

## WP-07 BPA DATA RESPONSE

**Request No:** PP-BPA-008

**Date of Request:** December 9, 2005

**Request:** Witnesses: Hirsch, et al.  
Exhibit: WP-07-E-BPA-09, page 16, line(s) 6-7.

Please provide an update on the status of negotiations regarding the Fourmile Hill Geothermal project.

**Date of Response:** December 13, 2005

**Response:** BPA has a power purchase agreement with Calpine Siskiyou Geothermal Partners, L.P. for the purchase of output from the Fourmile Hill geothermal project. BPA arbitrated an issue over Calpine's failure to provide a geothermal steam reservoir report by December 31, 2003. Calpine claimed that court challenges by tribes and environmental groups were an uncontrollable force which negated the need for the company to provide the report or expend money at the sight. BPA did not believe that an uncontrollable force was in effect and that failing to provide the report gave rise to BPA's right to terminate the contract.

The arbitrator ruled that the tribal and environmental court actions were uncontrollable forces that preclude BPA's right to terminate for the duration of the appeals and that Calpine has at least another 55 months to deliver its report.

Bonneville is under no obligation to expend money to purchase output until the project is constructed and is commercially operating. For the purposes of this Initial Proposal, BPA assumed commercial operation of the Fourmile Hill geothermal project October 1, 2008. As information on the Fourmile Hill geothermal project is updated, those updates would be reflected in future studies.

cc: Hearing Clerk and Service List (via electronic mail)