The project is being built under a contract between the Boise Project and its irrigation districts and Riverside. Attached is Addendum No. 4 to the master agreement with Riverside which covers the Arena Drop Project. Do you really need any other proof that the Boise Project can build the hydro plant? If so please let us know and we can provide an audited financial statement of the Boise Project. This section also asks for plans and specifications. You have the construction plans and specifications. The cost of construction is approximately \$550,000. Additionally, we submitted the agreement between the Idaho Power Company and Riverside Inc., LLC for this project to demonstrate that the facility is economic to operate because the existing power sales agreement with Idaho Power under PURPA will underwrite the project costs.

Subsection g relates to the local public interest criterion. Attached is the building permit from Canyon County authorizing the construction of this facility. There are no other communications from the County. This facility is not in the jurisdiction of any City. We have no communications with DEQ or F&G. Neither entity has jurisdiction over the canals of the Boise Project. The Boise Project has consulted with Reclamation and has an agreement with Reclamation, as noted above and as explained in the application, to construct and operate lowhead facilities on the transferred works, which includes the Arena Drop and Canal. If you need any other information, please let us know.

Enclosed with this letter are the following:

1. FERC Order Granting Exemption From Licensing For a Conduit Hydroelectric Project for Project No. 4858-000, Arena Drop
2. FERC email confirming receipt of FERC Form 556 for the Arena Drop Hydroelectric Project.
3. The Canyon County Building Permit for the Arena Drop Hydroelectric Project. This is the only formal authorization for the project received from or deemed necessary by Canyon County, the County with jurisdiction over this project.

4. Fourth Addendum to Agreement for Development of Hydroelectric Projects between the Applicant and Riverside.

Very Truly Yours,

BARKER ROSHOLT & SIMPSON LLP

A handwritten signature in dark ink, appearing to read 'Albert P. Barker', is written over the printed name. The signature is fluid and cursive.

Albert P. Barker

APB/hr
Enclosures

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Department of Water Resources

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WATER RESOURCES
WESTERN REGION

- 2 -

Should the Applicant contest any terms or conditions that were proposed by Federal or State agencies in their letters of comment as being outside the scope of Article 2, the Commission shall determine whether the disputed terms or conditions are outside the scope of Article 2.

It is ordered that:

(A) Arena Drop Hydroelectric Plant Project No. 4858 as described and designated in Boise Project Board of Control's application filed on June 10, 1981, is exempted from all of the requirements of Part I of the Federal Power Act, including licensing, subject to the standard articles in §4.94 of the Commission's regulations, 45 Fed. Reg. 28085 (1980) (to be codified in 18 C.F.R. §4.94).

(B) This order is final unless a petition appealing it to the Commission is filed within 30 days from the date of its issuance, as provided in Section 1.7(d) of the Commission's regulations, 18 C.F.R. 1.7(d)(1979), as amended, 44 Fed. Reg. 46449 (1979). The filing of a petition appealing this order to the Commission or an application for rehearing as provided in Section 313(a) of the Act does not operate as a stay of the effective date of this order, except as specifically ordered by the Commission.

Robert E. Cackowski
Robert E. Cackowski
Deputy Director, Office of
Electric Power Regulation

16 FERC 162,612

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Project Board of Control, Idaho) Project No. 4858-000

ORDER GRANTING EXEMPTION FROM LICENSING FOR
A CONDUIT HYDROELECTRIC PROJECT

(Issued September 30, 1981)

Applicant I/ filed an application for exemption from all of Part I of the Federal Power Act pursuant to 18 C.F.R. §4.94 Subpart J (1980) implementing Section 30 of the Federal Power Act (Act) for a project as described in the attached notice. 2/

As of the application was published and comments were received from interested Federal and State agencies including State Fish and Wildlife Agency. All comments, protests, petitions to intervene that were filed have been considered. Agency has any objection relevant to issuance of this application.

Article 2 included in this exemption, requires compliance with any conditions that Federal or State fish and wildlife agencies have determined appropriate to prevent loss of, or damage to, fish and wildlife resources. The terms and conditions stated in Article 2 are contained in any letters of comment from agencies which have been forwarded to the Applicant in conjunction with this exemption.

DC-N-87

Project Board of Control, Idaho, Project No. 4858,
Issued June 10, 1981.

Authority to act on this matter is delegated to the Director, Division of Hydro-power Licensing, Office of Electric Power Regulation, under §375.306 of the Commission's regulations, 43 Fed. Reg. 21216 (1980), as amended by order No. 112 in Project No. 4858-3, issued November 21, 1980, (45 Fed. Reg. 7724).

Sarah Higer

From: Shelley Davis
Sent: Wednesday, April 14, 2010 11:45 AM
To: Sarah Higer
Subject: FW: FERC Receipt of Filing in P-4858-000

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JUL 12 2010

WATER RESOURCES
WESTERN REGION

Eureka! It worked. -S

-----Original Message-----

From: eFiling@ferc.gov [mailto:eFiling@ferc.gov]
Sent: Wednesday, April 14, 2010 11:46 AM
To: Shelley Davis; eFiling@ferc.gov
Subject: FERC Receipt of Filing in P-4858-000

Confirmation of Receipt

This is to confirm receipt by the FERC Office of the Secretary of the following electronic submission:

-Submission ID: 233847
-Docket(s) No.: P-4858-000
-Filed By: BOISE PROJECT BOARD OF CONTROL -Signed By: Paul Deveau -Filing Desc: Form 556 of BOISE PROJECT BOARD OF CONTROL under P-4858-000.
-Submission Date/Time: 4/14/2010 1:31:06 PM -Filed Date: 4/14/2010 1:31:06 PM

Additional detail about your filing is available via the following link:

<https://ferconline.ferc.gov/SubmissionStatus.aspx?hashcode=XR44AWqnBdsrTfVGXyrnEw>

You will receive an email, shortly, concerning the status of your submission.

Thank you for participating in the FERC Electronic Filing System. If you have any questions, or if you detect errors in your submission or the FERC-generated PDF, please contact FERC at:

E-Mail: efiling@ferc.gov <mailto:efiling@ferc.gov> (do not send filings to this address) Voice Mail: 202-502-8258.



Building Department

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JUL 12 2010

WATER RESOURCES
WESTERN REGIONProject Address: 23998 Stephen Ln. PA

Lot: _____ Block: _____

Contractor Registration Number: _____

Permit # BP 2009-317 Issue Date: 4-29-10**DO NOT REMOVE*** Inspection # 1 FOOTING/SETBACK: _____
Basement Wall Rebar _____ Rigid insulation-slab on grade _____Inspection # 2 PRE-FLOOR SHEATHING: _____
Anchoring bolt pattern _____ Foundation venting _____Inspection #3 SHEAR PANELS 1: _____
Wall sheathing to framing fastening _____ Wall Bracing/uplift strapping _____Inspection #4 SHEAR PANELS 2: _____
Window installation as per manufacturer specification _____ Glazing U values _____
As built elevation certificate (if needed) _____Inspection #5 Stucco 1: _____
Weather Barrier _____ Lathe _____ Weep Screed _____**VERIFY THAT OTHER ROUGH-IN INSPECTIONS HAVE PASSED
BEFORE SCHEDULING FRAMING INSPECTION*** Inspection #6 FRAMING: _____
Framing after weather barrier _____ Air Seal for Energy Code _____ Air leakage/caulking _____Inspection #7 Stucco 2: _____
Base Coat _____Inspection #8 ENERGY CODE: _____
Insulation R value in all exterior walls/Bonus Room _____ Baffle's at soffit vents _____* Inspection #9 FINAL: _____
Final inspections: Plumbing, Electrical, Mechanical _____ Insulation Certification Sheet _____
Stucco - Final coat _____ Final SWDH & Fire District Approvals (if applicable) _____**MUST CALL BY 4:30 PM FOR NEXT DAY INSPECTION**

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JUL 12 2010

**FOURTH ADDENDUM TO AGREEMENT FOR DEVELOPMENT OF
HYDROELECTRIC PROJECTS LEASE AND ASSIGNMENT OF ASSETS**

WATER RESOURCES
WESTERN REGION

WHEREAS, Boise-Kuna Irrigation District, Nampa and Meridian Irrigation District, New York Irrigation District, Wilder Irrigation District, Big Bend Irrigation District, and the Boise Project Board of Control approved entering into an Agreement for Development of Hydroelectric Projects, Lease and Assignment of Assets with Riverside, Inc. in June of 2003,

WHEREAS, Riverside has determined to forgo its right to develop the Golden Gate Project (FERC # 5039) under this Agreement;

WHEREAS, Riverside has submitted a Feasibility Report for its proposal to develop the Arena Drop Project (FERC # 4858) which proposes a 0.4 MW project and non-levelized PURPA rates with Idaho Power Company;

WHEREAS, Riverside proposes in its Feasibility Report that the Parties modify the Revenue, Costs and Net Profits provisions of Article VI of the Agreement for the Arena Drop Project (FERC # 4858) only, in order to make development of that Project economically feasible, in part because the flows of the project will support a facility of 0.4 MW, rather than 0.54 MW as originally proposed under the FERC exemption;

WHEREAS, the Parties wish to facilitate the development of the Arena Drop Project (FERC # 4858) which will require modifications to Article VI and without such modifications development of the Arena Drop Project (FERC # 4858) would not be possible.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements stated herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, Lessor and Lessee agree to modify the Agreement, for the Arena Drop Project only, as follows:

I.

The terms and conditions of the Agreement for Lease and Assignment of Assets and the Lease, as amended, for the Arena Drop Project shall be executed with modifications to correspond to this Fourth Addendum and otherwise shall remain unchanged unless otherwise stated in this Addendum.

II.

For the Arena Drop Project only, Article 6.1 shall be replaced in its entirety with the following:

6.1 In the first ten (10) years following Completion of Construction of the Arena Drop Project (FERC # 4858) distribution of all net revenue shall be made to Lessee and no distributions shall be made to Lessor. All Operation & Maintenance costs shall be first paid from project revenues before any distribution to Lessee in any year. Lessee shall assume responsibility for any variance from the firm fixed price, any allocation of the ratio of debt and equity, any profit margins, any debt service and any return on equity. Lessor shall not assume any responsibility for assuring that any profit margins, return on equity or debt service loan rates are achieved. Lessee shall hold Lessor harmless from any claim by Lessee and any of Lessee's lenders or creditors that the project did not generate sufficient revenues to pay off any debt incurred for this project.

III.

For the Arena Drop Project only, Article 6.2 shall be replaced in its entirety with the following:

6.2 Following the end of the tenth year after Completion of Construction distribution shall be as described in Article 6.4.

IV.

For the Arena Drop Project only, Article 6.3 shall be replaced in its entirety with the following:

6.3 All debt and equity shall be paid down during the first ten (10) years after Completion of Construction. Any unpaid debt or equity remaining shall be automatically retired at the end of the ten (10) year period. No lien or security interest shall be permitted on the leasehold interest after the end of the tenth year.

V.

For the Arena Drop Project only, Article 6.4 shall be replaced in its entirety with the following:

6.4 In the succeeding ten years (years 10-20), Operation & Maintenance costs will be deducted from all of the Project revenue for Arena Drop Project and the Net Profit shall be split between the Lessor and Lessee on an equal (fifty/fifty) basis.

VI.

In all other respects, the Agreement for the Development of Hydroelectric Projects, Lease and Assignment of Assets dated June of 2003, as amended by Addenda One, Two and Three, shall remain in effect.

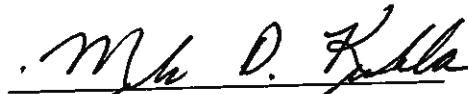
DATED this 7th day of January, 2009.

Riverside Inc.



President

Boise-Kuna Irrigation District



Chairman

Boise Project Board of Control



Chairman

Nampa & Meridian Irrigation District



Chairman

New York Irrigation District



Chairman

Big Bend Irrigation District

Chairman

Wilder Irrigation District



Chairman

VI.

In all other respects, the Agreement for the Development of Hydroelectric Projects, Lease and Assignment of Assets dated June of 2003, as amended by Addenda One, Two and Three, shall remain in effect.

DATED this 6th day of January, 2009.

Riverside Inc.

President

Boise Project Board of Control

Chairman

New York Irrigation District

Chairman

Wilder Irrigation District

Chairman

Boise-Kuna Irrigation District

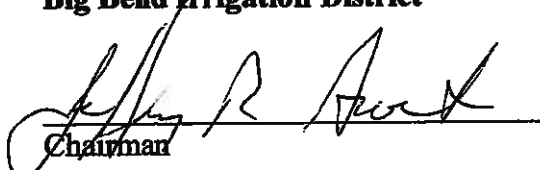
Chairman

Nampa & Meridian Irrigation District

Chairman

Big Bend Irrigation District

Chairman

A handwritten signature in black ink, appearing to read "J. R. [unclear]", is written over the line for the Big Bend Irrigation District Chairman.

Music, Vicky

From: Music, Vicky
Sent: Friday, July 09, 2010 3:18 PM
To: 'apb@idahowaters.com'
Cc: 'Sarah Higer'
Subject: RE: IDWR Administrative Memo
Attachments: BPBC letter 7-9.pdf

As a courtesy, I am sending this email and attached is a letter mailed to you today regarding the BPBC power application, 63-33329.

Vicky Music

From: Sarah Higer [mailto:swh@idahowaters.com]
Sent: Wednesday, June 30, 2010 11:18 AM
To: Music, Vicky
Subject: RE: IDWR Administrative Memo

Thank you.

From: Music, Vicky [mailto:Vicky.Music@idwr.idaho.gov]
Sent: Wednesday, June 30, 2010 11:17 AM
To: Sarah Higer
Subject: RE: IDWR Administrative Memo

Admin Memo 24 attached.

Vicky Music

From: Sarah Higer [mailto:swh@idahowaters.com]
Sent: Wednesday, June 30, 2010 10:51 AM
To: Music, Vicky
Subject: IDWR Administrative Memo

Hi Vicky,

In our conversation yesterday, you mentioned an administrative memo in the context of how permit application 63-33329 falls within IDWR's administrative memo on the permit. You will please send a copy of that memo to me?

We are in the process of gathering up all of the engineering information on Arena Drop and will send that over to you today. Please let me know if there is anything else we can do on this end.

Thank you for your help on this,

Sarah W. Higer
Barker Rosholt & Simpson LLP
(208) 336-0700



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082

Phone: (208) 334-2190 FAX: (208) 334-2348 www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

July 9, 2010

Albert P. Barker
Barker Rosholt & Simpson LLP
1010 Jefferson, Ste. 102
P.O. Box 2139
Boise, ID 83701-2139

Re Application for Permit No. 63-33329
Boise Project Board of Control – Arena Drop Lowhead Hydropower Project

Dear Mr. Barker:

Sarah Higer and I communicated recently about the status of the application referenced above and filed by you on January 8, 2010, and the sufficiency of information submitted with the application. In response to her inquiries, I e-mailed her IDWR *Application Processing Memo No. 24 Re: Approval of Permits for Power Purposes*. Ms. Higer sent me the following documents on July 2, 2010:

Engineering specifications for the project;
An unsigned document entitled Firm Energy Agreement;
A FERC Form 556 with no acknowledgement of receipt by FERC or order pertaining to the facility's status as a QF; and,
Six photographs.

Unfortunately, the application remains deficient. Please refer to the administrative memo #24, *Regional Office Processing (A) (1)(b) & (c)*, pages 3-4, when responding to the following questions re documentation needed by IDWR to meet the FERC and the PUC requirements:

- 1 – Has the applicant submitted an application to the PUC and/ or received a PUC determination that the project is a QF? If not, IDWR will solicit comments from the PUC and no action other than answering this question.
- 2 – This project is subject to FERC jurisdiction. The power affidavit submitted with the application for permit states the facility has a FERC exemption, however, no document from FERC stating the facility is exempt has been provided to IDWR. Please provide this document.

July 9, 2010

Letter to Albert P. Barker re 63-33329

Page 2 of 2

Additionally, the administrative memo #24, *Regional Office Processing (A) (2)*, page 4, describes additional information needed for large diversions pursuant to Rule 40 of the Water Appropriation Rules and Regulations. Attached is the Rule 40 requirements. Provide the information requested, or if an item does not apply to this application, please state the reasons. No information is needed regarding item g because IDWR will solicit comments as part of routine processing.

IDWR will continue to process the application and will advertise it in a few weeks, but will not approve the application until the applicant submits data herein. The deadline for submission of the requested information is **August 13, 2010**. Please call me at 334-2190 if you have questions. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Vicky Music", written over the printed name.

Vicky Music

Sr. Water Resource Agent

Enclosure: Water Appropriation Rules 40.05c through 40.05g

Water Appropriation Rules 40.05.c through 40.05.g

c. Information relative to the effect on existing water rights, Section 42-203A(5)(a), Idaho Code, shall be submitted as follows:

i. For applications appropriating springs or surface streams with five (5) or fewer existing users, either the identification number, or the name and address of the user, and the location of the point of diversion and nature of use for each existing water right shall be submitted.

ii. For applications appropriating groundwater, a plat shall be submitted locating the proposed well relative to all existing wells and springs and permitted wells within a one-half mile radius of the proposed well.

iii. Information shall be submitted concerning any design, construction, or operation techniques which will be employed to eliminate or reduce the impact on other water rights.

d. Information relative to sufficiency of water supply, Section 42-203A(5)(b), Idaho Code, shall be submitted as follows:

i. Information shall be submitted on the water requirements of the proposed project, including, but not limited to, the required diversion rate during the peak use period and the average use period, the volume to be diverted per year, the period of year that water is required, and the volume of water that will be consumptively used per year.

ii. Information shall be submitted on the quantity of water available from the source applied for, including, but not limited to, information concerning flow rates for surface water sources available during periods of peak and average project water demand, information concerning the properties of the aquifers that water is to be taken from for groundwater sources, and information on other sources of supply that may be used to supplement the applied for water source.

e. Information relative to good faith, delay, or speculative purposes of the applicant, Section 42-203A(5)(c), Idaho Code, shall be submitted as follows:

i. The applicant shall submit copies of deeds, leases, easements or applications for rights-of-way from federal or state agencies documenting a possessory interest in the lands necessary for all project facilities and the place of use or if such interest can be obtained by eminent domain proceedings the applicant must show that appropriate actions are being taken to obtain the interest. Applicants for hydropower uses shall also submit information required to demonstrate compliance with Sections 42-205 and 42-206, Idaho Code.

ii. The applicant shall submit copies of applications for other needed permits, licenses and approvals, and must keep the department apprised of the status of the applications and any subsequent approvals or denials.

f. Information Relative to Financial Resources, Section 42-203A(5)(d), Idaho Code, shall be submitted as follows:

i. The applicant shall submit a current financial statement certified to show the accuracy of the information contained therein, or a financial commitment letter along with the financial statement of the lender or other evidence to show that it is reasonably probable that financing will be available to appropriate the water and apply it to the beneficial use proposed.

ii. The applicant shall submit plans and specifications along with estimated construction costs for the project works. The plans shall be definite enough to allow for determination of project impacts and implications.

g. Information Relative to Conflict with the Local Public Interest, Section 42-203A(5)(e), Idaho Code, shall be submitted as follows:

The applicant shall seek comment and shall submit all letters of comment on the effects of the construction and operation of the proposed project from the governing body of the city and/or county and tribal reservation within which the point of diversion and place of use are located, the Idaho Department of Fish and Game, the Idaho Department of Environmental Quality, and any irrigation district or canal company within which the proposed project is located and from other entities as determined by the director.

ALBERT P. BARKER
JOHN A. ROSHOLT
JOHN K. SIMPSON
TRAVIS L. THOMPSON
SHELLEY M. DAVIS
PAUL L. ARRINGTON
SCOTT A. MAGNUSON
SARAH W. HIGER



1010 W Jefferson, Suite 102
Post Office Box 2139
Boise, Idaho 83701-2139
(208) 336-0700 telephone
(208) 344-6034 facsimile
brs@idahowaters.com

113 Main Avenue West, Suite 303
Twin Falls, Idaho 83301-6167
(208) 733-0700 telephone
(208) 735-2444 facsimile
jar@idahowaters.com

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JUL 02 2010

WATER RESOURCES
WESTERN REGION

Sarah W. Higer
swh@idahowaters.com

July 1, 2010

VIA HAND DELIVERY

Idaho Department of Water Resources
Attn: Vicky Music
2735 Airport Way
Boise, ID 83705-5082

Re: Arena Drop Water Right Permit 63-33329

Ms. Music,

We have reviewed the Administrator's memorandum concerning processing of hydropower applications. We believe that the existing application comports with the requirements of the department's application requirements. However, to ensure that there are no additional questions about this project, enclosed please find the following supplemental documentation for water permit application 63-33329:

- Final engineering drawings, dated February 23, 2010;
- Firm Energy Sales Agreement between Idaho Power Company and Riverside Investments, LLC, executed in March, 2010;
- Boise Project Board of Control's FERC Form 556 demonstrating Arena Drop's Qualifying Facility status for an existing small power production facility, filed April 14, 2010; and
- Photographs of the Arena Drop irrigation project before and after the start of construction (which is nearing completion).

It is important to understand that this application involves no additional diversion from the Boise River, but the plant relies entirely on water that has already been diverted into the

Vicky Music
July 1, 2010
Page 2

Boise Project canal system pursuant to existing water rights in the name of the Boise Project or the Bureau of Reclamation for the benefit of the Boise Project irrigation districts.

Very truly yours,

BARKER ROSHOLT & SIMPSON LLP

A handwritten signature in black ink, appearing to read 'S. Higer', with a stylized flourish extending to the right.

Sarah W. Higer

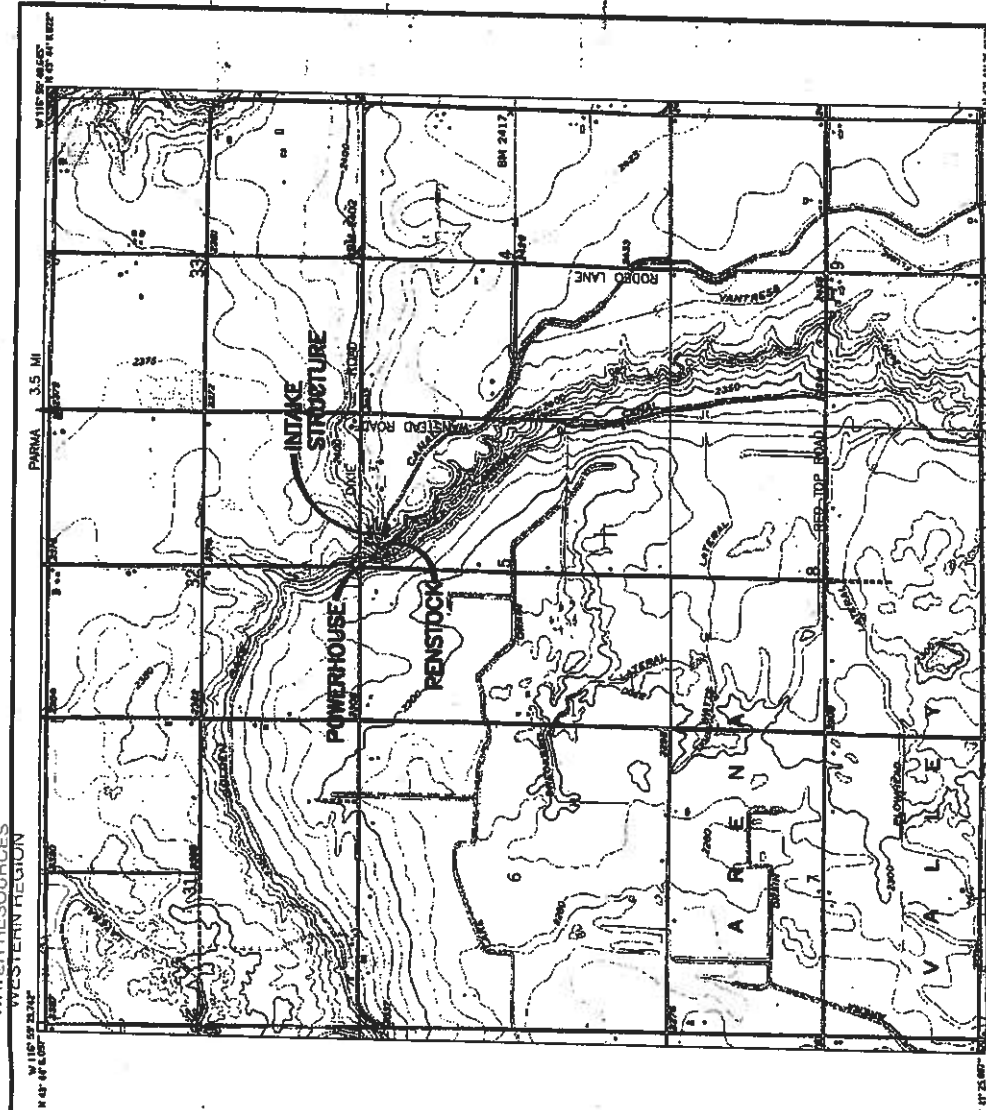
SWH/se
Enclosures

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JUL 02 2010

WATER RESOURCES
WESTERN REGION

ARENA DROP HYDROELECTRIC PROJECT RIVERSIDE INCORPORATED

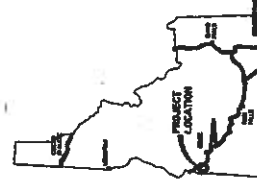


INDEX TO SHEETS

SH NO	REV	LTW	SHEET TITLE
GA-1	1		COVER, INDEX TO SHEETS, PROJECT LOCATION & VICINITY MAP
GA-2	1		GENERAL NOTES, INTAKE STRUCTURE & DETAILS
GA-3	1		GENERAL NOTES, POWERHOUSE & DETAILS
A-1	1		POWERHOUSE ARCHITECTURAL SECTION
A-2	1		POWERHOUSE ARCHITECTURAL SECTION
A-3	1		POWERHOUSE ARCHITECTURAL SECTION
C-1	1		EXISTING PROJECT SITE PLAN & SURVEY NOTES
C-2	1		EXIST CANAL, INTAKE STRUCTURE, DISSEMINATOR STRUCTURE & CONTROL BOX DETAILS
C-3	1		EXIST CANAL, INTAKE STRUCTURE, DISSEMINATOR STRUCTURE & CONTROL BOX DETAILS
C-4	1		EXIST CANAL, INTAKE STRUCTURE, DISSEMINATOR STRUCTURE & CONTROL BOX DETAILS
C-5	1		EXIST CANAL, INTAKE STRUCTURE, DISSEMINATOR STRUCTURE & CONTROL BOX DETAILS
C-6	1		EXIST CANAL, INTAKE STRUCTURE, DISSEMINATOR STRUCTURE & CONTROL BOX DETAILS
C-7	1		EXIST CANAL, INTAKE STRUCTURE, DISSEMINATOR STRUCTURE & CONTROL BOX DETAILS
S-1	1		STANDARD CONCRETE NOTES & DETAILS
S-2	1		STANDARD CONCRETE NOTES & DETAILS
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S-4	1		STANDARD CONCRETE NOTES & DETAILS
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S-39	1		STANDARD CONCRETE NOTES & DETAILS



SORENSEN ENGINEERING
CONSULTING ENGINEERS
10400 FALLS, DAKOTA



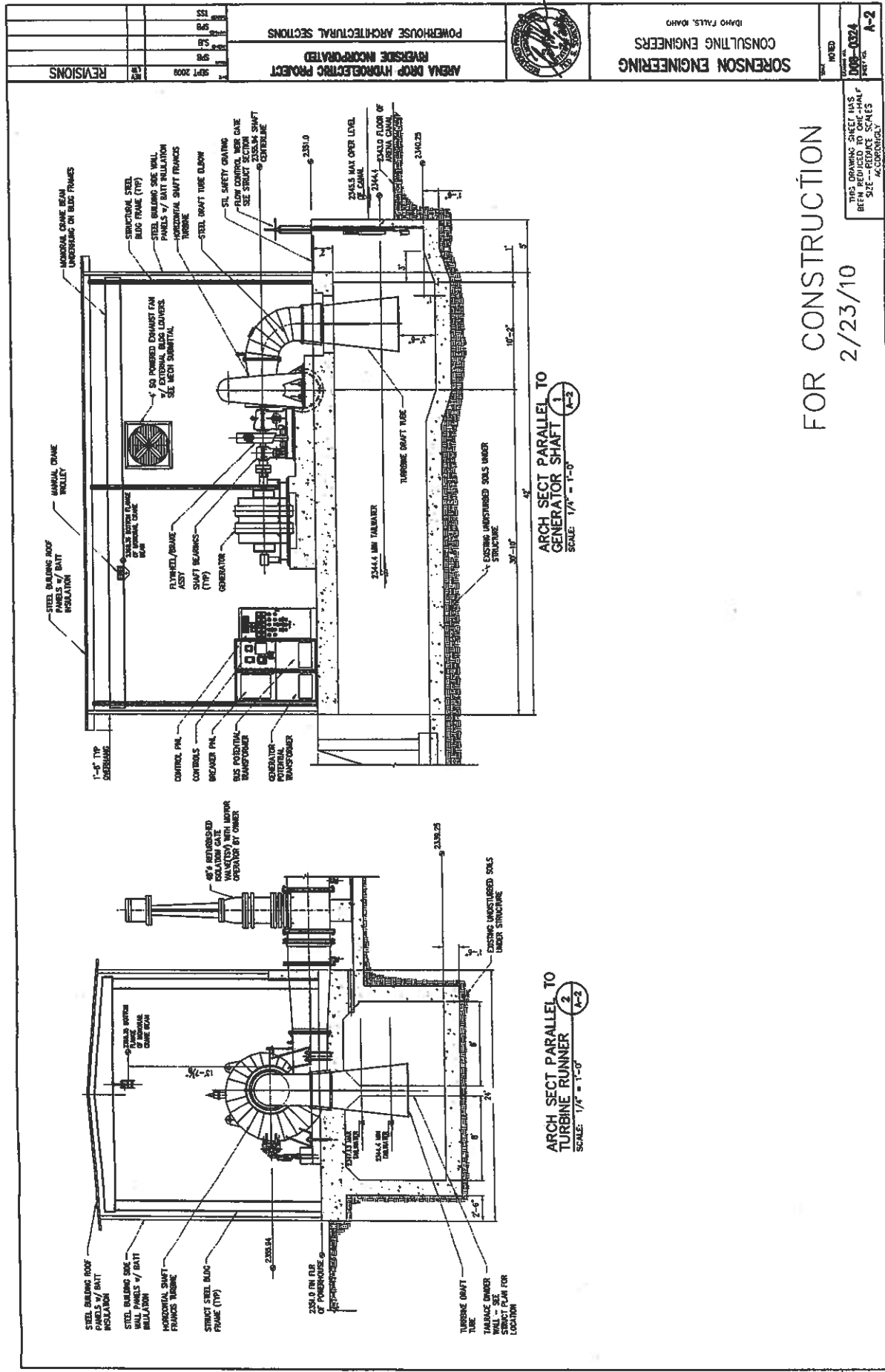
PROJECT
LOCATION

FOR CONSTRUCTION
2/23/10

VICINITY MAP



THIS DRAWING SHEET HAS
BEEN REVIEWED TO CONFIRM
SCALE ACCORDING TO
SHEET NO. 100-1000



FOR CONSTRUCTION
 2/23/10

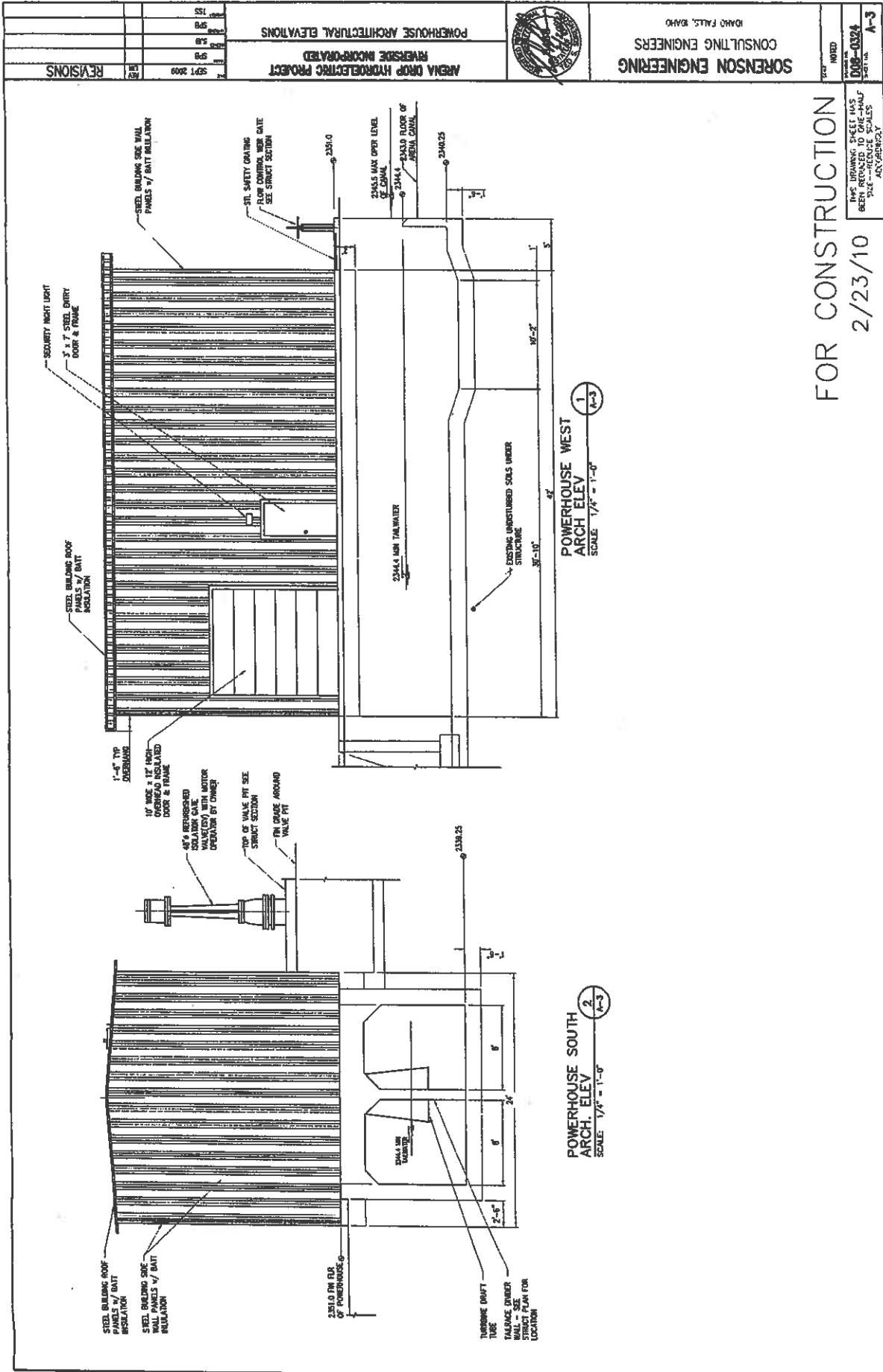
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SORENSEN ENGINEERING
 CONSULTING ENGINEERS
 IDAHO FALLS, IDAHO

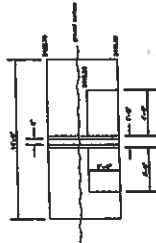
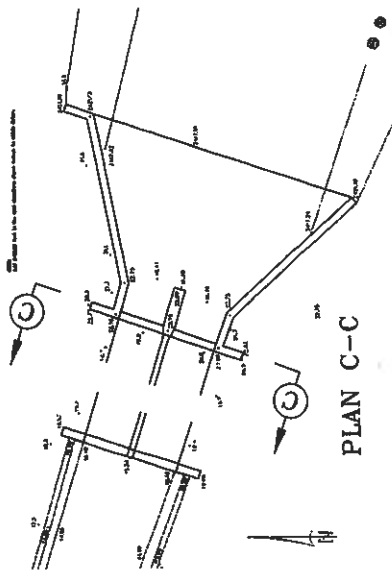
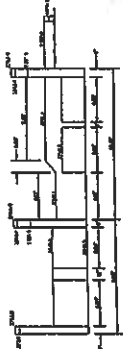
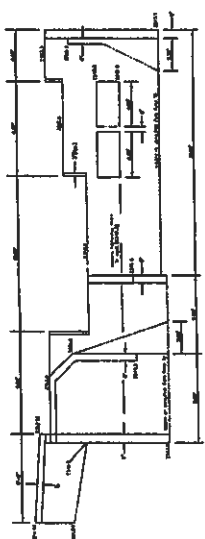
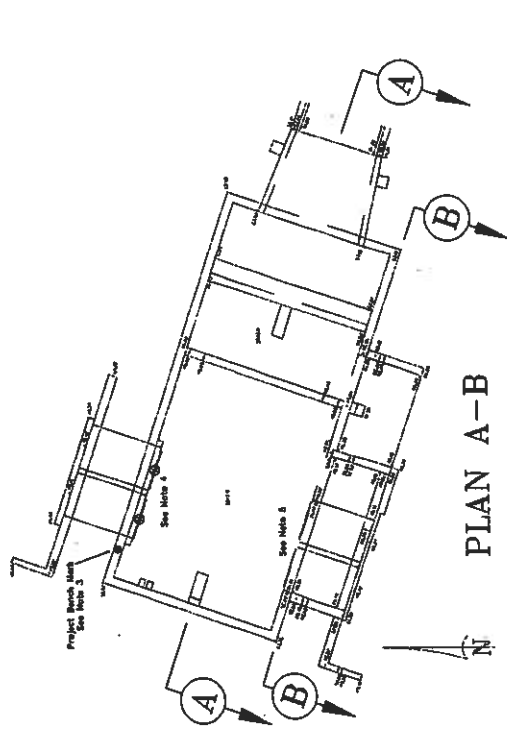


ARENA DROP HYDROELECTRIC PROJECT
 REVERSE INCORPORATED
 POWERHOUSE ARCHITECTURAL SECTIONS

NO.	DATE	REVISIONS
1	SEP 2009	REVISED
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SORENSEN ENGINEERING CONSULTING ENGINEERS IDAHO FALLS, IDAHO			AREA DROP HYDROELECTRIC PROJECT RIVERSIDE INCORPORATED EASTING CANAL INTAKE STRUCTURE, DISSIPATOR STRUCTURE & CONTROL BOX DETAILS	
APRIL 2008 12345			REVISIONS 12345	

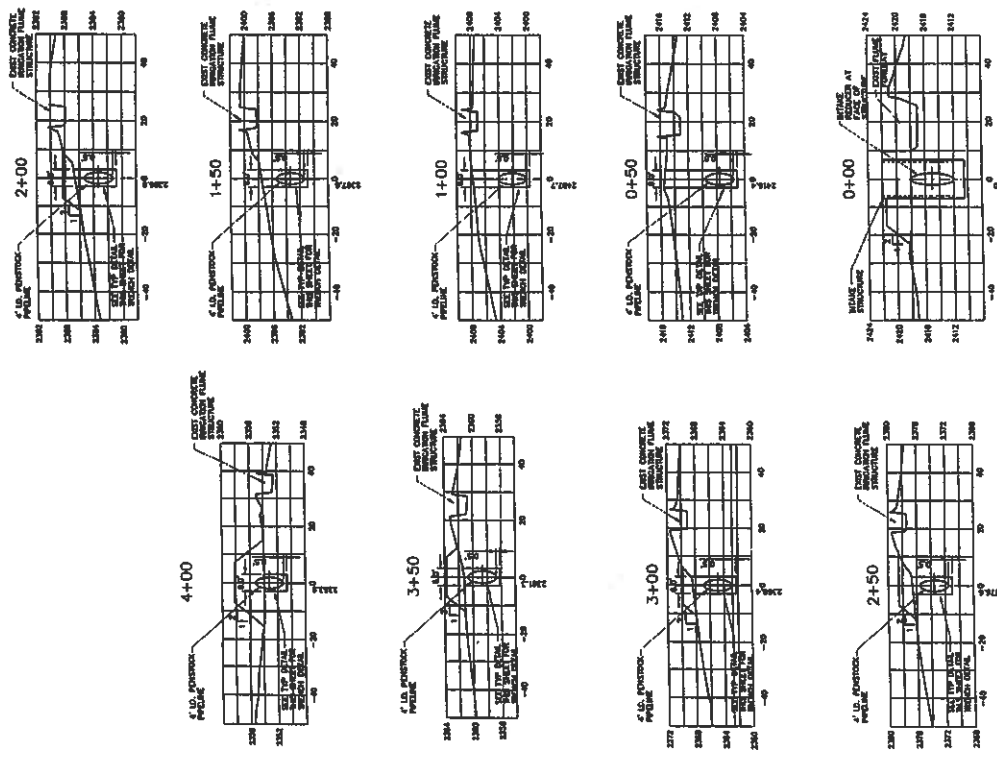


FOR CONSTRUCTION
 2/23/10

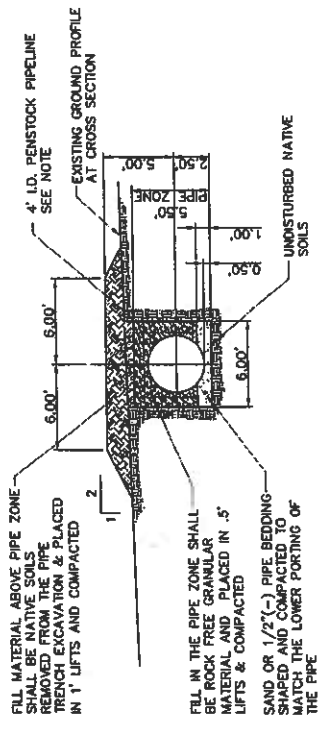
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 BEEN CHECKED FOR
 SIZE - REVISIONS
 ACCORDINGLY







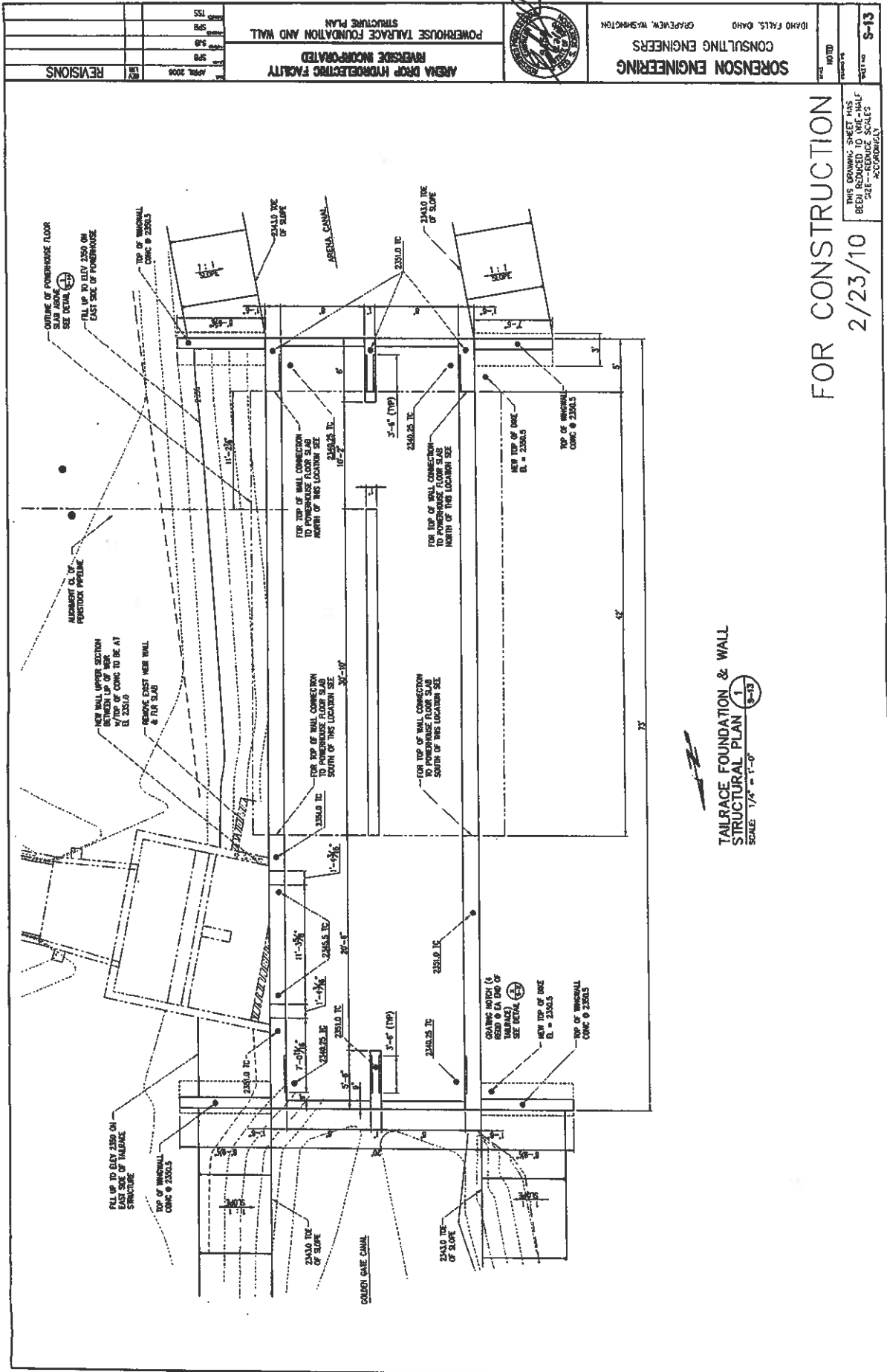
PENSTOCK TYPICAL CROSS SECTIONS
 SCALE 1" = 10' HORIZ
 1" = 4' VERT

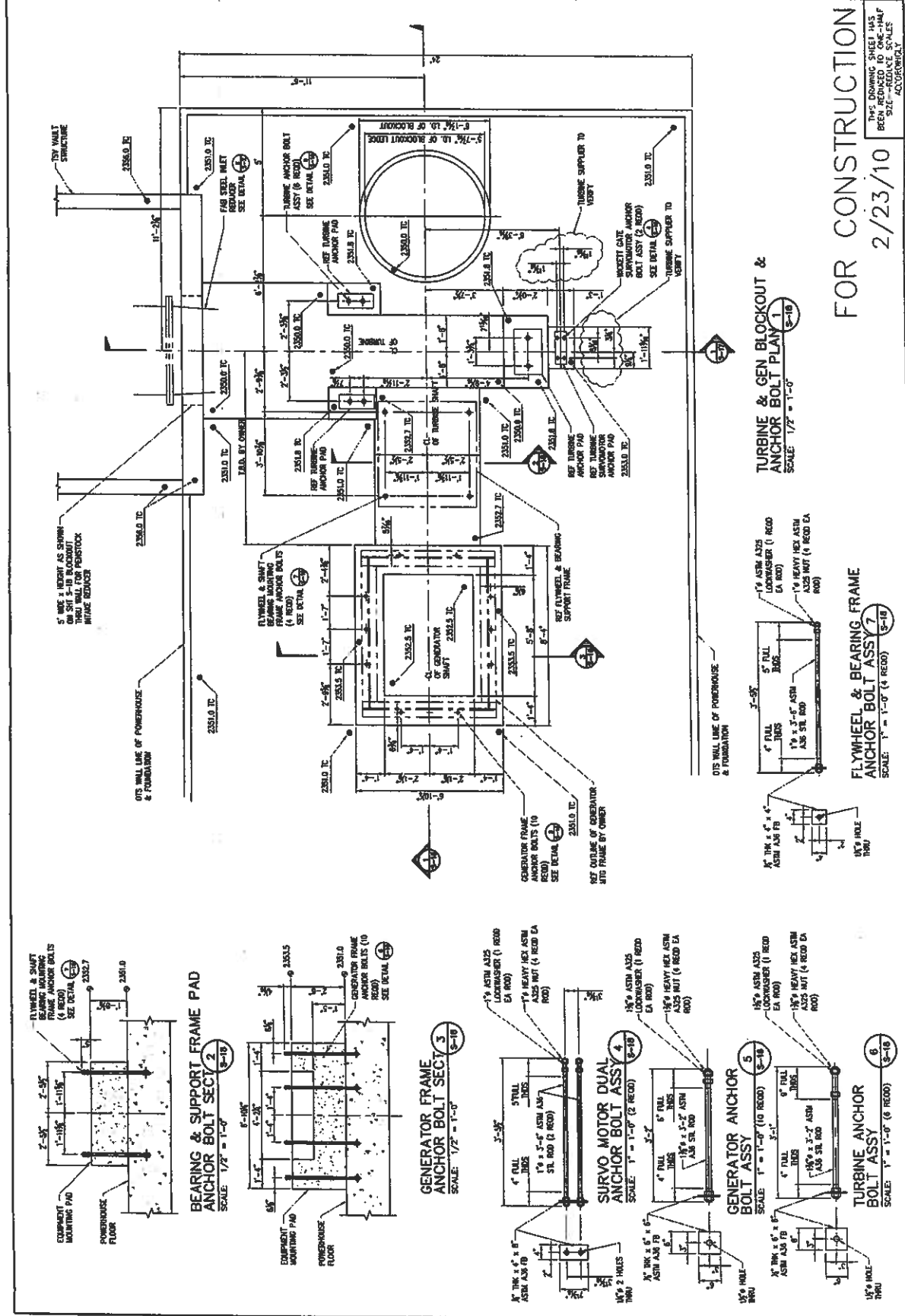


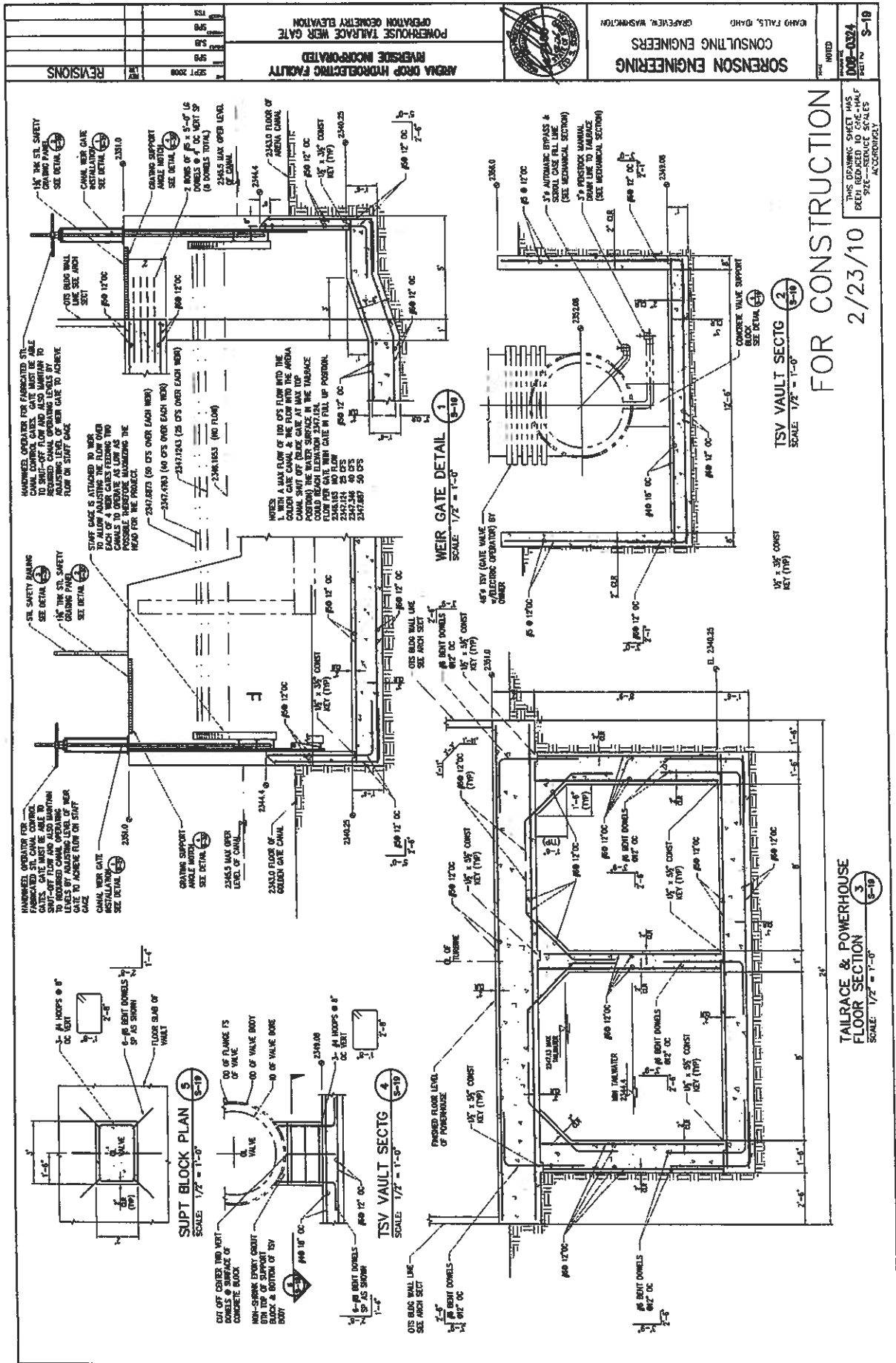
PENSTOCK TYPICAL TRENCH DETAIL
 SCALE 1" = 4'

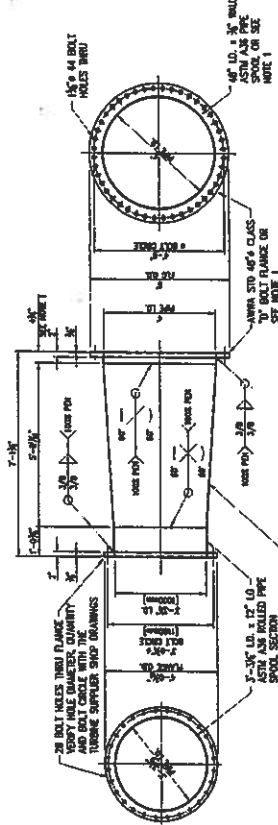
NOTE: THE PENSTOCK PIPELINE MAY BE 48" I.D. WELDED STEEL OR 48" I.D. HIGH DENSITY POLYETHYLENE (HDPE) MATERIAL. THE ENGINEER SHALL SELECT THE MATERIAL AND PROVIDE THE MANUFACTURER'S SPECIFICATIONS TO THE CONTRACTOR PRIOR TO ORDERING. THE ENGINEER WILL NOT BE RESPONSIBLE FOR ANY PRODUCT OR MATERIALS NOT SUBMITTED TO HIM PRIOR TO INSTALLATION.

FOR CONSTRUCTION
 2/23/10









TURBINE INTAKE REDUCER
ASSEMBLY

SCALE: $1/2" = 1'-0"$ (1 RECD)

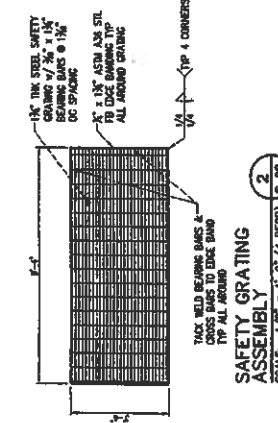
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8-20



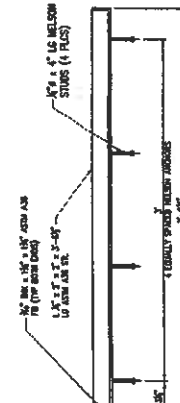
**SAFETY RAILING
ASSEMBLY**

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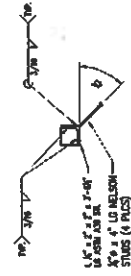
3
5-20



**SAFETY GRATING
ASSEMBLY**



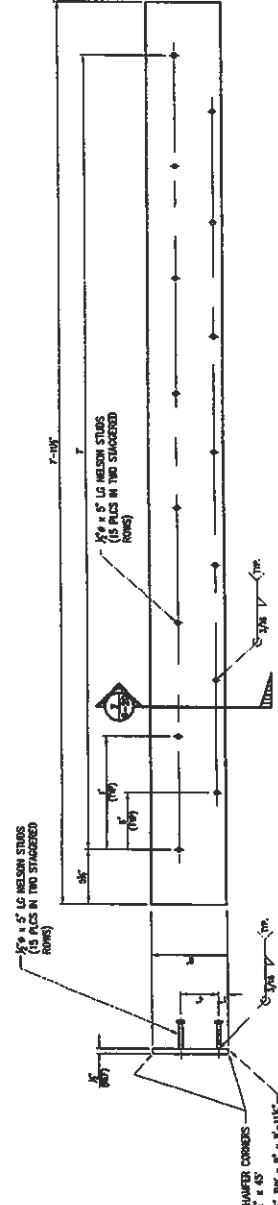
GRATING SUPPORT ANGLE
NOTCH ASSY



GRATING SUPPORT ANGLE
NOTCH SECTION

SCALE: 1" = 0'-6"

5
5-20

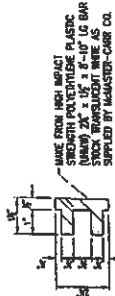


SKID PLATE
ASSEMBLY

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6

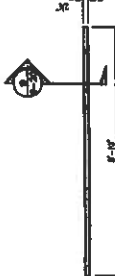
S-20



WEIR GATE NOTCH
SECTION

SCALE: N.T.S.

9
S-20



WEIR GATE NOTCH
DETAIL

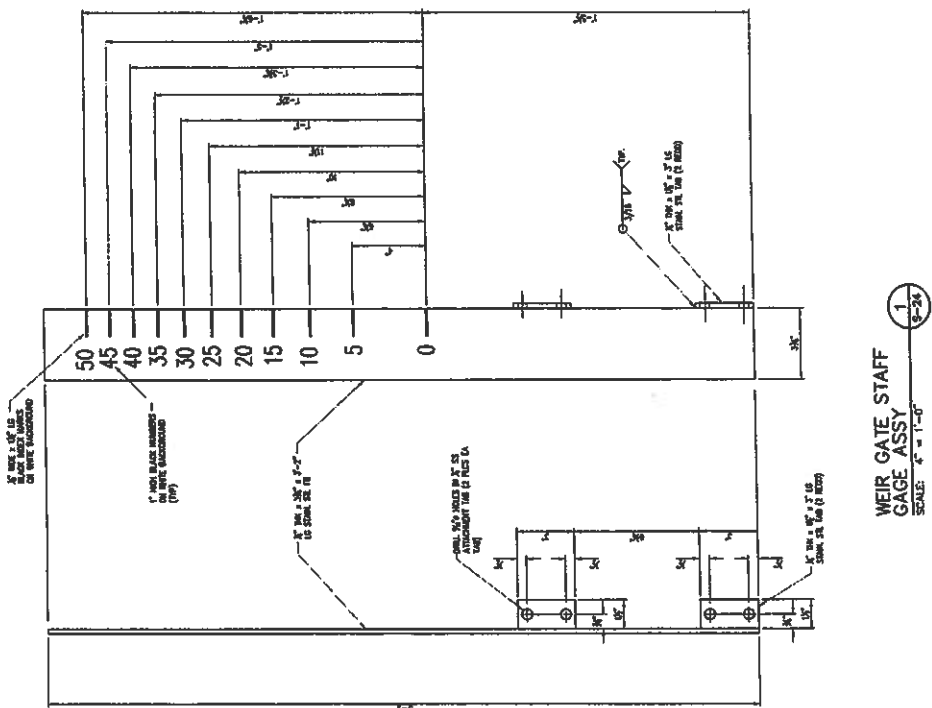
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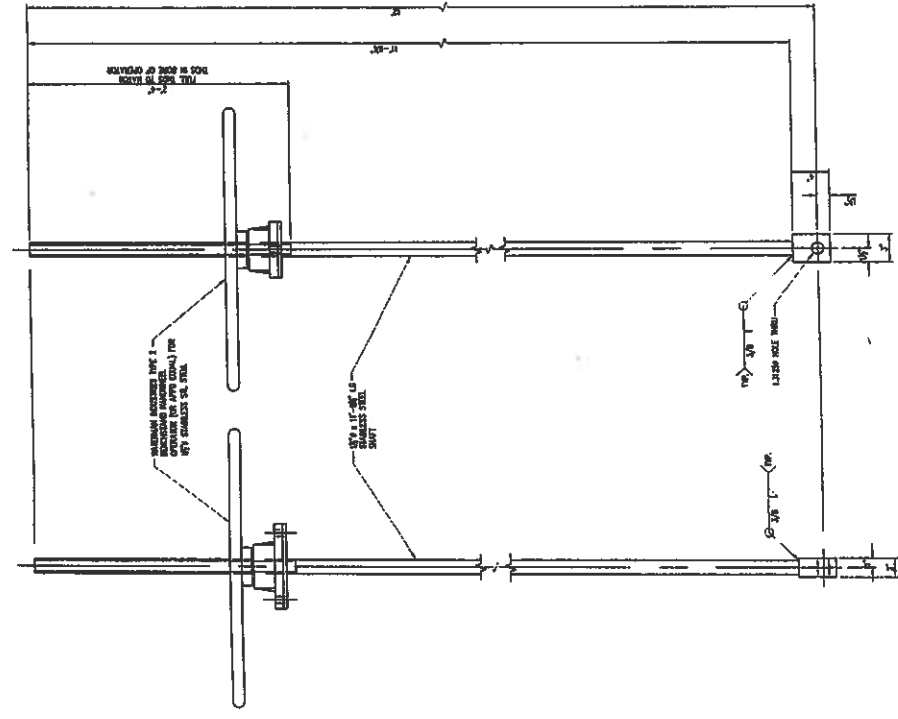
FOR CONSTRUCTION 2/23/10

FOR CONSTRUCTION

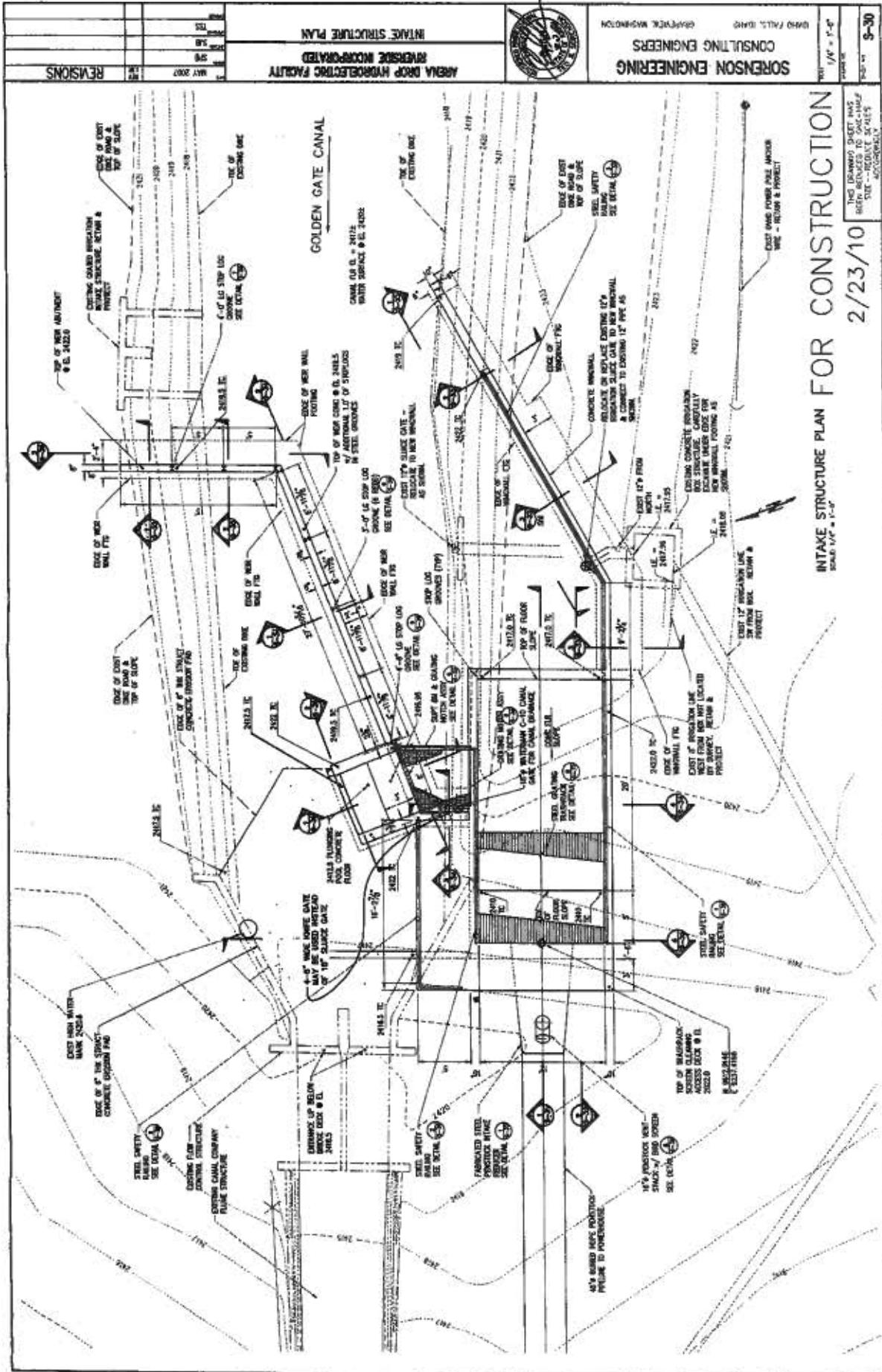
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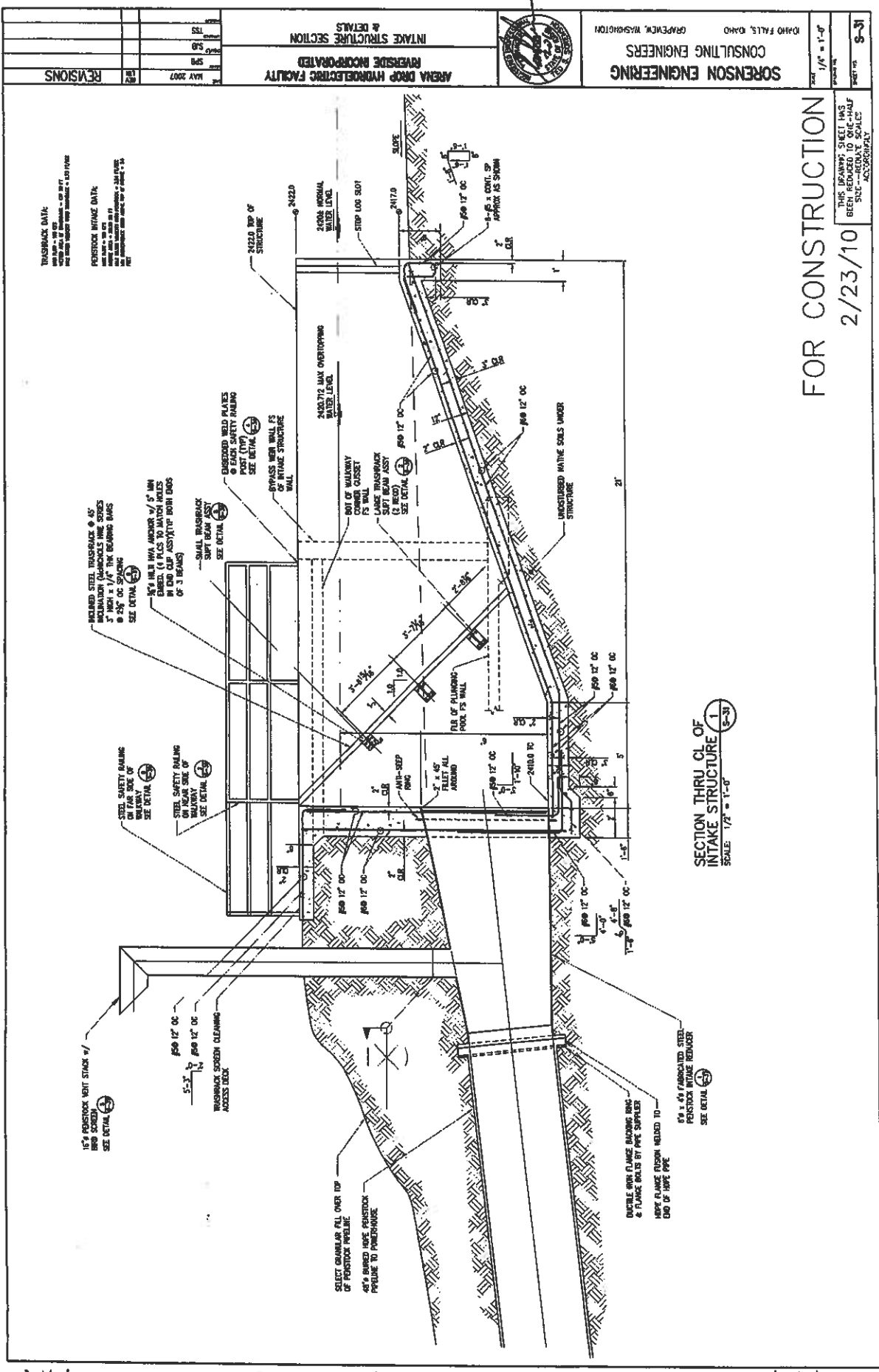


**WEIR GATE STAFF
GAGE ASSY**
SCALE: 1" = 1'-0"



**HAND WHEEL OPERATOR
& STEM ASSY**
SCALE: 1" = 1'-0"





FOR CONSTRUCTION
2/23/10

SECTION THRU CL OF
INTAKE STRUCTURE 1
SCALE: 1/2" = 1'-0"

SORENSEN ENGINEERING
CONSULTING ENGINEERS
GRAPENWY, WASHINGTON
KIDAO FALLS, IDAHO



REV	REVISIONS
1	MAY 2007
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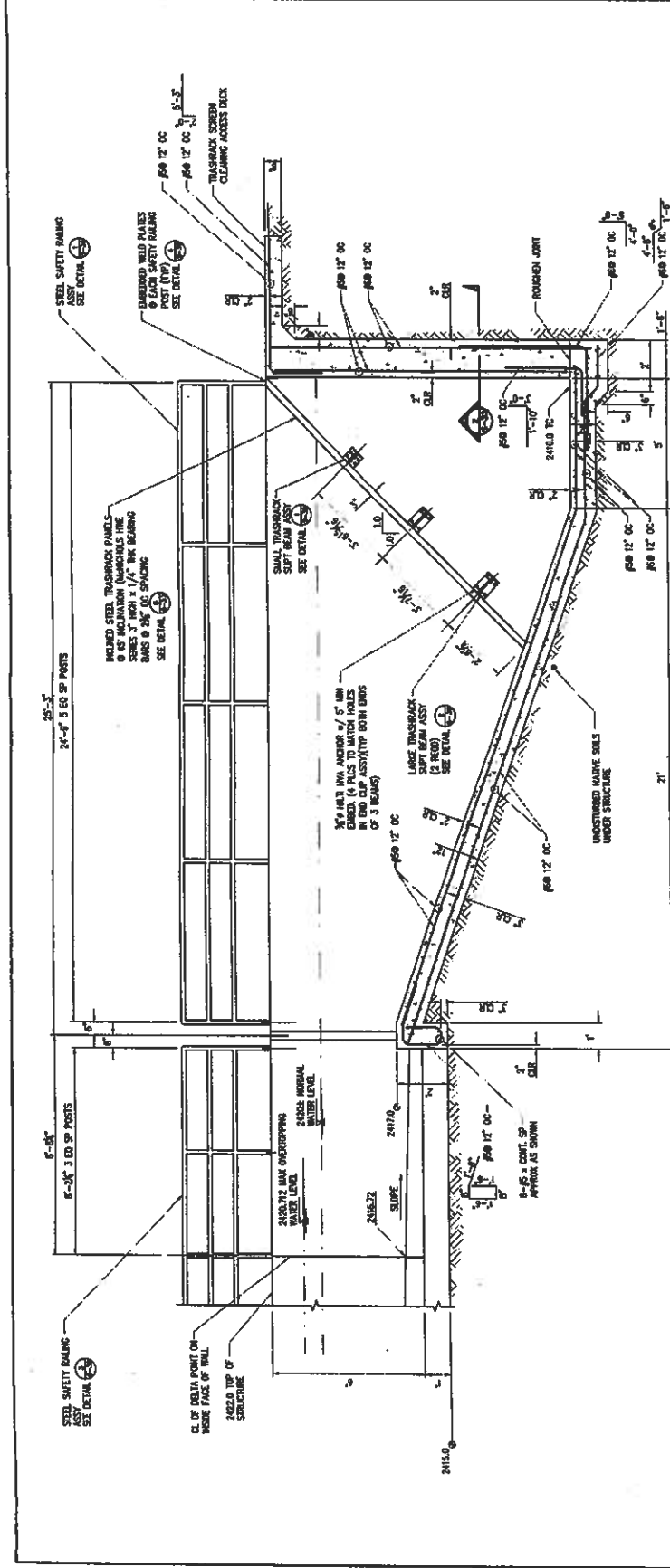
NO.	DATE	REVISIONS
1	MAY 2009	REVISED

ARENA DROP HYDROELECTRIC FACILITY
RIVERSIDE INCORPORATED
INTAKE STRUCTURE SECTION & DETAILS

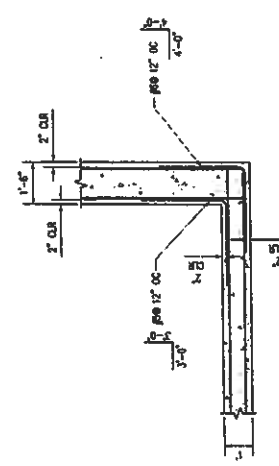


SORENSEN ENGINEERING
CONSULTING ENGINEERS
IDAHO FALLS, IDAHO
GRAPHIC, WASHINGTON
SHEET NO. 1
SCALE: 1/2" = 1'-0"

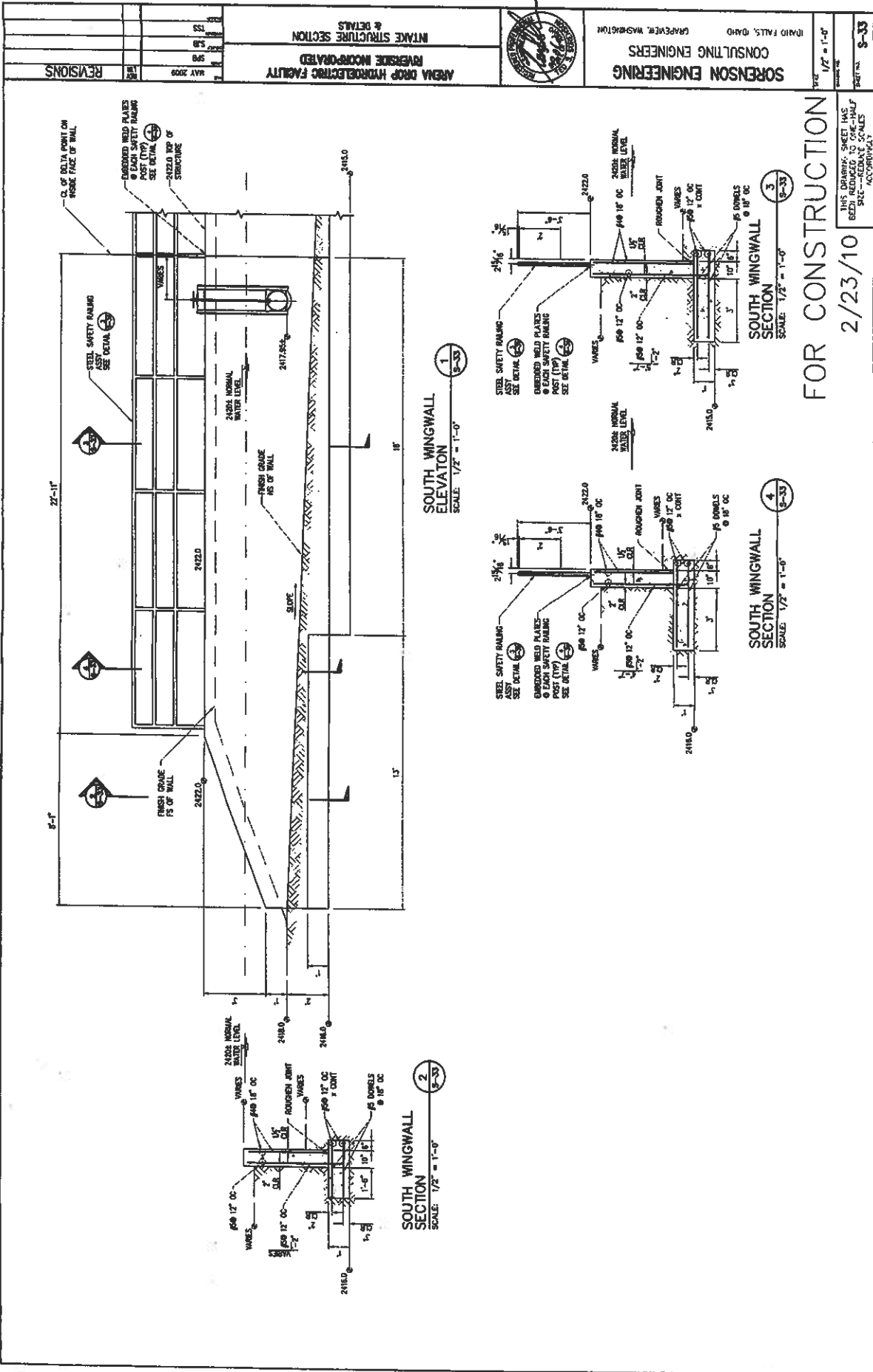
FOR CONSTRUCTION
2/23/10
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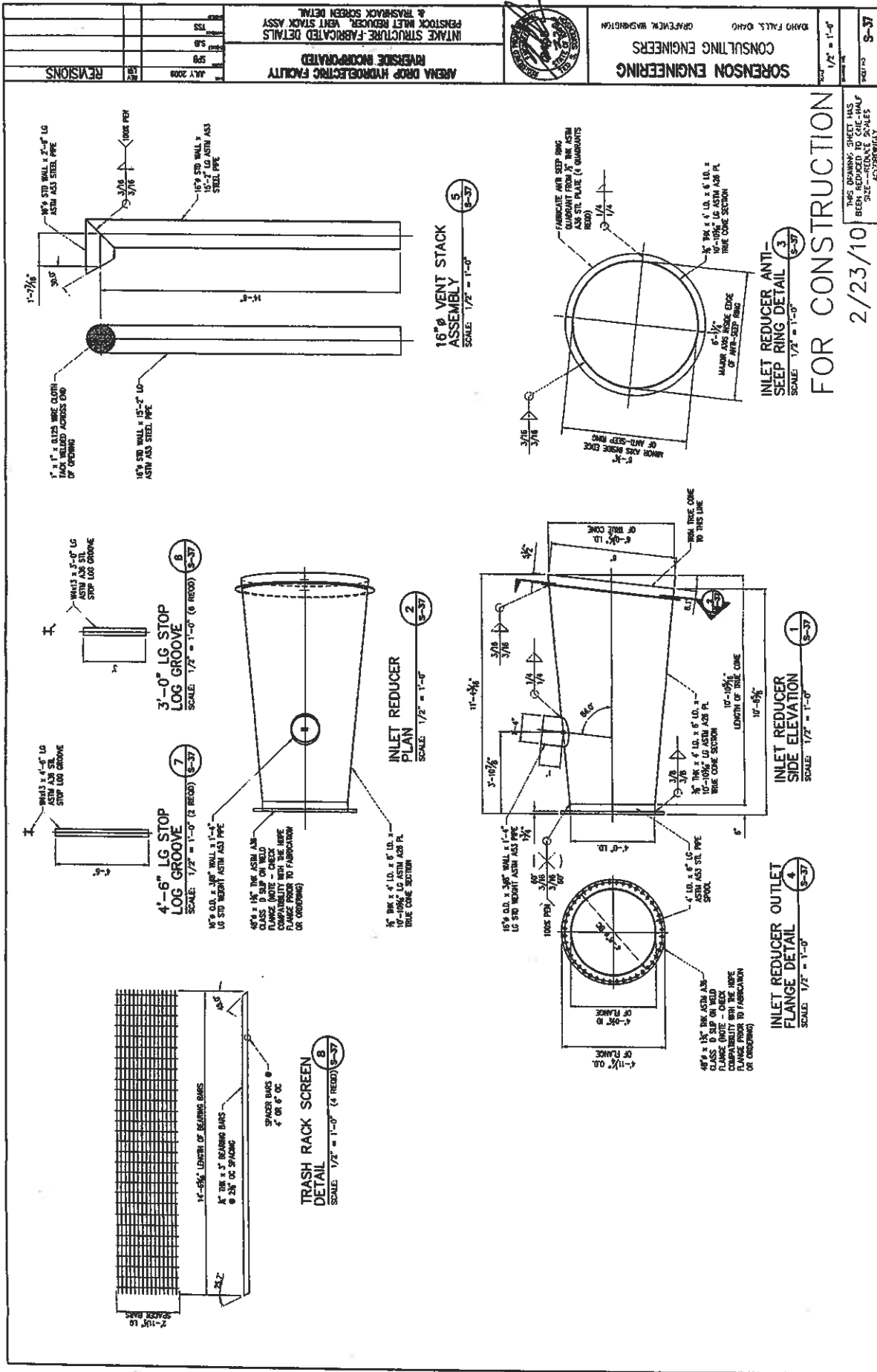


SECTION THRU INTAKE
SOUTH WALL ELEV. 1
SCALE: 1/2" = 1'-0"



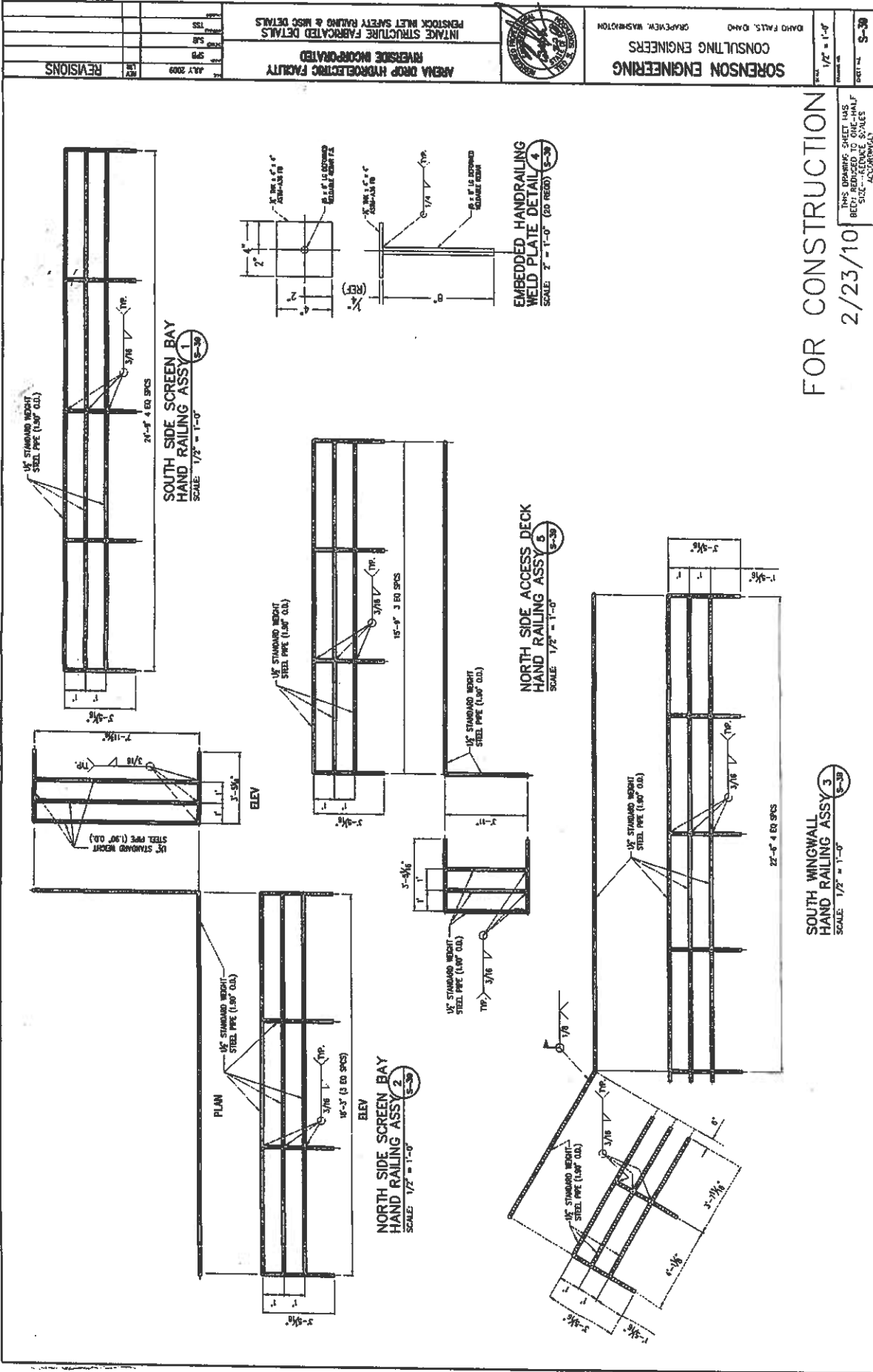
TYP. CORNER DETAIL EA
SIDE OF PENSTOCK 2
SCALE: 1/2" = 1'-0"





FOR CONSTRUCTION
2/23/10

THIS DRAWING SHEET HAS BEEN REDUCED TO ONE-HALF SIZE - CONSTRUCTION



RECEIVED

JUL 02 2010

WATER RESOURCES
WESTERN REGIONFEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC

OMB Control # 1902-0075

Form 556Certification of Qualifying Facility (QF) Status for an Existing or a
Proposed Small Power Production or Cogeneration Facility

Type or print your responses below. Information about the Commission's QF program, answers to frequently asked questions about QF requirements or completing this form, and contact information for QF program staff are available at www.ferc.gov/QF.

Certain lines in this form will be automatically calculated based on responses to previous lines, with the relevant formulas shown in the descriptions of the automatically calculated lines. If you disagree with the results of any automatic calculation on this form, contact Commission staff to discuss the discrepancy before filing.

Paperwork Reduction Act Notice: The Office of Management and Budget (OMB) Control No. is 1902-0075 and authorization expires on 12/31/2012. Compliance with the information requirements established by the FERC Form No. 556 is required to obtain or maintain status as a QF. See 18 C.F.R. § 131.80 and Part 292. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The estimated burden for completing the FERC Form No. 556, including gathering and reporting information, is 4 hours for self-certifications and 38 hours for applications for Commission certification. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the following: Michael Miller, Office of the Executive Director (ED-34), Federal Energy Regulatory Commission, 888 First Street N.E., Washington, DC 20426; and Desk Officer for FERC, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (oira_submission@omb.eop.gov). Include the Control No. 1902-0075 in any correspondence.

1a	Full name of applicant	
	BOISE PROJECT BOARD OF CONTROL	
	Docket number assigned to the immediately preceding submittal filed with the Commission in connection with the instant facility, if any: QF ____ - ____ - ____ ☒ Check here if no previous QF submittals for your facility	
	Purpose of instant filing: Under which certification process is the applicant making this filing? (check one) ☒ Notice of self-certification or recertification pursuant to 18 C.F.R. § 292.207(a) ☐ Application for Commission certification or recertification pursuant to 18 C.F.R. § 292.207(b) and (d)(2) What type(s) of QF status is the applicant seeking for its facility? (check all that apply) ☒ Qualifying small power production facility status ☐ Qualifying cogeneration facility status Indicate the specific purpose of the filing: (check one) ☒ Original certification ☐ Recertification to give notice of change(s) to a previously certified facility (specify change(s) below) ☐ Name change and/or other administrative change(s) ☐ Change in ownership ☐ Change(s) affecting plant equipment, fuel use, power production capacity and/or cogeneration thermal output ☐ Supplement or correction to a previous filing submitted on the following date: _____ (describe the supplement or correction in section 6)	
1b	Full address of applicant	
	Street Address	
	2465 OVERLAND ROAD	
	City	State/province
	Boise	Idaho
	Postal code	Country (if not United States)
	83705-3155	

Indicate the owner(s) of the facility (including the percentage of ownership held by any electric utility or electric utility holding company, or by any persons owned by either).

Full legal name of direct owner	Electric utility or holding company (or owned by either)?	% ownership held
1) <u>Boise-Kuna Irrigation District</u>	Yes ☐ No ☒	<u>29</u> %
2) <u>Big Bend Irrigation District</u>	Yes ☐ No ☒	<u>1</u> %
3) <u>Nampa & Meridian Irrigation District</u>	Yes ☐ No ☒	<u>24</u> %
4) <u>New York Irrigation District</u>	Yes ☐ No ☒	<u>11</u> %
5) <u>Wilder Irrigation District</u>	Yes ☐ No ☒	<u>35</u> %
6) _____	Yes ☐ No ☐	_____ %
7) _____	Yes ☐ No ☐	_____ %
8) _____	Yes ☐ No ☐	_____ %
9) _____	Yes ☐ No ☐	_____ %
10) _____	Yes ☐ No ☐	_____ %

☒ Check here and continue in section 6 if additional space is needed to provide direct ownership information.

Indicate the facility operator

Riverside Hydro LLC

Additionally, state whether or not any of the non-electric utility owners or their upstream owners are engaged in the generation or sale of electric power, or have any ownership or operating interest in any electric facilities other than QFs. Continue in section 6 if additional space is needed.

None.

In order to facilitate review of the application, the applicant may provide an ownership chart identifying the upstream ownership of the facility. Such chart should indicate ownership percentages where appropriate.

2	Person to whom communications regarding the filed information may be addressed		
	Name of contact person Albert P. Barker		
	Title Attorney		Telephone number (208) 366-0700
	☐ If the contact person's address is the same as provided above for the applicant, check here and skip to section 3a.		
	Street address PO Box 2139		
	City Boise		State/province Idaho
	Postal code 83702-2139	Country (if not United States)	
3a	Location of facility to be certified		
	Facility name Arena Drop		
	Street address (if known)		
	City (if unincorporated, check here and enter nearest city) ☒ Caldwell		State/province Idaho
	County (or check here for independent city) ☐ Canyon	Country (if not United States)	
3b	Indicate the electric utilities that are contemplated to transact with the facility and describe the services those electric utilities are expected to provide the services indicated below:		
	Indicate utility interconnecting with the facility: Idaho Power Company		
	Indicate utilities providing wheeling service (if known): Idaho Power Company		
	Indicate utilities purchasing the useful electric power output (if known): Idaho Power Company will purchase power directly.		
	Indicate utilities providing supplementary power, backup power, maintenance power, and/or interruptible power service (if known): Idaho Power Company		

4a	Describe the principal components of the facility including boilers, prime movers and electric generators, and explain their operation. Include transmission lines, transformers and switchyard equipment, if included as part of the facility. Continue in section 6 if additional space is needed. The unit is a horizontal Francis Turbine rated at 400 kW, 450 RPM. The design is a 73 feet head at 40 – 80 cubic feet per second. The generator is a refurbished General Electric unit rated at 0.4MW, 450 RPM. The unit is a synchronous generator. The plant is located at the junction of the Golden Gate and Arena Canals. An intake structure will be constructed on the left side of the canal next to the upper end of the flume. A buried 48 inch penstock will convey flow to the power plant turbine. There is currently a 3 phase power line directly adjoining the property where the power plant will be constructed. Idaho Power Co. has agreed to this point of connection. Due the small size of the project, the connection will be pole mount equipment and no substation. The turbine wicket gates will operate hydraulically. The governor will be digital. Head level sensors in the Golden Gate Canal will be utilized to provide information to the powerhouse PLC to maintain constant head in the upstream Golden Gate Canal. There is a bypass system utilizing the existing drop structure.														
4b	Indicate the maximum gross and maximum net electric power production capacity of the facility at the point(s) of delivery by completing the worksheet below. Enter zero for any values which are negligible. <table border="1"> <tr> <td data-bbox="196 1262 1258 1325">A) The maximum gross power production capacity at the terminals of the individual generator(s) under the most favorable anticipated design conditions</td><td data-bbox="1258 1262 1497 1325">450 kW</td></tr> <tr> <td data-bbox="196 1325 1258 1388">B) Parasitic station power used at the facility to run equipment which is necessary and integral to the power production process (pumps, fans, necessary office or maintenance buildings, etc.)</td><td data-bbox="1258 1325 1497 1388">7 kW</td></tr> <tr> <td data-bbox="196 1388 1258 1451">C) Electrical losses in all interconnection transformers</td><td data-bbox="1258 1388 1497 1451">9 kW</td></tr> <tr> <td data-bbox="196 1451 1258 1514">D) Electrical losses in AC/DC conversion equipment, if any</td><td data-bbox="1258 1451 1497 1514">0 kW</td></tr> <tr> <td data-bbox="196 1514 1258 1577">E) Other interconnection losses in power lines or facilities (other than transformers) between the terminals of the generator(s) to the point of interconnection with the utility</td><td data-bbox="1258 1514 1497 1577">0 kW</td></tr> <tr> <td data-bbox="196 1577 1258 1640">F) Total deductions from gross power production capacity = B + C + D + E</td><td data-bbox="1258 1577 1497 1640">16 kW</td></tr> <tr> <td data-bbox="196 1640 1258 1703">G) Maximum net power production capacity = A - F</td><td data-bbox="1258 1640 1497 1703">434 kW</td></tr> </table>	A) The maximum gross power production capacity at the terminals of the individual generator(s) under the most favorable anticipated design conditions	450 kW	B) Parasitic station power used at the facility to run equipment which is necessary and integral to the power production process (pumps, fans, necessary office or maintenance buildings, etc.)	7 kW	C) Electrical losses in all interconnection transformers	9 kW	D) Electrical losses in AC/DC conversion equipment, if any	0 kW	E) Other interconnection losses in power lines or facilities (other than transformers) between the terminals of the generator(s) to the point of interconnection with the utility	0 kW	F) Total deductions from gross power production capacity = B + C + D + E	16 kW	G) Maximum net power production capacity = A - F	434 kW
A) The maximum gross power production capacity at the terminals of the individual generator(s) under the most favorable anticipated design conditions	450 kW														
B) Parasitic station power used at the facility to run equipment which is necessary and integral to the power production process (pumps, fans, necessary office or maintenance buildings, etc.)	7 kW														
C) Electrical losses in all interconnection transformers	9 kW														
D) Electrical losses in AC/DC conversion equipment, if any	0 kW														
E) Other interconnection losses in power lines or facilities (other than transformers) between the terminals of the generator(s) to the point of interconnection with the utility	0 kW														
F) Total deductions from gross power production capacity = B + C + D + E	16 kW														
G) Maximum net power production capacity = A - F	434 kW														
4c	Indicate the actual or expected installation and operation dates of the facility, or the actual or expected date of completion of the reported modifications to the facility. Construction will begin on the project over the winter with projected power generation in May 2010.														

4d

Describe the primary energy input: (check one main category and, if applicable, one subcategory)

- ☐ Biomass (specify)
☐ Landfill gas
☐ Manure digester gas
☐ Municipal solid waste
☐ Sewage digester gas
☐ Wood
☐ Other biomass (describe in section 6)
☐ Waste (specify type below)
- ☒ Renewable resources (specify)
☐ Hydro power - river
☐ Hydro power - tidal
☐ Hydro power - wave
☐ Solar - photovoltaic
☐ Solar - thermal
☐ Wind
☒ Other renewable resource (describe in section 6)
- ☐ Geothermal
☐ Fossil fuel (specify)
☐ Coal (not waste)
☐ Fuel oil/diesel
☐ Natural gas (not waste)
☐ Other fossil fuel (describe in section 6)
☐ Other (describe in section 6)

If you specified "waste" as the primary energy input, indicate the type of waste fuel used: (check one)

- ☐ Waste fuel listed in 18 C.F.R. § 292.202(b) (specify one of the following)
- ☐ Anthracite culm produced prior to July 23, 1985
 - ☐ Anthracite refuse that has an average heat content of 6,000 Btu or less per pound and has an average ash content of 45 percent or more
 - ☐ Bituminous coal refuse that has an average heat content of 9,500 Btu per pound or less and has an average ash content of 25 percent or more
 - ☐ Top or bottom subbituminous coal produced on Federal lands or on Indian lands that has been determined to be waste by the United States Department of the Interior's Bureau of Land Management (BLM) or that is located on non-Federal or non-Indian lands outside of BLM's jurisdiction, provided that the applicant shows that the latter coal is an extension of that determined by BLM to be waste
 - ☐ Coal refuse produced on Federal lands or on Indian lands that has been determined to be waste by the BLM or that is located on non-Federal or non-Indian lands outside of BLM's jurisdiction, provided that applicant shows that the latter is an extension of that determined by BLM to be waste
 - ☐ Lignite produced in association with the production of montan wax and lignite that becomes exposed as a result of such a mining operation
 - ☐ Gaseous fuels (except natural gas and synthetic gas from coal) (describe in section 6)
 - ☐ Waste natural gas from gas or oil wells (describe in section 6 how the gas meets the requirements of section 2.400 of the Commission's regulations, 18 C.F.R. § 2.400, for waste natural gas; include with your filing any materials necessary to demonstrate compliance with section 2.400)
 - ☐ Materials that a government agency has certified for disposal by combustion (describe in section 6)
 - ☐ Heat from exothermic reactions (describe in section 6)
 - ☐ Residual heat (describe in section 6)
 - ☐ Used rubber tires
 - ☐ Plastic materials
 - ☐ Refinery off-gas
 - ☐ Petroleum coke
- ☐ Other waste energy input that has little or no commercial value and exists in the absence of the qualifying facility industry (describe in section 6; include a discussion of the fuel's lack of commercial value and existence in the absence of the qualifying facility industry)

5

Provide the average annual hourly energy input in terms of Btu for the following fossil fuel energy inputs, and provide the related percentage of the total average annual hourly energy input to the facility (18 C.F.R. § 292.202 (j)). For any oil or natural gas fuel, use lower heating value (18 C.F.R. § 292.202(m)).

Fuel	Annual average energy input for specified fuel	Percentage of total annual energy input
Natural gas	Btu/h	0 %
Oil-based fuels	Btu/h	0 %
Coal	Btu/h	0 %

6 Miscellaneous

Discuss any particular characteristics of the facility which the cogenerator or small power producer believes might bear on its qualifying status.

You may also use this space to provide any information for which there was not sufficient space in any other sections of the form. For such information clearly identify the section number to which the information belongs.

Your response below is not limited to one page. Additional page(s) will automatically be inserted into this form if the length of your response exceeds the space on this page. Use as many pages as you require.

1b - The Boise Project Board of Control is the Operating Agent for the five irrigation districts and holds the FERC license on their behalf for the operation of this facility.

4c - The primary energy input is renewable resource, canal drop hydro.

Description of the Small Power Production Facility

If you indicated in section 1a that you are seeking qualifying small power production facility status for your facility, then you must respond to sections 7 and 8. Otherwise, skip sections 7 and 8.

7	Describe how fossil fuel use will not exceed 25 percent of the total annual energy input limit (18 C.F.R. §§ 292.202(j) and 292.204(b)). Also, describe how the use of fossil fuel will be limited to the following purposes to conform to Federal Power Act section 3(17)(B): ignition, start-up, testing, flame stabilization, control use, and minimal amounts of fuel required to alleviate or prevent unanticipated equipment outages and emergencies directly affecting the public. Continue in section 6 if additional space is needed. N/A
8	If the facility reported herein is not an "eligible solar, wind, waste or geothermal facility," and if any other non-eligible facility located within one mile of the instant facility is owned by any of the entities (or their affiliates) reported in section 1c above and uses the same primary energy input, provide the following information about the other facilities for the purpose of demonstrating that the total of the power production capacities of these facilities does not exceed 80 MW. An "eligible solar, wind, waste or geothermal facility," as defined in Section 3(17)(E) of the Federal Power Act, is a small power production facility that produces electric energy solely by the use, as a primary energy input, of solar, wind, waste or geothermal resources, for which either an application for Commission certification of qualifying status (18 C.F.R § 292.207(b)) or a notice of self-certification of qualifying status (18 C.F.R § 292.207(a)) was submitted to the Commission not later than December 31, 1994, and for which construction of such facility commences not later than December 31, 1999, or if not, reasonable diligence is exercised toward the completion of such facility, taking into account all factors relevant to construction of the facility. Continue in section 6 if additional space is needed to respond to any of the items below. Check here and skip the rest of section 8 if there are no eligible solar, wind, waste or geothermal facilities ☒ located within one mile of the instant facility which are owned by any of the entities (or their affiliates) reported in section 1c above and which use the same primary energy input. Facility names, if any (as reported to the Commission) Commission docket numbers Names of common owners Common primary energy source used as energy input Power production capacities (MW)

Description of the Cogeneration Facility

If you indicated in section 1a that you are seeking qualifying cogeneration facility status for your facility, then you must respond to sections 9 through 11. Otherwise, skip sections 9 through 11.

Describe the cogeneration system (18 C.F.R §§ 292.202(c) and 292.203(b)). Continue in section 6 if additional space is needed.

N/A

9

Indicate whether the facility is a topping-cycle (18 C.F.R § 292.202(d)) or bottoming-cycle (18 C.F.R § 292.202(e)) cogeneration facility (check all that apply)

☐ Topping -cycle cogeneration

☐ Bottoming-cycle cogeneration

10	To demonstrate the sequentiality of the cogeneration process (18 C.F.R. § 292.202(s)) and to support compliance with other requirements such as the operating and efficiency standards (section 11 below), provide a mass and heat balance (cycle) diagram depicting the following average annual hourly operating conditions for the following: Working fluid (e.g., steam, water) flow conditions at (1) input and output of prime mover(s) and (2) at delivery to and return from each useful thermal application including the following: (1) flow rates (lbs./hr.), (2) temperature (deg. F), (3) pressure (psia), and (4) enthalpy (Btu/lb.). (Exception: Pressure values are <u>not</u> required to be specified in a flow cycle that is <u>all</u> liquid and has no vapor at any point in the cycle. Also, for cycles which are <u>all</u> liquid water, enthalpy need not be provided and a specific heat of 1.002 Btu/(lb*R) for will be assumed unless otherwise specified.) Indicate on the diagram the average fuel flow inputs in Btu/hr. (using lower heating value) (18 C.F.R § 292.202(m)), separately indicating fossil fuel inputs for any supplementary firing in Btu/hr. (18 C.F.R § 292.202(f)).	
	Number of hours of operation used to determine the average annual hourly facility inputs and outputs	h
11	Compute the operating value (applicable to a topping-cycle facility under 18 C.F.R § 292.205(a)(1)) and the efficiency value (18 C.F.R §§ 292.205(a)(2) and (b)), based on the information provided in and corresponding to item 10.	
	If you indicated in section 9 that your facility represents topping-cycle cogeneration technology, compute topping-cycle operating and efficiency values by completing the worksheet below. Topping-cycle operating value is required to be 5 percent or more. Topping-cycle efficiency value is required to be 45 percent or more when operating value is less than 15 percent, or 42.5 percent or more when operating value is equal to or greater than 15 percent.	
	(Pt) Average annual hourly useful thermal energy output	Btu/h
	Average annual rate of electrical output	kW
	(Pe) Convert electrical output to Btu/h by multiplying line above by 3,412	Btu/h
	Average annual rate of mechanical output	hp
	(Pm) Convert mechanical output to Btu/h by multiplying line above by 2,544	Btu/h
	(Pi) Average annual hourly energy input (natural gas or oil only)	Btu/h
	(Ps) Average annual hourly energy input from supplementary firing (natural gas or oil only)	Btu/h
	Topping-cycle operating value = $100 * Pt / (Pt + Pe + Pm)$	0 %
	Topping-cycle efficiency value = $100 * (Pe + Pm + 0.5 * Pt) / (Pi + Ps)$	0 %
	If you indicated in section 9 that your facility represents bottoming-cycle cogeneration technology, compute bottoming-cycle efficiency value by completing the worksheet below. Bottoming-cycle efficiency value is required to be 45 percent or more.	
	Average annual rate of electrical output	kW
	(Pe) Convert electrical output to Btu/h by multiplying line above by 3,412	Btu/h
	Average annual rate of mechanical output	hp
(Pm) Convert mechanical output to Btu/h by multiplying line above by 2,544	Btu/h	
(Ps) Average annual hourly energy input from supplementary firing (natural gas or oil only)	Btu/h	
Bottoming-cycle efficiency value = $100 * (Pe + Pm) / Ps$	0 %	

For Topping-Cycle Cogeneration Facilities

If you indicated in section 9 that your facility represents topping-cycle cogeneration technology, then you must respond to sections 12 and 13. Otherwise, skip sections 12 and 13.

12	Identify the entity (i.e., thermal host) which will purchase the useful thermal energy output from the facility (18 C.F.R. § 292.202(h)). Indicate whether the entity uses such output for the purpose of space and water heating, space cooling, and/or process use. Continue in section 6 if additional space is needed. N/A
13	In connection with the requirement that the thermal energy output be useful (18 C.F.R § 292.202(h)): For process uses by commercial or industrial host(s), describe each process (or group of similar processes using the same quality of steam) and provide the average annual hourly thermal energy made available to the process, less process return. For a complex system, where the primary steam header at the host-side is divided into various sub-uses, each having different pressure and temperature characteristics, describe the processes associated with each sub-use and provide the average annual hourly thermal energy delivered to each sub-use, less process return from such sub-use. Provide a diagram showing the main steam header and the sub-uses with other relevant information such as the average header pressure (psia), the temperature (deg. F), the enthalpy (Btu/lb.), and the flow (lb./hr.), both in and out of each sub-use. For space and water heating, describe the type of heating involved (e.g., office space heating, domestic water heating) and provide the average annual hourly thermal energy delivered and used for such purpose. For space cooling, describe the type of cooling involved (e.g., office space cooling) and provide the average annual hourly thermal energy used by the chiller. Continue in section 6 if additional space is needed. N/A

For Bottoming-Cycle Cogeneration Facilities

If you indicated in section 9 that your facility represents bottoming-cycle cogeneration technology, then you must respond to section 14. Otherwise, skip section 14.

Provide a description of the commercial or industrial process or other thermal application to which the energy input to the system is first applied and from which the reject heat is then used for electric power production. Continue in section 6 if additional space is needed.

N/A

14

For New Cogeneration Facilities

For any cogeneration facility that was either not certified as a qualifying cogeneration facility on or before August 8, 2005, or that had not filed a notice of self-certification, self-recertification or an application for Commission certification under 18 C.F.R. § 292.207 prior to February 2, 2006, respond to the items in section 15 below. Otherwise, skip section 15.

	Demonstrate that the thermal energy output of the cogeneration facility is used in a productive and beneficial manner (18 C.F.R §§ 292.205(d)(1), (d)(4) and (d)(5)). Continue in section 6 if additional space is needed. N/A
15	Demonstrate that the electrical, thermal, chemical and mechanical output of the cogeneration facility is used fundamentally for industrial, commercial, residential or institutional purposes and is not intended fundamentally for sale to an electric utility, taking into account technological, efficiency, economic, and variable thermal energy requirements, as well as state laws applicable to sales of electric energy from a qualifying facility to its host facility (18 C.F.R §§ 292.205(d)(2), (d)(3) and (d)(4)). Continue in section 6 if additional space is needed. N/A

Signature

Provide your signature and signature date below. Rule 2005(a) of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2005(a)) provides that a signature on a filing constitutes a certificate that (1) the signer has read the filing and knows its contents; (2) that the contents are true as stated, to the best knowledge and belief of the signer; and (3) the signer possesses full power and authority to sign the filing.

Rule 2005(c) of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2005(c)) provides that persons filing their documents electronically may use typed characters representing their name to sign the filed documents. A person filing this document electronically should sign (by typing their name) in the space provided below. A person filing this form in hardcopy format should sign in ink.

Signature

Date

Paul J. Deveau

04/14/2010

Filing Fee

No filing fee is required if you are submitting a self-certification of your facility as a QF pursuant to 18 C.F.R. § 292.207(a).

A filing fee is required if you are filing either of the following:

- (1) an application for Commission certification of your facility as a QF under 18 C.F.R. § 292.207(b), or
- (2) a petition for declaratory order granting waiver pursuant to 18 C.F.R. §§ 292.204(a)(3) or 292.205(c).

The current fees for applications for Commission certifications and petitions for declaratory order can be found by visiting the Commission's QF website at www.ferc.gov/QF and clicking on the Fee Schedule link.

See the How to File section on the following page for details on how to include your filing fee with your filing. If a filing fee is required, you must submit your fee before your application can be considered complete.

Notice Requirements

Draft Notice Suitable for Publication in the *Federal Register*

Pursuant to 18 C.F.R. §§ 292.207(a)(iv) and (b)(4), a notice is required to be published in the *Federal Register* alerting the public to the filing of the following types of documents: (1) application for Commission certification of a facility as a QF (small power production or cogeneration facility); or (2) self-certification of a "new" cogeneration facility.

Definition: A cogeneration facility is "new" if it was either not certified as a qualifying cogeneration facility on or before August 8, 2005, or had not filed a notice of self-certification, self-recertification or an application for Commission certification or Commission recertification as a qualifying cogeneration facility under section 292.207 of the Commission's regulations prior to February 2, 2006.

No draft *Federal Register* notice is required to be published for the self-certification of any small power production facility, or for the self-certification of any "old" cogeneration facility (*i.e.*, any cogeneration facility that does not meet the above definition of a "new" facility).

If publication of a draft *Federal Register* notice is required for your filing, you must obtain a blank notice from the Commission's website, complete the draft notice with the information pertaining to your facility, and include the draft notice with your filing in a word processing format (DOC, RTF, WPD, etc.) on electronic media (either electronically filed with your document, or on a disk, CD or DVD accompanying your filing). The Secretary of the Commission will, upon receipt of your draft notice, review the notice to ensure proper format and send it for publication in the *Federal Register*. Blank copies of *Federal Register* notices can be downloaded from the Notice Requirements link from the Commission's QF website at www.ferc.gov/QF.

Required Notice to Utilities and Public Utility Commissions for Self-Certification

Pursuant to 18 C.F.R. § 292.207(a)(ii), you must provide a copy of a self-certification to the utilities with which the facility will interconnect and transact, as well as to the Public Utility Commissions of the states in which those utilities and your facility reside. Links to information about the Public Utility Commissions in various states is available from the Notice Requirements link on the Commission's QF website at www.ferc.gov/QF.

How to Submit Your Filing to the Commission

Electronic Filing

All QF applications and self-certifications may be filed electronically, and applicants are strongly encouraged to use the electronic filing process. By filing electronically, you will reduce your filing burden, save paper resources, save postage or courier charges, help keep Commission expenses to a minimum, and receive a much faster confirmation (via an email containing the docket number assigned to your facility) that the Commission has received your filing.

To electronically file your Form 556, visit the Commission's QF website at www.ferc.gov/QF, and click the eFiling link. Follow the instructions. When prompted, select one of the following filing types, as appropriate, from the Electric menu:

(Fee) Application for Commission Cert. as Cogeneration QF

(Fee) Application for Commission Cert. as Small Power QF

Self-Certification Notice (QF, EG, FC)

Self-Recertification of Qualifying Facility (QF)

Supplemental Information or Request (use this selection if you are supplementing or correcting a filing, whether on your own initiative, or at the request of Commission staff)

If you are required to pay a fee (see previous page for information), you will be prompted to submit your fee electronically during the electronic filing process. You can pay via credit card or electronic debit from a bank account.

If you are eFiling an application which requires you to submit a draft *Federal Register* notice (see previous page for information), you must upload your draft notice in a word processing format (DOC, RTF, WPD, etc.) during the eFiling process.

If you have any questions about the electronic filing process, contact the Commission's eFiling Experts by phone at 202-502-8258 or by email at eFiling@ferc.gov.

Hardcopy (Paper) Filing

While we strongly encourage you to file electronically, you may file in hardcopy format by sending fourteen (14) copies of your Form 556 and all required materials to the following address:

Secretary of the Commission
Federal Energy Regulatory Commission
888 First St. N.E.
Washington, DC 20426

If you are required to pay a fee (see previous page for information), you must enclose with your filing a check payable to the Treasurer of the United States in the amount of the required fee.

If you are eFiling an application which requires you to submit a draft *Federal Register* notice (see previous page for information), you must include with your filing a disk, CD or DVD containing your draft notice in a word processing format (DOC, RTF, WPD, etc.).

What to Expect From the Commission

An applicant filing any document via the electronic filing process will receive an email message acknowledging receipt of their filing and showing the docket number assigned to their filing. Such email is typically sent within one business day, but may be delayed pending confirmation by the Secretary of the Commission of the contents of your filing.

An applicant filing a self-certification as a QF via the hardcopy filing process will receive a message via U.S. mail acknowledging receipt of their filing and showing the docket number assigned to their filing. This paper acknowledgement is typically sent within 7 to 10 days of receipt of the filing by the Commission.

An applicant submitting a self-certification of their facility as a QF (either electronically or via hardcopy filing) should expect to receive no documents from the Commission, other than the electronic or paper acknowledgements of receipt described above. An acknowledgement of receipt of a filing does not represent a determination by the Commission with regard to the QF status of the facility.

An applicant for Commission certification will receive an order either granting or denying certification as a QF, or requesting additional information. Pursuant to 18 C.F.R. § 292.207(b)(3), the Commission must act on an application for Commission certification within 90 days of the later of the filing date of the application or the filing date of a supplement, amendment or other change to the application.

FIRM ENERGY SALES AGREEMENT

BETWEEN

IDAHO POWER COMPANY

AND

RIVERSIDE INVESTMENTS LLC

RECEIVED

JUL 02 2010

WATER RESOURCES
WESTERN REGION

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Appendix A

Appendix B

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Appendix D

FIRM ENERGY SALES AGREEMENT
(10 aMW or Less)

Project Name: Arena Drop

Project Number: 21615205

THIS AGREEMENT, entered into on this 8th day of March 2010 between RIVERSIDE INVESTMENTS LLC, an Idaho limited liability company (Seller), and IDAHO POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as "Parties" or individually as "Party."

WITNESSETH:

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

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

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

ARTICLE I: DEFINITIONS

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

- 1.1 "Base Energy" – Monthly Net Energy less than 110% of the monthly Net Energy Amount as specified in paragraph 6.2 of this Agreement.
- 1.2 "Commission" - The Idaho Public Utilities Commission.
- 1.3 "Contract Year" - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.4 "Delay Liquidated Damages" – Damages payable to Idaho Power as calculated in paragraph 5.3, 5.4, 5.5, 5.6 and 5.7.

- 1.5 "Delay Period" – All days past the Scheduled Operation Date until the Seller's Facility achieves the Operation Date.
- 1.6 "Delay Price" - The current month's Mid-Columbia Market Energy Cost minus the current month's All Hours Energy Price specified in paragraph 7.3 of this Agreement. If this calculation results in a value less than 0, the result of this calculation will be 0.
- 1.7 "Designated Dispatch Facility" - Idaho Power's Systems Operations Group, or any subsequent group designated by Idaho Power.
- 1.8 "Facility" - That electric generation facility described in Appendix B of this Agreement.
- 1.9 "First Energy Date" - The day commencing at 00:01 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 "Heavy Load Hours" – The daily hours beginning at 7:00 am, ending at 11:00 pm Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving and Christmas.
- 1.11 "Inadvertent Energy" – Electric energy Seller does not intend to generate. Inadvertent energy is more particularly described in paragraph 7.5 of this Agreement.
- 1.12 "Interconnection Facilities" - All equipment specified in Schedule 72.
- 1.13 "Initial Capacity Determination" – The process by which Idaho Power confirms that under normal or average design conditions the Facility will generate at no more than 10 average MW per month and is therefore eligible to be paid the published rates in accordance with Commission Order No. 29632.
- 1.14 "Light Load Hours" – The daily hours beginning at 11:00 pm, ending at 7:00 am Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving and Christmas.
- 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 "Market Energy Reference Price" – Eighty-five percent (85%) of the Mid-Columbia Market Energy Cost.
- 1.17 "Material Breach" – A Default (paragraph 18.2.1) subject to paragraph 18.2.2.
- 1.18 "Maximum Capacity Amount" – The maximum capacity (MW) of the Facility will be as specified in Appendix B of this Agreement.
- 1.19 "Metering Equipment" - All equipment specified in Schedule 72, this Agreement and any additional equipment specified in Appendix B required to measure, record and telemeter bi directional power flows between the Seller's electric generation plant and Idaho Power's system.
- 1.20 "Mid- Columbia Market Energy Cost" – The monthly 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.
- 1.21 "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, kilovolt-amperes, kilowatts, volts or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.
- 1.22 "Net Energy" – All of the electric energy produced by the Facility, less Station Use, less Losses, expressed in kilowatt hours (kWh). Subject to the terms of this Agreement, Seller commits to deliver all Net Energy to Idaho Power at the Point of Delivery for the full term of the Agreement. Net Energy does not include Inadvertent Energy.

- 1.23 “Operation Date” – The day commencing at 00:01 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.24 “Point of Delivery” – The location specified in Appendix B, where Idaho Power’s and the Seller’s electrical facilities are interconnected and the energy from this Facility is delivered to the Idaho Power electrical system.
- 1.25 “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.
- 1.26 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date. It is expected that the Scheduled Operation Date provided by the Seller shall be a reasonable estimate of the date that the Seller anticipates that the Seller’s Facility shall achieve the Operation Date.
- 1.27 “Schedule 72” – Idaho Power’s Tariff No 101, Schedule 72 or its successor schedules as approved by the Commission. The Seller shall be responsible to pay all costs of interconnection and integration of this Facility into the Idaho Power electrical system as specified within Schedule 72.
- 1.28 “Season” – The three periods identified in paragraph 6.2.1 of this Agreement.
- 1.29 “Special Facilities” - Additions or alterations of transmission and/or distribution lines and transformers as described in Schedule 72.
- 1.30 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility.
- 1.31 “Surplus Energy” – Is (1) Net Energy produced by the Seller’s Facility and delivered to the Idaho Power electrical system during the month which exceeds 110% of the monthly Net Energy Amount for the corresponding month specified in paragraph 6.2. or (2) If the Net Energy produced by the Seller’s Facility and delivered to the Idaho Power electrical system during the month is less than 90% of the monthly Net Energy Amount for the corresponding month

specified in paragraph 6.2, then all Net Energy delivered by the Facility to the Idaho Power electrical system for that given month or (3) All Net Energy produced by the Seller's Facility and delivered by the Facility to the Idaho Power electrical system prior to the Operation Date.

- 1.32 "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. 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 Facility's Qualifying

Facility status and associated support and compliance documents at anytime during the term 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.

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 under this Agreement, 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. as a certified Qualifying Facility.
- 4.1.2 Opinion of Counsel - Submit to Idaho Power an Opinion Letter signed by an attorney admitted to practice and in good standing in the State of Idaho providing an opinion that Seller's licenses, permits and approvals as set forth in paragraph 4.1.1 above are legally and validly issued, are held in the name of the Seller and, based on a reasonable independent review, counsel is of the opinion that Seller is in substantial compliance with said permits as of the date of the Opinion Letter. The Opinion Letter will be in a form acceptable to Idaho Power and will acknowledge that the attorney rendering the opinion understands that Idaho Power is relying on said opinion. Idaho Power's acceptance of the form will not be unreasonably withheld. The Opinion Letter

will be governed by and shall be interpreted in accordance with the legal opinion accord of the American Bar Association Section of Business Law (1991).

4.1.3 Initial Capacity Determination - Submit to Idaho Power such data as Idaho Power may reasonably require to perform the Initial Capacity Determination. Such data will include but not be limited to, Nameplate Capacity, equipment specifications, prime mover data, resource characteristics, normal and/or average operating design conditions and Station Use data. Upon receipt of this information, Idaho Power will review the provided data and if necessary, request additional data to complete the Initial Capacity Determination within a reasonable time.

4.1.3.1 If the Maximum Capacity specified in Appendix B of this Agreement and the cumulative manufacture Nameplate Capacity rating of the individual generation units at this Facility is less than 10 MW. The Seller shall submit detailed, manufacturer, verifiable data of the Nameplate Capacity ratings of the actual individual generation units to be installed at this Facility. Upon verification by Idaho Power that the data provided establishes the combined Nameplate Capacity rating of the generation units to be installed at this Facility is less than 10 MW, it will be deemed that the Seller has satisfied the Initial Capacity Determination for this Facility.

4.1.4 Nameplate Capacity - Submit to Idaho Power manufacturer's and engineering documentation that establishes the Nameplate Capacity of each individual generation unit that is included within this entire Facility. Upon receipt of this data, Idaho Power shall review the provided data and determine if the Nameplate Capacity specified is reasonable based upon the manufacturer's specified generation ratings for the specific generation units.

4.1.5 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.

- 4.1.6 Insurance - Submit written proof to Idaho Power of all insurance required in Article XII.
- 4.1.7 Interconnection – Provide written confirmation from Idaho Power’s delivery business unit that Seller has satisfied all interconnection requirements.
- 4.1.8 Network Resource Designation – The Seller’s Facility has been designated as a network resource capable of delivering firm energy up to the amount of the Maximum Capacity.
- 4.1.9 Written Acceptance – Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller’s request and will not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

- 5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of twenty (20) Contract Years from the Operation Date.
- 5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the following:
 - a) Achieved the First Energy Date.
 - b) Commission approval of this Agreement in a form acceptable to Idaho Power has been received.
 - c) Seller has demonstrated to Idaho Power's satisfaction that the Facility is complete and able to provide energy in a consistent, reliable and safe manner.
 - d) Seller has requested an Operation Date from Idaho Power in a written format.
 - e) Seller has received written confirmation from Idaho Power of the Operation Date.This confirmation will not be unreasonably withheld by Idaho Power.



5.3 Operation Date Delay - Seller shall cause the Facility to achieve the Operation Date on or before the Scheduled Operation Date. Delays in the interconnection and transmission network upgrade study, design and construction process that are not Force Majeure events accepted by both Parties shall not prevent Delay Damages being calculated as specified in this Agreement.

5.3.1 If the Operation Date occurs after the Scheduled Operation Date but on or prior to 90 days following the Scheduled Operation Date, Seller shall pay Idaho Power Delay Liquidated Damages calculated at the end of each calendar month after the Scheduled Operation Date as follows:

Delay Liquidated Damages are equal to ((Current month's Initial Year Net Energy Amount as specified in paragraph 6.2.1 divided by the number of days in the current month) multiplied by the number of days in the Delay Period in the current month) multiplied by the current month's Delay Price.

5.3.2 If the Operation Date does not occur within ninety (90) days following the Scheduled Operation Date the Seller shall pay Idaho Power Delay Liquidated Damages, in addition to those provided in paragraph 5.3.1, calculated as follows:

Forty five dollars (\$45) multiplied by the Maximum Capacity with the Maximum Capacity being measured in KW.

5.4 If Seller fails to achieve the Operation Date within ninety (90) days following the Scheduled Operation Date, such failure will be a Material Breach and Idaho Power may terminate this Agreement at any time until the Seller cures the Material Breach. Additional Delay Damages beyond those calculated in 5.3.1 and 5.3.2 will be calculated and payable using the Delay Damage calculation described in 5.3.1 above for all days exceeding 90 days past the Scheduled Operation Date until such time as the Seller cures this Material Breach or Idaho Power terminates this Agreement.

5.5 Seller shall pay Idaho Power any calculated Delay Damages or Delay Liquidated Damages within 7 days of when Idaho Power calculates and presents any Delay Damages or Delay Liquidated

Damages billings to the Seller. Seller's failure to pay these damages within the specified time will be a Material Breach of this Agreement and Idaho Power shall draw funds from the Delay Security provided by the Seller in an amount equal to the calculated Delay Damages or Delay Liquidated Damages.

5.6 The Parties agree that the damages Idaho Power would incur due to delay in the Facility achieving the Operation Date on or before the Scheduled Operation Date would be difficult or impossible to predict with certainty, and that the Delay Liquidated Damages are an appropriate approximation of such damages.

5.7 The Seller shall; 1) submit evidence acceptable to Idaho Power that the Seller has obtained a favorable feasibility study report from the interconnection provider at the time the Seller executes this Agreement and 2) within thirty (30) days of the date of a Commission Order as specified in Article XX approving this Agreement the Seller shall post liquid security ("Delay Security") in a form as described in Appendix D equal to or exceeding the amount calculated in paragraph 5.7.1.

5.7.1 Delay Security The greater of forty five (\$45) multiplied by the Maximum Capacity with the Maximum Capacity being measured in KW or the sum of three month's estimated revenue. Where the estimated three months of revenue is the estimated revenue associated with the first three full months following the estimated Scheduled Operation Date, the estimated kWh of energy production as specified in paragraph 6.2.1 for those three months multiplied by the All Hours Energy Price specified in paragraph 7.3 for each of those three months.

5.7.1.1 In the event (a) Seller provides Idaho Power with certification that (1) a generation interconnection agreement specifying a schedule that will enable this Facility to achieve the Operation Date no later than the Scheduled Operation Date has been completed and the Seller has paid all required interconnection costs or (2) a generation interconnection agreement is substantially complete and all material costs of interconnection have been identified and agreed upon and

the Seller is in compliance with all terms and conditions of the generation interconnection agreement, the Delay Security calculated in accordance with paragraph 5.7.1 will be reduced by ten percent (10%).

5.7.1.2 If the Seller has received a reduction in the calculated Delay Security as specified in paragraph 5.7.1.1 and subsequently (1) at Seller's request, the generation interconnection agreement specified in paragraph 5.7.1.1 is revised and as a result the Facility will not achieve its Operation Date by the Scheduled Operation Date or (2) if the Seller does not maintain compliance with the generation interconnection agreement, the full amount of the Delay Security as calculated in paragraph 5.7.1 will be subject to reinstatement and will be due and owing within 5 business days from the date Idaho Power requests reinstatement. Failure to timely reinstate the Delay Security will be a Material Breach of this Agreement.

5.7.2 Idaho Power shall release any remaining security posted hereunder after all calculated Delay Damages and/or Delay Liquidated Damages are paid in full to Idaho Power and the earlier of (1) 30 days after the Operation Date has been achieved or (2) 60 days after the Agreement has been terminated.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

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

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



6.2.1 Initial Year Monthly Net Energy Amounts:

	<u>Month</u>	<u>kWh</u>
Season 1	March	0
	April	0
	May	100,000
Season 2	July	260,000
	August	240,000
	November	0
	December	0
Season 3	June	245,000
	September	145,000
	October	25,000
	January	0
	February	0

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 beyond those generation estimates previously provided. This information will be provided to Idaho Power by written notice in accordance with paragraph 24.1, no later than 5:00 PM of the 5th day following the end of the previous month. If the Seller does not provide the Ongoing Monthly Net Energy Amounts in a timely manner, Idaho Power will use the most recent 3 months of the Initial Year Monthly Net Energy Amounts specified in paragraph 6.2.1 for the next 3 months of monthly Net Energy amounts.

6.2.3 Seller's Adjustment of Net Energy Amount

6.2.3.1 No later than the Operation Date, by written notice given to Idaho Power in accordance with paragraph 24.1, 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 9th 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 24.1, no later than 5:00 PM of the 5th day following the end of the previous month, the Seller may revise all other previously provided Net Energy Amounts. Failure to provide timely written notice of changed amounts will be deemed to be an election of no change.

6.2.4 Idaho Power Adjustment of Net Energy Amount – If Idaho Power is excused from accepting the Seller's Net Energy as specified in paragraph 11.2.1 or if the Seller declares a Suspension of Energy Deliveries as specified in paragraph 11.3.1 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 11.2.1 or 11.3.1 occurs will be reduced in accordance with the following:

Where:

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

SGU = a.) If Idaho Power is excused from accepting the Seller's Net Energy as specified in paragraph 11.2.1 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 11.3.1 this value will be the sum of the individual generation units size ratings as specified in Appendix B that are impacted by the circumstances causing the Seller to declare a Suspension of Energy Deliveries.

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

RSH = Actual hours the Facility's Net Energy deliveries were either reduced or suspended under paragraph 11.2.1 or 11.3.1

TH = Actual total hours in the current month

Resulting formula being:

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

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 Base Energy Heavy Load Purchase Price – For all Base Energy received during Heavy Load Hours, Idaho Power will pay the non-levelized energy price in accordance with Commission Order 30744, 30738 and adjusted in accordance with Commission Order 30415 for Heavy Load Hour Energy deliveries with seasonalization factors applied:

	Season 1 - (73.50 %)	Season 2 - (120.00 %)	Season 3 - (100.00 %)
<u>Year</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>
2010	57.98	94.67	78.89
2011	59.54	97.21	81.01
2012	61.22	99.95	83.29
2013	62.62	102.23	85.19
2014	64.05	104.57	87.14
2015	65.52	106.97	89.14
2016	67.10	109.55	91.29
2017	68.63	112.05	93.38
2018	70.29	114.77	95.64
2019	71.91	117.40	97.83
2020	73.56	120.10	100.08
2021	75.26	122.87	102.39

2022	76.99	125.70	104.75
2023	78.78	128.61	107.18
2024	80.60	131.59	109.66
2025	82.47	134.65	112.21
2026	84.75	138.37	115.31
2027	87.10	142.21	118.51
2028	89.53	146.17	121.81
2029	92.03	150.25	125.21
2030	94.60	154.45	128.71
2031	96.69	157.85	131.55

- 7.2 Base Energy Light Load Purchase Price – For all Base Energy received during Light Load Hours, Idaho Power will pay the non-levelized energy price in accordance with Commission Order 30744, 30738 and adjusted in accordance with Commission Order 30415 for Light Load Hour Energy deliveries with seasonalization factors applied :

	Season 1 - (73.50 %)	Season 2 - (120.00 %)	Season 3 - (100.00 %)
<u>Year</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>
2010	52.63	85.93	71.61
2011	54.19	88.47	73.73
2012	55.87	91.21	76.01
2013	57.27	93.49	77.91
2014	58.70	95.83	79.86
2015	60.17	98.23	81.86
2016	61.75	100.81	84.01
2017	63.28	103.32	86.10
2018	64.94	106.03	88.36
2019	66.56	108.66	90.55
2020	68.21	111.36	92.80
2021	69.90	114.13	95.11
2022	71.64	116.97	97.47
2023	73.42	119.88	99.90
2024	75.25	122.86	102.38
2025	77.12	125.91	104.93
2026	79.40	129.64	108.03
2027	81.75	133.48	111.23
2028	84.18	137.43	114.53
2029	86.68	141.51	117.93
2030	89.25	145.71	121.43
2031	91.33	149.12	124.27

- 7.3 All Hours Energy Price -- The price to be used in the calculation of the Surplus Energy Price and Delay Damage Price shall be the non-levelized energy price in accordance with Commission Order 30744 and 30738 with seasonalization factors applied:

	Season 1 - (73.50 %)	Season 2 - (120.00 %)	Season 3 - (100.00 %)
<u>Year</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>
2010	55.60	90.78	75.65
2011	57.16	93.32	77.77
2012	58.84	96.06	80.05
2013	60.24	98.34	81.95
2014	61.67	100.68	83.90
2015	63.14	103.08	85.90
2016	64.72	105.66	88.05
2017	66.25	108.17	90.14
2018	67.91	110.88	92.40
2019	69.53	113.51	94.59
2020	71.18	116.21	96.84
2021	72.87	118.98	99.15
2022	74.61	121.82	101.51
2023	76.39	124.72	103.94
2024	78.22	127.71	106.42
2025	80.09	130.76	108.97
2026	82.37	134.49	112.07
2027	84.72	138.32	115.27
2028	87.15	142.28	118.57
2029	89.64	146.36	121.97
2030	92.22	150.56	125.47
2031	94.30	153.97	128.31

- 7.4 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller the current month's Market Energy Reference Price or the All Hours Energy Price specified in paragraph 7.3, whichever is lower.

7.5 Inadvertent Energy --

- 7.5.1 Inadvertent Energy is electric energy produced by the Facility, expressed in kWh, which the Seller delivers to Idaho Power at the Point of Delivery that exceeds 10,000 kW multiplied by the hours in the specific month in which the energy was delivered.

(For example January contains 744 hours. 744 hours times 10,000 kW = 7,440,000 kWh. Energy delivered in January in excess of 7,440, 000 kWh in this example would be Inadvertent Energy.)

7.5.2 Although Seller intends to design and operate the Facility to generate no more than 10 average MW and therefore does not intend to generate Inadvertent Energy, Idaho Power will accept Inadvertent Energy that does not exceed the Maximum Capacity Amount but will not purchase or pay for Inadvertent Energy.

7.6 Payment Due Date – Energy payments, less any payments due to Idaho Power will be disbursed to the Seller within 30 days of the date which Idaho Power receives and accepts the documentation of the monthly Net Energy actually delivered to Idaho Power as specified in Appendix A.

7.7 Continuing Jurisdiction of the Commission This Agreement is a special contract and, as such, the rates, terms and conditions contained in this Agreement will be construed in accordance with Idaho Power Company v. Idaho Public Utilities Commission and Afton Energy, Inc., 107 Idaho 781, 693 P.2d 427 (1984), Idaho Power Company v. Idaho Public Utilities Commission, 107 Idaho 1122, 695 P.2d 1 261 (1985), Afton Energy, Inc. v. Idaho Power Company, 111 Idaho 925, 729 P.2d 400 (1986), Section 210 of the Public Utilities Regulatory Policies Act of 1978 and 18 CFR §292.303-308

ARTICLE VIII: FACILITY AND INTERCONNECTION

8.1 Design of Facility - Seller will design, construct, install, own, operate and maintain the Facility and any Seller-owned Interconnection Facilities so as to allow safe and reliable generation and delivery of Net Energy and Inadvertent Energy to the Idaho Power Point of Delivery for the full term of the Agreement.

ARTICLE IX: METERING AND TELEMETRY

- 9.1 Metering and Telemetry - Idaho Power shall, for the account of Seller, provide, install, and maintain Metering Equipment to be located at a mutually agreed upon location to record and measure power flows to Idaho Power in accordance with Schedule 72 at the Point of Delivery. The Metering Equipment will be at the location and the type required to measure, record and report the Facility's Net Energy, Station Use, Inadvertent Energy and maximum energy deliveries (kW) in a manner to provide Idaho Power adequate energy measurement data to administer this Agreement and to integrate this Facility's energy production into the Idaho Power electrical system.

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, Net Energy, Station Use, Inadvertent Energy 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, Net Energy, Station Use, Inadvertent Energy and maximum generation (kW) records pertaining to the Seller's Facility.

ARTICLE XI: OPERATIONS

- 11.1 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.
- 11.2 Energy Acceptance –
- 11.2.1 Idaho Power shall be excused from accepting and paying for Net Energy or accepting Inadvertent Energy which would have otherwise been 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 temporary disconnection of the Facility in accordance with

Schedule 72. If, for reasons other than an event of Force Majeure, a temporary disconnection under Schedule 72 exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amounts specified for the applicable month in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.

11.2.2 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 temporarily disconnect the Facility from Idaho Power's transmission/distribution system as specified within Schedule 72 or take such other reasonable steps as Idaho Power deems appropriate.

11.2.3 If Idaho Power is unable to accept the energy from this Facility and is not excused from accepting the Facility's energy, Idaho Power's damages shall be limited to only the value of the estimated energy that Idaho Power was unable to accept. Idaho Power will have no responsibility to pay for any other costs, lost revenue or consequential damages the Facility may incur.

11.3 Seller Declared Suspension of Energy Deliveries

11.3.1 If the Seller's Facility experiences a forced outage due to equipment failure which is not caused by an event of Force Majeure or by neglect, disrepair or lack of adequate preventative maintenance of the Seller's Facility, Seller may, after giving notice as provided in paragraph 11.3.2 below, temporarily suspend all deliveries of Net Energy to Idaho Power from the Facility or from individual generation unit(s) within the Facility impacted by the forced outage for a period of not less than 48 hours to correct the forced outage condition ("Declared Suspension of Energy Deliveries"). The Seller's Declared Suspension of Energy Deliveries will begin at the start of the next full hour following the

Seller's telephone notification as specified in paragraph 11.3.2 and will continue for the time as specified (not less than 48 hours) in the written notification provided by the Seller. In the month(s) in which the Declared Suspension of Energy occurred, the Net Energy Amount will be adjusted as specified in paragraph 6.2.4.

11.3.2 If the Seller desires to initiate a Declared Suspension of Energy Deliveries as provided in paragraph 11.3.1, the Seller will notify the Designated Dispatch Facility by telephone. The beginning hour of the Declared Suspension of Energy Deliveries will be at the earliest the next full hour after making telephone contact with Idaho Power. The Seller will, within 24 hours after the telephone contact, provide Idaho Power a written notice in accordance with XXIV that will contain the beginning hour and duration of the Declared Suspension of Energy Deliveries and a description of the conditions that caused the Seller to initiate a Declared Suspension of Energy Deliveries. Idaho Power will review the documentation provided by the Seller to determine Idaho Power's acceptance of the described forced outage as qualifying for a Declared Suspension of Energy Deliveries as specified in paragraph 11.3.1. Idaho Power's acceptance of the Seller's forced outage as an acceptable forced outage will be based upon the clear documentation provided by the Seller that the forced outage is not due to an event of Force Majeure or by neglect, disrepair or lack of adequate preventative maintenance of the Seller's Facility.

11.4 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.

- 11.5 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.
- 11.6 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller prior to exercising its rights to interrupt interconnection or curtail deliveries from the Seller's Facility. Seller understands that in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events 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 XII: INDEMNIFICATION AND INSURANCE

- 12.1 Indemnification - Each Party shall agree to hold harmless and to indemnify the other Party, its officers, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's (a) construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement or (b) negligent or intentional acts, errors or omissions. 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 documented costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.
- 12.2 Insurance - During the term of this Agreement, Seller shall secure and continuously carry the following insurance coverage:
- 12.2.1 Comprehensive General Liability Insurance for both bodily injury and property damage with limits equal to \$1,000,000, each occurrence, combined single limit. The deductible for such insurance shall be consistent with current Insurance Industry Utility practices for similar property.
- 12.2.2 The above insurance coverage shall be placed with an insurance company with an A.M. Best Company rating of A- or better and shall include:

- (a) An endorsement naming Idaho Power as an additional insured and loss payee as applicable; and
 - (b) A provision stating that such policy shall not be canceled or the limits of liability reduced without sixty (60) days' prior written notice to Idaho Power.
- 12.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.5 herein and annually thereafter, Seller shall furnish Idaho Power a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.
- 12.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by paragraph 12.2 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 XIII: FORCE MAJEURE

- 13.1 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 effective 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 XIV: LIABILITY; DEDICATION

- 14.1 Limitation of Liability. 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. Neither party shall be liable to the other for any indirect, special, consequential, nor punitive damages, except as expressly authorized by this Agreement. Consequential damages will include, but not be limited to, the value of renewable energy credits and, if the Facility is fueled by gas produced by an anaerobic digester system, any diminution or loss of anaerobic activity due to the inability of Idaho Power to accept energy from the Facility.
- 14.2 Dedication. 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 Party or 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 Idaho 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 Fourth Judicial District of Idaho in and for the County of Ada.

ARTICLE XVIII: DISPUTES AND DEFAULT

- 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"), 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 12.2. 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 Idaho, which Certification of Ongoing O & M shall be in the form specified in Appendix C. Seller's failure to supply the required certificate will be an event of default. Such a default may only be cured by Seller providing the required certificate; and
- 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.

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: COMMISSION ORDER

- 20.1 This Agreement shall become finally effective upon the Commission's approval of all terms and provisions hereof without change or condition and declaration that all payments to be made to Seller hereunder shall be allowed as prudently incurred expenses for ratemaking purposes.

ARTICLE 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 faxed, e-mailed and confirmed with deposit in the U.S. Mail, first-class, postage prepaid, as follows:

To Seller:

Original document to:

Riverside Investments LLC
Attn: Dennis Daugherty
P O Box 154
Adrian, Oregon 97901

Telephone: (208) 722-6731
Cell: (208) 412-9815
FAX: (208) 722-6736

E-mail: dennis@rsicorp.net

To Idaho Power:

Original document to:

Vice President, Power Supply
Idaho Power Company
PO Box 70
Boise, Idaho 83707
Email: LGgrow@idahopower.com

Copy of document to:

Cogeneration and Small Power Production
Idaho Power Company
PO Box 70
Boise, Idaho 83707
E-mail: rallphin@idahopower.com

Either Party may change the contact person and/or address information listed above, by providing written notice from an authorized person representing the Party.

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	-	Forms of Liquid Security

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

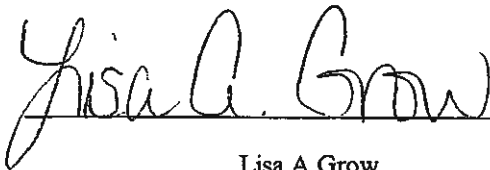
- 28.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

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

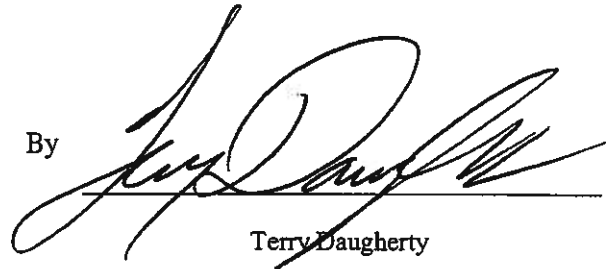
Riverside Investments, LLC.

By



Lisa A Grow
Sr. Vice President, Power Supply

By



Terry Daugherty

Dated

3.8.10

"Idaho Power"

Dated

3/5/10

"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
PO Box 70
Boise, Idaho 83707

The meter readings required on this report will be the readings on the Idaho Power Meter Equipment measuring the Facility's total energy production and Station Usage delivered to Idaho Power and the maximum generated energy (kW) as recorded on the Metering Equipment and/or any other required energy measurements to adequately administer this Agreement. This document shall be the document to enable Idaho Power to begin the energy payment calculation and payment process. The meter readings on this report shall not be used to calculate the actual payment, but instead will be a check of the automated meter reading information that will be gathered as described in item A-2 below:

A-2 AUTOMATED METER READING COLLECTION PROCESS

Monthly, Idaho Power will use the provided Metering and Telemetry equipment and processes to collect the meter reading information from the Idaho Power provided Metering Equipment that measures the Net Energy and energy delivered to supply Station Use for the Facility recorded at 12:00 AM (Midnight) of the last day of the month..

The meter information collected will include but not be limited to energy production, Station Use, the maximum generated power (kW) and any other required energy measurements to adequately administer this Agreement.

A-3 ROUTINE REPORTING

Once the Facility has achieved its Operation Date and has operated in a reliable and consistent manner for a reasonable period of time, the Parties may mutually agree to modify this Routine Reporting requirement.

Idaho Power Contact Information

Daily Energy Production Reporting

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

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

Planned and Unplanned Project outages

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

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

Seller's Contact Information

24-Hour Project Operational Contact

Name: Dennis Daugherty
Telephone Number: (208) 722-6731
Cell Phone: (208) 412-9815

Project On-site Contact information

Name: _____
Telephone Number: _____

APPENDIX B

FACILITY AND POINT OF DELIVERY

Project Name: Arena Drop

Project Number: 21615205

B-1 DESCRIPTION OF FACILITY

(Must include the Nameplate Capacity rating and VAR capability (both leading and lagging) of all generation units to be included in the Facility.)

Horizontal Francis on Synchronous generator rated at 450 kw

Var Capability (Both leading and lagging) 15% SF PF.95 plus

B-2 LOCATION OF FACILITY

Near: Near Stephan Lane

Sections: 5 Township: 4N Range: 5W County: Canyon ID.

Description of Interconnection Location: PRMA-042-16

Nearest Idaho Power Substation: _____

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected June 30, 2010 as the Scheduled First Energy Date.

Seller has selected July 15, 2010 as the 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 .52 MW which is consistent with the value provided by the Seller to Idaho Power in accordance with Schedule 72. This value is the maximum energy (MW) that potentially could be delivered by the Seller's Facility to the Idaho Power electrical system at any moment in time.

B-5 **POINT OF DELIVERY**

"Point of Delivery" means, unless otherwise agreed by both Parties, the point of where the Sellers Facility's energy is delivered to the Idaho Power electrical system. Schedule 72 will determine the specific Point of Delivery for this Facility. The Point of Delivery identified by Schedule 72 will become an integral part of this Agreement.

B-6 **LOSSES**

If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated for this Facility. If the Idaho Power Metering is unable to measure the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss specifications, conductor sizes, etc) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at any time during the term of this Agreement, Idaho Power determines that the

loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power may adjust the calculation and retroactively adjust the previous months kWh loss calculations.

B-7 METERING AND TELEMETRY

Schedule 72 will determine the specific metering and telemetry requirements for this Facility. At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries to the Point of Delivery and any other energy measurements required to administer this Agreement. These specifications will include but not be limited to equipment specifications, equipment location, Idaho Power provided equipment, Seller provided equipment, and all costs associated with the equipment, design and installation of the Idaho Power provided equipment. Seller will arrange for and make available at Seller's cost communication circuit(s) compatible with Idaho Power's communications equipment and dedicated to Idaho Power's use terminating at the Idaho Power facilities capable of providing Idaho Power with continuous instantaneous information on the Facilities energy production. Idaho Power provided equipment will be owned and maintained by Idaho Power, with total cost of purchase, installation, operation, and maintenance, including administrative cost to be reimbursed to Idaho Power by the Seller. Payment of these costs will be in accordance with Schedule 72 and the total metering cost will be included in the calculation of the Monthly Operation and Maintenance Charges specified in Schedule 72.

B-8 NETWORK RESOURCE DESIGNATION AND TRANSMISSION SERVICE REQUEST

Idaho Power cannot accept or pay for generation from this Facility until a Transmission Service Request ("TSR") and/or a Network Resource Designation ("NRD") application have been accepted by Idaho Power's delivery business unit. Federal Energy Regulatory Commission ("FERC") Rules require Idaho Power to prepare and submit the TSR and/or NRD. Because much

of the information Idaho Power needs to prepare the TSR and NRD is specific to the Seller's Facility, Idaho Power's ability to file the TSR and NRD in a timely manner is contingent upon timely receipt of the required information from the Seller. Prior to Idaho Power submitting the TSR and/or NRD for this Facility, the Seller shall be required to execute an agreement with Idaho Power requesting Idaho Power to complete and submit the TSR and/or NRD application. Within this agreement the Seller shall take responsibility for all costs incurred by Idaho Power in preparing and submitting these applications. **Seller's failure to provide complete and accurate information in a timely manner can delay the First Energy Date and may result in Seller paying higher costs for interconnection.**

- i.) Transmission Service Request (TSR)– Idaho Power will prepare and submit the TSR within a reasonable period of time after the Seller (a) has executed an agreement with Idaho Power requesting Idaho Power submit a TSR application and (b) provides written confirmation that the Generation Interconnection Agreement ("GIA") between Seller and Idaho Power's delivery business unit has been executed for this Facility and (c) provides all of the Facility-specific details required to complete the TSR.
- ii.) Network Resource Designation – Idaho Power will complete and file the NRD application within a reasonable period of time after (a) Seller has executed an agreement with Idaho Power requesting Idaho Power submit a NRD application and (b) this Agreement has been executed by both parties and (c) the TSR (if required) has been filed and accepted and (d) all necessary information has been received from the Seller to enable Idaho Power to complete the NRD application.

APPENDIX C
ENGINEER'S CERTIFICATION
OF
OPERATIONS & MAINTENANCE POLICY

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

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Idaho.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and is hereinafter referred to as the "Project."
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____ Range _____, Boise Meridian, _____ County, Idaho.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has reviewed and/or supervised the review of the Policy for Operation and Maintenance ("O&M") for this Project and it is his professional opinion that, provided said Project has been designed and built to appropriate standards, adherence to said O&M Policy will result in the Project's producing at or near the design electrical output, efficiency and plant factor for a twenty (20) year period.

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

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

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
ONGOING OPERATIONS AND MAINTENANCE

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

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Idaho.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____ Range _____, Boise Meridian, _____ County, Idaho.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.

8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. It is Engineer's professional opinion, based on the Project's appearance, that its ongoing O&M has been substantially in accordance with said O&M Policy; that it is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the remaining _____ years of the Agreement.

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

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

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY

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

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

9. That the Project has been constructed in accordance with said plans and specifications, all applicable codes and consistent with Prudent Electrical Practices as that term is described in the Agreement.

10. That the design and construction of the Project is such that with reasonable and prudent operation and maintenance practices by Seller, the Project is capable of performing in accordance with the terms of the Agreement and with Prudent Electrical Practices for a twenty (20) 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 _____

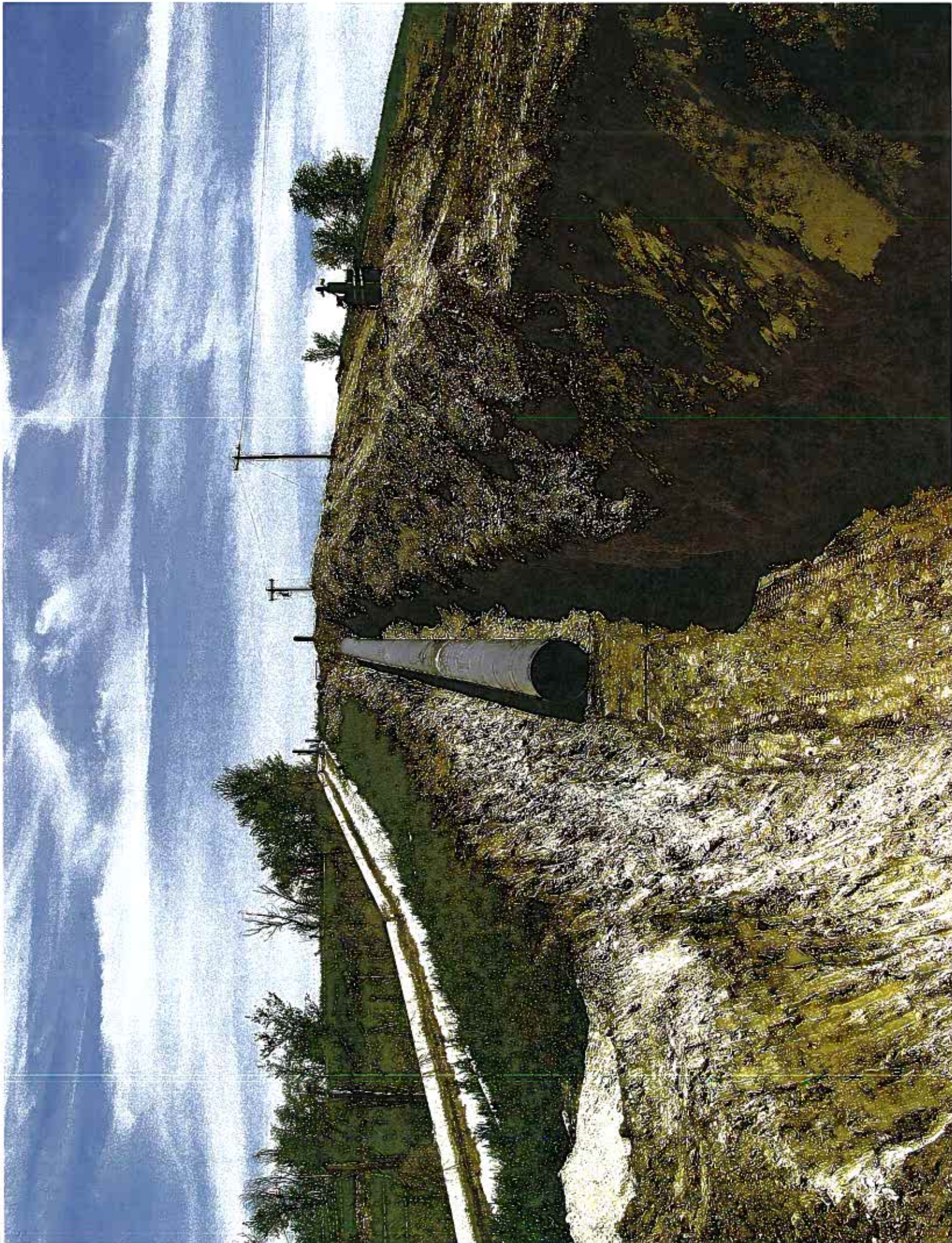
APPENDIX D

FORMS OF LIQUID SECURITY

The Seller shall provide Idaho Power with commercially reasonable security instruments such as Cash Escrow Security, Guarantee or Letter of Credit as those terms are defined below or other forms of liquid financial security that would provide readily available cash to Idaho Power to satisfy the Delay Security requirement within this Agreement.

For the purpose of this Appendix D, the term "Credit Requirements" shall mean acceptable financial creditworthiness of the entity providing the security instrument in relation to the term of the obligation in the reasonable judgment of Idaho Power, provided that any guarantee and/or letter of credit issued by any other entity with a short-term or long-term investment grade credit rating by Standard & Poor's Corporation or Moody's Investor Services, Inc. shall be deemed to have acceptable financial creditworthiness.

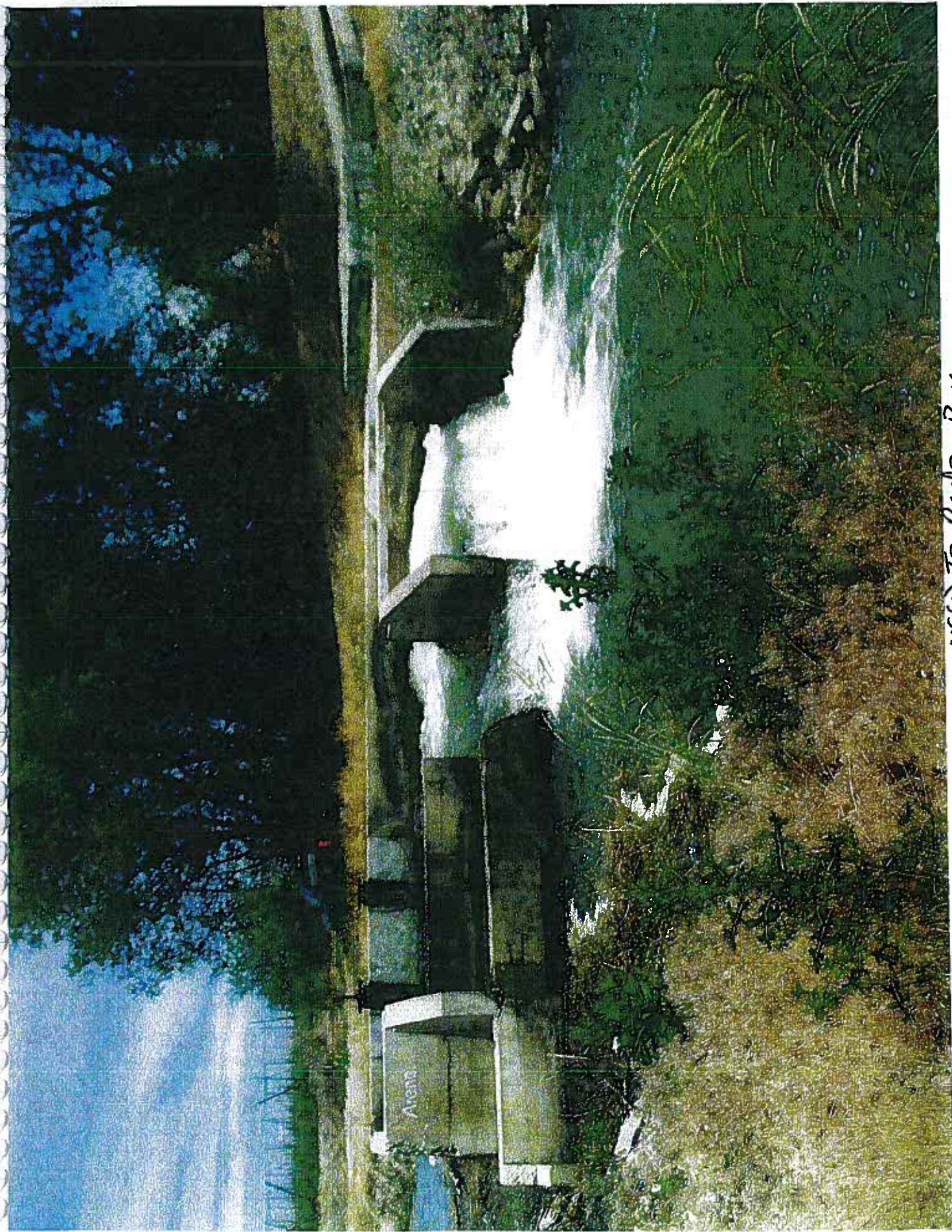
1. Cash Escrow Security – Seller shall deposit funds in an escrow account established by the Seller in a banking institution acceptable to both Parties equal to the Delay Security.
2. Guarantee or Letter of Credit Security – Seller shall post and maintain in an amount equal to the Delay Security: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to Idaho Power at its discretion, or (b) a Letter of Credit in a form acceptable to Idaho Power, in favor of Idaho Power. The Letter of Credit will be issued by a financial institution acceptable to both parties.



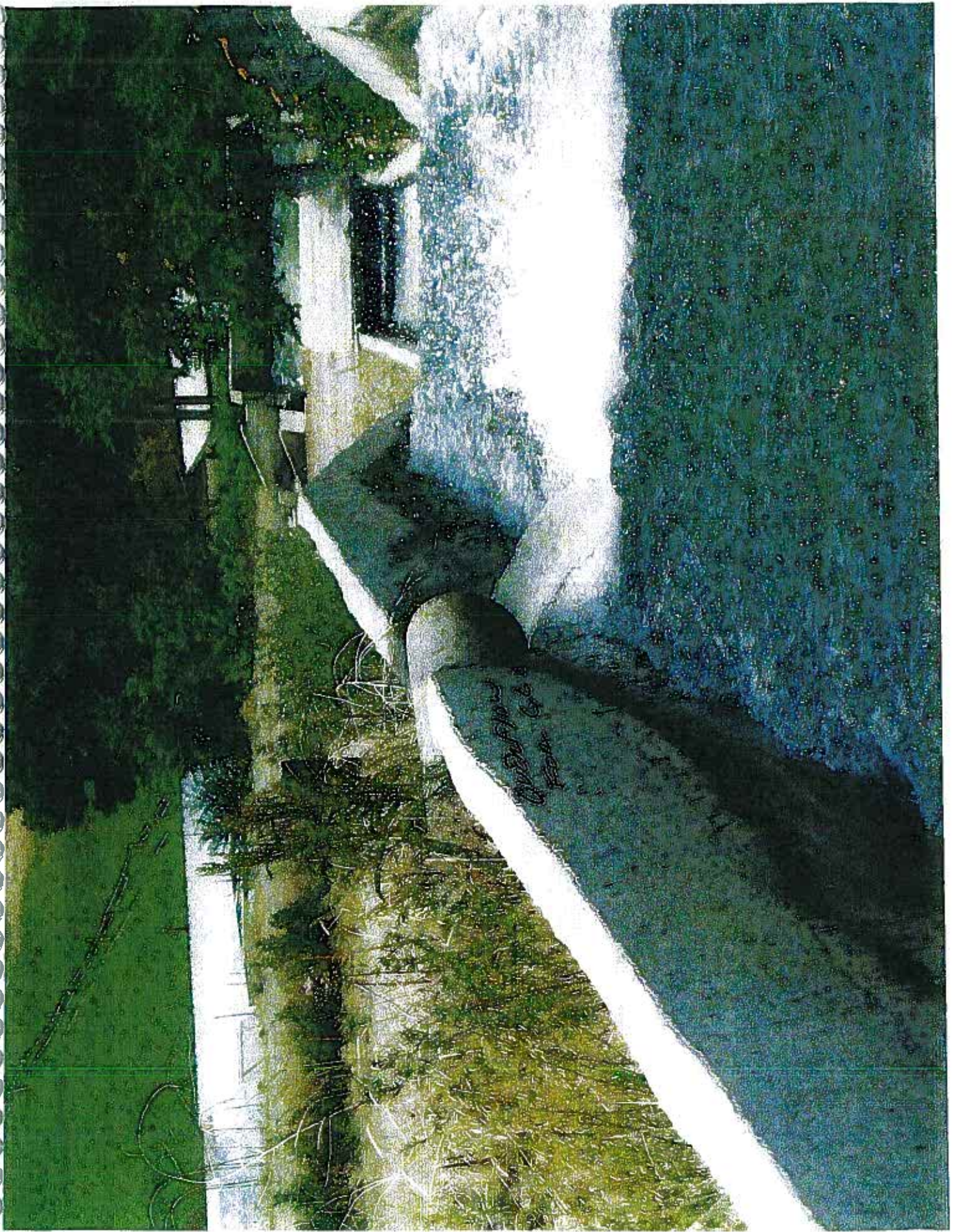




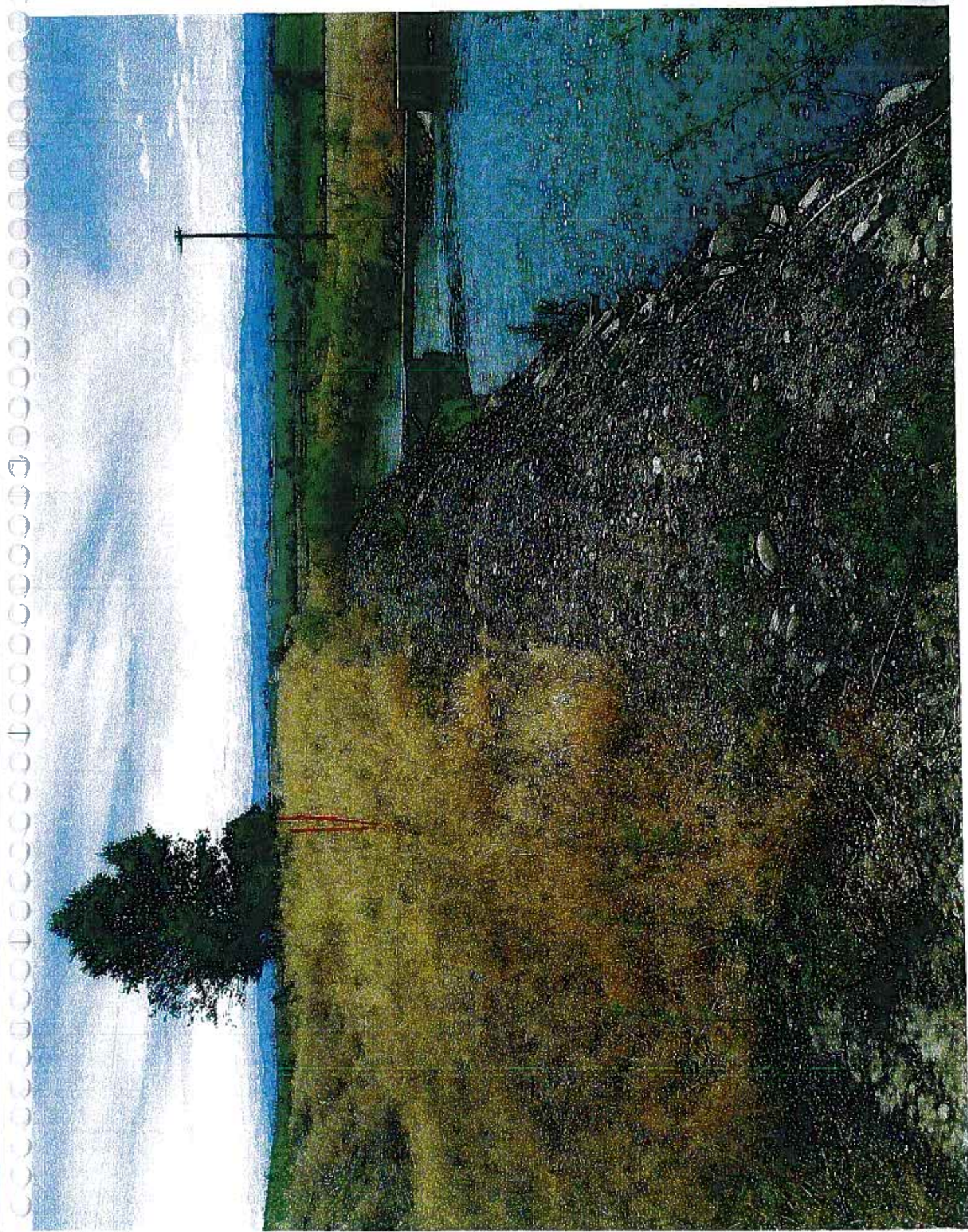




NEED TO Redo Box







ALBERT P. BARKER
JOHN A. ROSHOLT
JOHN K. SIMPSON
TRAVIS L. THOMPSON
SHELLEY M. DAVIS
PAUL L. ARRINGTON
SCOTT A. MAGNUSON
SARAH W. HIGER



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Boise, ID 83701-2139
(208) 336-0700 telephone
(208) 344-6034 facsimile
brs@idahowaters.com

113 Main Avenue West, Suite 303
Twin Falls, ID 83301-6167
(208) 733-0700 telephone
(208) 735-2444 facsimile
jar@idahowaters.com

RECEIVED

JAN 08 2010

WATER RESOURCES
WESTERN REGION

Albert P. Barker
apb@idahowaters.com

January 7, 2010

Idaho Department of Water Resources
2735 Airport Way
Boise, ID 83705-5082

Re: Application for Permit

Dear Clerk:

Enclosed for filing is an Application for Permit on behalf of the Boise Project Board of Control for the Arena Drop Lowhead Hydropower Project. Also enclosed is our check in the amount of \$2,210.00 for your filing fee.

Let me know if you have any questions in this regard.

Very truly yours,

BARKER ROSHOLT & SIMPSON LLP

Albert P. Barker

APB/se
Enclosures