

Wind Energy Solicitation

May 18, 2009

Summary

Idaho Power identified a need for wind-powered electric generation in the company's 2006 Integrated Resource Plan (IRP). Specifically, the 2006 IRP indicated that Idaho Power would acquire 150 MW of wind-powered generation in 2012. Idaho Power reaffirmed this resource need in the 2008 Integrated Resource Plan Update published in June 2008.

With the passage of the American Recovery and Reinvestment Act of 2009 (the economic stimulus package), Idaho Power believes it may be advantageous to accelerate the timing of this resource acquisition. As time is of the essence to take advantage of the economic stimulus package, Idaho Power is issuing this abbreviated solicitation to request offers from wind-powered generation resource developers (Respondents). As a result of the stimulus package and other events, Idaho Power has been offered an opportunity to acquire additional wind generation for its portfolio at competitive prices.

Idaho Power will not accept proposals from any IDACORP subsidiaries or affiliates. The summary details of this solicitation are as follows:

PRODUCT

A renewable, wind-powered generating resource, or resources, located inside, or in close proximity to, Idaho Power's service area providing first-call physically delivered electrical energy including all associated renewable energy credits (RECs) or "green tags".

QUANTITY

Idaho Power anticipates acquiring energy from up to approximately 150 MW of nameplate wind-powered generation by the end of 2012.

TERM

Deliveries for the energy and associated renewable energy credits can begin as soon as 2009 and must commence no later than year-end 2012. The preferred contract term is 20 years, however 15, 25, and 30 year terms may be considered.

OWNERSHIP

Idaho Power anticipates acquiring the energy through a power purchase agreement (PPA). Idaho Power may consider other arrangements including utility ownership or PPA with deferred ownership

Selection Criteria

All offers received by the response date will be evaluated in a non-discriminatory and consistent manner. Primary selection criteria include delivered energy price, capacity factor, persistence, and flexibility. Idaho Power will assess the various offers based on the delivered energy price

and the cost and ability to curtail the project's energy deliveries as necessary to accommodate transmission congestion or energy integration.

Idaho Power will give preference to wind projects that are permitted and ready to begin construction with demonstrated transmission access and capacity or significant progress in the transmission study process. Idaho Power is a summer peaking utility and will give preference to wind projects where generation coincides with Idaho Power's peak demand in June, July, and August, and has a high probability of being able to be delivered to Idaho Power's load center. Idaho Power will also give preference to Respondents who demonstrate successful wind project development experience.

If attractive prices are offered, it is Idaho Power's intent to finalize a definitive agreement as soon as possible with Respondent(s) that provide, in Idaho Power's sole judgment, the best combination of power supply characteristics and costs. Idaho Power recognizes it may be necessary for Respondents to refresh their bid price for final consideration. During the evaluation process Idaho Power will notify Respondents of due dates for refreshed bids.

Transmission Connections

Many transmission paths in the Northwest are constrained during various times of the year. The ideal situation for a project located outside of Idaho Power's Balancing Area is for the project to be designated as an Idaho Power network resource with firm transmission capacity available for delivering the project's output to the point of interconnection with Idaho Power's system and no transmission constraints between the point of interconnection and the Treasure Valley load center.

Projects within Idaho Power's Balancing Area will ideally be designated as an Idaho Power network resource with firm transmission capacity available for delivering the project's output to load without transmission constraints between the point of interconnection and the Treasure Valley load center.

Proposal Requirements

This is a competitive solicitation. Idaho Power encourages Respondents to present a brief summary of the proposed project including the following items:

- Initial price and escalation factor
- Initial delivery date
- Proposed contract term
- Point of delivery
- Known transmission constraints
- Scheduling considerations or proposed curtailment provisions
- Permitting status
- Meteorological analysis/wind data
- Wind project development experience

Response Date and Contact Information

Responses to this solicitation should be submitted electronically to wind2012@idahopower.com by 5:00 p.m. on June 12, 2009. Questions regarding this solicitation can be sent to the e-mail address above or directed to:

Tom Noll
Idaho Power Company
1221 West Idaho Street
Boise, Idaho 83702
(208) 388-2623

Mark Stokes
Idaho Power Company
1221 West Idaho Street
Boise, Idaho 83702
(208) 388-2483

Reservation of Rights

Idaho Power reserves the right, without qualification and in its sole discretion, to accept or reject any or all proposals for any reason without explanation to the respondent, or to make the award to that respondent, who, in the opinion of Idaho Power, will provide the most value to Idaho Power and its customers. Idaho Power reserves the right to reject any proposal, either in entirety or any portion thereof, for failure to meet any criteria set forth in this solicitation.

Idaho Power will consider both price and non-price attributes in the evaluation of proposals. Idaho Power reserves the right to make an award to other than the lowest price offer, or to the offer representing the best combination of price and non-price attributes, in Idaho Power's sole judgment, if Idaho Power determines that such an award results in the greatest value to Idaho Power and its customers.

Idaho Power makes no guarantee that a contract award will result from this solicitation. Idaho Power reserves the right to revise or terminate the solicitation process at any time. Idaho Power may decline to enter into an arrangement with any or all respondents, and Idaho Power may abandon the solicitation process in its entirety at any time.

Idaho Power reserves the right to participate in discussions and begin negotiations with any Respondent at any time during the solicitation process. Idaho Power may make an award of a contract without further discussion at any time in the solicitation process. Idaho Power may discontinue negotiations with a Respondent at any time.

Idaho Power reserves the right to revise the solicitation quantity. Idaho Power reserves the right to revise the capacity needs forecast at any point during the solicitation process including during negotiations, and any such change may reduce, eliminate, or increase the amount of power sought.

During all stages of the solicitation process, Idaho Power reserves the right to request additional information from individual Respondents or to request all Respondents to submit supplemental materials in fulfillment of the content requirements of this solicitation or to meet additional information needs. Idaho Power also reserves the unilateral right to waive any technical or format requirements contained in this solicitation. Idaho Power will review, and may utilize, any or all information submitted by a Respondent, even if the submitted information has not been specifically requested as a part of this solicitation.

Those who submit proposals do so without recourse against Idaho Power, IDACORP, Inc., or any of IDACORP, Inc.'s subsidiary companies for either rejection of their proposal or proposals or for failure to execute an agreement for any reason.

All offers shall be valid and binding upon the respondent through contract negotiations and contract execution.

Limitation of Liability

Idaho Power shall not be liable for any expenses Respondents incur in connection with providing a response to this solicitation, or for any costs, fees, or lost or foregone profits of unsuccessful proposals.

Confidentiality

Idaho Power will use reasonable efforts to protect any proprietary and confidential information contained in a proposal, provided that such information is clearly identified by the Respondent as "Proprietary and Confidential" on the page on which proprietary and confidential information appears. Such information may, however, be made available under applicable state or federal law to regulatory commissions and their staffs. Under no circumstance will Idaho Power, or its agents or contractors, be liable for any damages resulting from any disclosure.
